



## **RULES FOR THE AUDITING AND FINANCE COMMITTEE**

### **GRUPO DE INVERSIONES SURAMERICANA S.A.**

#### **PREFACE**

the auditing committee is a body that supports the work carried out by the Board of Directors to define policies, design procedures, implement and supervise the entity's internal control. Therefore, it should provide support for making decisions about control and its improvement. This support takes the form of assessments of the processes that have to do with the company's and control environment, supervising the presentation of financial information, and evaluating the internal and external auditing processes.

The committee's main purpose is to support the Corporation's Board of Directors in the supervision of the financial statements and the performance of its internal control function.

The committee is also responsible for ensuring that the companies complying with the appropriate laws and regulations, that the businesses are properly managed, and effective controls are maintained with respect to conflicts of interest and possible fraud.

The auditing committee does not substitute the responsibility that the Board of Directors and management have for supervising and implementing internal controls. In this respect, the committee's responsibility is limited to providing support for the board in its decision-making.

These rules for the auditing committee are intended to support the internal controls procedures so that the company can continue to successfully carry out its corporate objective and to achieve its goals fully within the statutory and legal frameworks that control its activities.

**Article 1º. Composition:** the auditing committee shall consist of three (3) members of the Board of Directors, including all the independent members thereof; they shall be appointed by the board itself for a period of two years.

The members of the committee shall select among them a Chairman who must be an independent member.

The members of the auditing committee shall have a remuneration that is equivalent to the same fees they perceive as members of the board for each meeting attended.

The committee may hire independent specialists whenever it is deemed appropriate, following the company's general contracting policies.

**Article 2. Meetings:** the committee shall meet at least every three months, at the Corporation's main place of business or at the place indicated in the invitation.

The committee may be convened for extraordinary meetings by the Board of Directors or by any committee member.

The meeting shall be attended by the company's control over who will have a voice with no vote. The CEO of the Corporation and the controllership vice president shall also attend. The meeting shall be presided by the chairman of the committee and the Secretary-General of the Corporation shall be the Sec. for the auditing committee. Other corporate office may also be called as the committee sees fit, and those officers shall have a voice but no vote.

The meetings will be convened through a written communication addressed to each member via fax, e-mail, or any other appropriate.

Two of the members shall constitute a quorum for discussion. The decisions will be taken by simple majority. In the event of a tie, the issue shall be submitted to the Board of Directors for consideration.

**Article 3. Minutes:** the auditing committee's decisions shall be recorded in minutes that must meet the same formalities as the minutes for the Board of Directors and the Gen. assembly.

The documents received by the committee and used to support for his decisions, will be an integral part of the minutes and shall be considered as attachments thereto.

**Article 4. Functions:** the auditing committee will be in charge of creating a control culture in the company, applying the code of ethics, and evaluating accounting and financial issues, financial planning, contingency plans, the internal processes to identify and manage risks, ensure the compliance with the company's internal control system (ICS), and any other functions assigned to the committee by current regulations.

The committee will supervise compliance with the company's internal audit program, would perform on integral evaluation of its areas, and will ensure that the preparation, presentation and disclosure of financial information are done in accordance with the law.

In addition to the general functions described herein, the committee shall have the following specific functions:

-submit the structure, procedures and methodologies required for the operation of the internal control system (ICS) to the Board of Directors for approval.

-Submit to the Board of Directors any proposals that have to do with responsibilities, powers, and limits assigned to different positions and areas with respect to the management of the ICS, including risk management.

-Evaluate the Corporation's internal control structure to determine whether the procedures that have been design provide a reasonable protection for its assets and the assets of third parties under the Corporation's management or custody, and whether there are controls to verify that the transactions are being properly authorized and recorded.

-Reports of the Board of Directors any administrator who fails to provide the information required by control organisms to carry out their functions.

-Ensure that the preparation, presentation and disclosure of financial information follow the provisions of any applicable laws, and ensure that the necessary controls are in place.

-Analyze the financial statements and prepare the respective report to be presented to the Board of Directors for consideration, based on the evaluation, not only of the respective projects and their notes, but also the opinions, comments made by the control bodies, the results of the evaluations carried out by the competent committees, and any other documents related thereto.

-Proposed to the Board of Directors programs and controls to prevent, detect, and provide an adequate response to the risk of fraud and misconduct, and evaluate the effectiveness of such programs and controls.

-Supervise the functions and activities of the internal auditing, to determine their

independence and objectivity vis-à-vis the activities the audit; defined the existence of limitations that prevent its adequate performance, and verify whether the scope of their work meets the entity's control needs.

-Monitor the levels of risk exposure, its implications for the company, and any measures adopted to control or mitigate risk, at least every six months, or more often if appropriate, and submit to the Board of Directors a report about the most important aspects of the activities they have performed.

-Evaluate internal control reports, ascertaining that the Administration has heeded its suggestions and recommendations.

-Monitor compliance with the instructions of the Board of Directors with respect to the ICS.

-Request any reports the Committee deems convenient to carry out its activities.

-Analyze the operation of the information systems, their reliability and integrity for making decisions.

-Submit to the General Shareholders Assembly, through the Board of Directors, candidates for the position of Controller, without prejudice to the shareholders' right to nominate other candidates in the respective meeting. In this respect, the Committee's job will be to collect and analyze the information submitted by the candidates and submit the results of the study for consideration by the highest corporate body.

-Prepare the report that the Board of Directors must submit to the General Shareholders Assembly on the operation of the ICS. This report must include, among other aspects:

- i. The general policies defined to implement the Company's ICS.
- ii. The process used to review the effectiveness of the ICS, with a specific mention of the issues related to risk management.
- iii. The most significant activities carried out by the Auditing Committee.
- iv. Any material gaps, recommendations made and measures taken, including issues that might affect the financial statements and the management report.



v. Any comments made and any sanctions imposed by the monitoring organizations.

vi. Submit an evaluation of the work carried out by Internal Audit, including the scope of the work, the independence of the function and the resources assigned.

-Submit a special report to the Board of Directors and the Legal Representative when any situation having a significant impact is detected.

-Any others assigned by the Board of Directors or the law.