

**ANNUAL CORPORATE GOVERNANCE REPORT - 2021 FOR THE GENERAL  
ASSEMBLY OF SHAREHOLDERS**

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

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## INTRODUCTION

One of the strategic objectives of Grupo SURA and its subsidiaries is to promote a more harmonious level of corporate development, through an ethical, comprehensive and coherent business management; and also using our ability to rethink, anticipate and manage risk so as to be able to face the challenges posed in what is quite a competitive environment; all this is based on our corporate principles.

Responsible corporate management involving any positive impact requires an active and dynamic *Ethics and Corporate Governance System* that serves as an enabling tool for the Company's principles and strategy, while also promoting best practices and appropriate decision-making bodies so as to drive the sustainable management of the Business Group's companies.

In 2021, against the backdrop of the tender offers that were launched for stakes in the share capital of Grupo Nutresa S.A. and Grupo de Inversiones Suramericana S.A. (OPAs in Spanish), our corporate governance system came to the fore as we applied our rules to ensure the proper handling of potential conflicts of interest with regard to these specific cases. At the same time, and within the limitations of the "Passivity Rule"<sup>1</sup>, which restricts the ability of a Company subject to a tender offer to act and communicate, we provided the market with information that we considered important in connection with these tender offers.

In defense of the Company's interests and those of all our shareholders, requests were made to the Colombian Superintendency of Finance to ensure that said authority would guarantee that Company's shareholders and other stakeholders could have complete, truthful and timely information on the tender offers taking place, this in order to allow them to make informed decisions on their investments.

In this way, and in conjunction with the Company's other efforts in 2021, Grupo SURA confirmed yet again its commitment to upholding the principles, standards and governing bodies that make up its corporate governance function.

Consequently, Grupo SURA hereby presents to its shareholders and the public at large, its Annual Corporate Governance Report for 2021, which contains the main progress made and the challenges posed in this respect, as well as certain aspects relating to the structure and functioning of the Organization's Ethics and Corporate Governance System.

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<sup>1</sup>(Decree 2555 of 2010)

## I. HIGHLIGHTS AND CHALLENGES

- **Disclosure of potential conflicts of interest on the part of certain members of the Board of Directors** When a member of the Board of Directors is faced with a situation in which he/she considers that he/she may potentially have conflicting interests, in such a way that it would not be possible to satisfy both interests simultaneously, and therefore, faced with the risk of a conflict or potential conflict of interest, he/she must disclose it to the rest of the Board and to Senior Management so that such situation is managed in accordance with the provisions of the Company's Corporate Governance as well as applicable legislation.

As a result of the tender offer launched for Grupo Nutresa shares, the Directors Carlos Ignacio Gallego, Jorge Mario Velásquez and Alejandro Piedrahita, in compliance with current legislation and our own internal Corporate Governance rules and regulations, informed the Board of Directors of the existence of situations that could potentially constitute conflicts of interest for deliberating and deciding on whether to accept or reject the aforementioned tender offer.

Furthermore, these directors requested that an Extraordinary Shareholders' Meeting be called, which was later held on December 9, 2021, at which the shareholders evaluated and decided on the possibility of whether to authorize, or not, the possibly conflicted directors to vote at the meetings of the Board of Directors at which decisions would be made on the tender offer for Grupo Nutresa shares.

With respect to the tender offer for Grupo SURA shares, the directors Carlos Ignacio Gallego, Jorge Mario Velásquez and Alejandro Piedrahita abstained from participating in the deliberations of the Board of Directors on this matter; therefore, this issue was exclusively addressed by the independent members of the aforementioned governing body.

It is worthwhile clarifying that, in the case of the second tender offer launched for Grupo SURA shares, the independent Board members deliberated and analyzed the information available at that time, but in this case their scope of action was constrained by the Colombian Stock Exchange's aforementioned Passivity Rule.

- **Extraordinary Shareholders' Meeting held on December 9, 2021** In addressing the stated conflicts of interest and upon applying the Company's Corporate Governance Rules and Regulations, as well as that provided by Law 222 of 1995 and Decree 1925 of 2009, the General Assembly of Shareholders was called to an Extraordinary Meeting in order to consider whether or not to authorize the potentially conflicted members to participate in examining this tender offer for Grupo Nutresa shares as well as the decision to accept or not such offer, as described above.

Grupo SURA's General Assembly of Shareholders decided, in the case of directors Carlos Ignacio Gallego, Jorge Mario Velásquez and Alejandro Piedrahíta, not to authorize them to participate in deliberating and deciding on the tender offer for Grupo Nutresa. It is important to note that the Shareholders' determination was consistent with the statements made and intentions previously raised by these Board members, who expressly requested not to take part in any deliberation or decision with regard to the Tender Offer for Nutresa

Furthermore, Mr. Sergio Michelsen intervened in this Extraordinary Meeting in order to respond to various concerns raised in certain media relating to his independent status, for the specific purpose of analyzing the tender offer for Grupo Nutresa shares clarifying that as part of an individual analysis carried out in his specific case, it was concluded that there was no conflict of interest, and this was subsequently substantiated by the Board of Directors.

In any case, in view of the fact that both Senior Management and the Board of Directors of Grupo SURA exercised the utmost diligence at all times, Mr. Ramiro Bejarano was asked for his opinion on the issues raised by Mr. Michelsen. Mr. Bejarano is a legal advisor with full independence from Mr. Michelsen and the Board, who was called in to evaluate potential conflicts of interest. Mr. Bejarano, after completing his independent analysis, concluded that there was no conflict of interest preventing Mr. Michelsen from deliberating and deciding at a meeting of the Grupo SURA's Board of Directors on the tender offer launched for Grupo Nutresa shares. Mr. Bejarano's gave his opinion himself at the aforementioned Extraordinary Shareholders' Meeting.

After the considerations expressed by Messrs. Michelsen and . Bejarano, in response to a request on the part of a shareholder to add a new item to the Meeting's agenda so that the Shareholders could pronounce on any potential conflict of interest on the part of Mr. Michelsen, the Shareholders agreed to add said item to the agenda, and subsequently authorized this Director to deliberate and decide, in his capacity as an independent member of Grupo SURA's Board of Directors regarding the tender offer for Nutresa shares.

Information regarding the sources of potential conflicts of interest, as well as all the information required for this Extraordinary Shareholders' Meeting, was made available to the shareholders at the Grupo SURA's Company Secretary's Office with due advance notice as provided by applicable legislation. Likewise, other additional information was published on the Company's website.

- **Analysis of the tender offers on the part of the independent members of the Board of Directors** In order to strengthen our corporate governance function, Grupo SURA's Board of Directors has been composed of a majority of independent members since

2013 thereby exceeding the 25% of independent members required by current legislation. Our independent directors have always played an important role in the deliberations and decisions of this governing body as well as in the Company's own management.

As for the aforementioned tender offers, it was the independent members who evaluated and decided, among other matters, on whether to accept the tender offer for Grupo Nutresa shares. Likewise, pursuant to the Passivity Rule, governing companies targeted by tender offers, as established by Decree 2555 of 2010, they studied and discussed issues relating to Grupo SURA's activities as constrained by this tender offer presented by JGDB S.A.S.

In their deliberations and decisions, the directors acted loyally and in good faith, were adequately informed, and received the support of experts in different matters, while acting with due diligence and care in looking after the interests of both the Company and its shareholders. Likewise, they ensured compliance with applicable legislation, the Company's Articles of Incorporation, its Code of Good Governance and other internal rules and regulations; and took into account the considerations raised by Grupo SURA's stakeholders, acting in the best interests of the Company and its associates.

Specifically for the purpose of analyzing the tender offer for Grupo Nutresa shares, the Board of Directors, composed exclusively of its independent members, received the financial advisory services from Bank of America Securities (BOFA) together with those from multiple outside consultants especially with regard to legal and communication matters. In analyzing the corresponding environmental, social and governance (ESG) issues, a joint team was set up composed of Company staff, expert in these matters, as well as personnel from the firm, FTI Consulting. The decision taken by this governing body was enhanced by an objective, impartial perspective in compliance with the duty of loyalty that is incumbent upon it.

Finally, with regard to the tender offer for Grupo SURA shares, the Board of Directors, also made up exclusively of independent members, evaluated the public information made available at that time, requested Senior Management to take legal steps before the different authorities, such as the Colombian Superintendency of Finance, the Colombian Superintendency of Industry and Commerce, the Colombian Superintendency of Health and the Colombian Stock Exchange, amongst other entities, in striving to ensure that the tender offer for Grupo SURA shares complied with all applicable legal standards and due process which said authorities must guarantee, and requesting them to guarantee that the Colombian stock market, as well as all Grupo SURA shareholders, would have timely, complete, clear and sufficient information, so that they may make an informed decision in this respect.

- **Disclosing Financial and Non-Financial Information** In the midst of the tender offers that took place during the latter part of 2021 and early 2022, it became even more important for shareholders and other stakeholders to have sufficient information at their disposal in order to make informed decisions regarding their investments.

Therefore, since it became aware of the existence of the requests for authorization of these tender offers through the media and the information published by the Colombian Superintendency of Finance for the market, Grupo SURA requested this authority to ensure that the offeror provided all relevant information in the offering memoranda and notices so that shareholders and the market in general would have truthful, clear, sufficient and timely information that should be taken into account by a prudent and diligent expert when buying, selling or holding these securities. Likewise, Grupo SURA disclosed to the market, through the Relevant Information mechanism hosted by the Colombian Superintendency of Finance, all those situations of which it became aware and which it considered should be taken into account by shareholders when deciding on this tender offer. Likewise, the relevant information disclosed through the Colombian Superintendency of Finance was also published on the Grupo SURA website.

In the midst of the aforementioned tender offers, the media frequently published certain inaccurate, incorrect and, in some cases, false and malicious information, regarding which Grupo SURA, in compliance with its duties as an issuer of securities, proceeded to clarify its veracity, while always abiding by the rules and regulations in force regarding Relevant Information disclosures.

- **Applying The Passivity Rule To Grupo Sura As The Target Company Of A Tender Offer** Decree 2555 of 2010 establishes a series of restrictive rules known as the "Passivity Rule" that limits the ability of the target company to act and communicate while a tender offer is being staged. Acting within the limitations of this regulation, and in line with the aforementioned, Grupo SURA provided the stock market with the information that the Company considered important to disclose during the course of the tender offer for Grupo SURA shares, using the channels provided by the rules and regulations applicable to issuers of securities, such as the Relevant Information mechanism hosted by the Colombian Superintendency of Finance and other institutional channels provided for this purpose.
- **Country Code:** In January 2020 Grupo SURA completed the Best Corporate Practices Survey corresponding to the year 2020, this as part of Colombia's ongoing Country Code (Código País) initiative. Here, we were able to report having adopted 144 of a total of 148 recommendations as issued by the Colombian Superintendency of Finance. The aforementioned report has been made available on the Company's website <https://bit.ly/2LIQPG8>.

- **Board of Directors' Work Plan** In 2021, the Directors actively participated at the meetings held in 2021. The following are some of the issues identified in the Board's work plan for the year:
  - Managing regulatory trends
  - The strategy guiding Grupo SURA and its subsidiaries
  - Regulating share buybacks
  - Approaching portfolio value and Paths to Profitability (P2Ps).
  - The Company's harmonious development.
  - Risk Framework Policy for the Conglomerate
  - SOX Training
  - Strategic Communications Analysis
  - Analysis of the Investor as a Client
  - Internal risk modeling of the financial conglomerate
  - Risk management training.
- **Progress made with updating our internal rules and regulations** Grupo SURA continued to review its internal rules and regulations governing its Ethics and Corporate Governance function, this in order to incorporate all those best practices that we are seeing in this area. Among other internal rules and regulations, the Framework Policy for Institutional Relationships between Grupo SURA and its financial subsidiaries, the Code of Good Governance, the Rules and Regulations governing the Board of Directors and the Rules and Regulations governing Board Support Committees, the Rules and Regulations governing the General Assembly of Shareholders and the Ethics and Compliance Compendium were reviewed during 2021. Some of these were amended while others are still at a work plan stage for subsequent modification in the first half of 2022.
- **Continued Implementation of the Rules and Regulations Applying to Financial Conglomerates.** In 2021, Grupo SURA continued to implement and adapt its policies to meet its obligations as the holding company of the SURA-Bancolombia Financial Conglomerate.

The main activities carried out have to do with making direct and indirect capital investments in financial and insurance entities, as well as those listed on local and international securities market, which these companies need, either for maintaining their lines of business sufficiently capitalized or for leveraging the growth of these same; updating the Financial Conglomerate' map of related parties; granting the Board's approval to Grupo SURA's Risk Management Framework Policy as well as its Risk Appetite Framework. Likewise, the Board of Directors' Risk Management Committee approved the first risk appetite limit as part of Grupo SURA's risk appetite framework and carried out the activities listed in the Master Plan that was filed before the Colombian Superintendency of Finance at the end of 2020, having achieved significant progress in this endeavor and in turn providing the Company with a functional data aggregation and reporting model to date.



Finally, in 2021 Grupo SURA satisfactorily reported to the Colombian Superintendency of Finance the SURA - Bancolombia Financial Conglomerate's solvency calculations, which have always exceeded the minimum capital requirements established by applicable legislation for each reporting period.

- **Participation in the College of Supervisors** Grupo SURA and the Companies belonging to the SURA-Bancolombia Financial Conglomerate participated in the College of Supervisors event. This was organized and led by the Colombian Superintendency of Finance who expressly invited Supervisors of the Conglomerate's different lines of business from different countries throughout the region where it is present through their related companies. The purpose of this was for supervisors throughout the region to better understand the strategy, Corporate Governance and business plans of the Companies that make up the SURA - BANCOLOMBIA financial conglomerate.
- **Study And Evaluation Of Best Corporate Governance Practices** Grupo SURA's performance was evaluated by different global standards and indexes on topics such as board structure and functioning, senior management remuneration, company ownership and disclosure of information. The results and the gaps identified allowed us to determine that the standards we have in place are good and, in any case, we continue to draw up plans to continue implementing practices aimed at further evolving in these areas while improving the achievements attained.
- **Awareness And Training For The Ethics And Corporate Governance Function** Various activities were carried out to raise awareness and provide training with regard to our Ethics and Corporate Governance function. These included training and discussions on ethics and corporate principles; as well as talks with different personalities on topics such as ESG Perspectives in Latin America and the Role of Boards of Directors in Sustainability. It is also worthwhile noting the information campaign carried out after the Ethics Hot Line was outsourced to the service provider, Ethics Global.

#### **Recognition in the field of Corporate Governance:**

- ✓ **Dow Jones Sustainability Index** For the Dow Jones Sustainability Global Index for 2021, a total of 322 companies were selected from more than 10,000 invitees, and for the eleventh consecutive year, Grupo SURA was included in the global index of sustainable companies, obtaining a score of 78/100 points, occupying fifth position among the 14 companies included from the Diversified Financial Services and Capital Markets sector that form part of this metric worldwide.

With regard to the evaluation of our economic dimension, it is well worth noting the score obtained with our Corporate Governance issues, obtaining 74 points, four more than for 2020; specifically for the effectiveness of the Board of Directors (99%), the



effectiveness in ownership management and aligning the Chief Executive Officer's remuneration with long-term returns.

- ✓ **IR Award** Grupo SURA also received the Investor Relations Award from the Colombian Stock Exchange, for its reporting and investor relations practices, this for the ninth year running,
- ✓ **Merco Empresas.** The Merco Empresas Corporate Reputation Monitor evaluates the reputation of companies in Colombia and throughout the region, this based on the perceptions and assessments obtained from different sources of information and combining these with the reality of reputational merits. Here, Sura was ranked in fourth place among the companies with the best reputations in the country
- ✓ **ALAS20** Grupo SURA was recognized by the Sustainable Leaders Agenda, ALAS20, for its good reporting practices in terms of sustainable development, corporate governance and responsible investing. In this year's ranking, evaluated by Vigeo Eiris, a subsidiary of the ratings agency Moody's, the Company was placed in seventh position in the following categories: Leading Company in Sustainability, Leading Company in Corporate Governance and Leading Company in Investor Relations, all of these in the Colombia chapter.

This year, Grupo SURA shall continue to make headway with its Corporate Governance function through initiatives aimed at strengthening transparency and trust amongst its different stakeholder groups as well as encouraging best business practices among the companies belonging to the Business Group. These initiatives include:

- ✓ A new version of our on-line Ethics and Corporate Governance training program for all SURA employees throughout the region.
- ✓ A review of the Company's Articles of Association, its Code of Good Governance and other internal rules and regulations with regard to aligning our Articles of Association and other internal rules and policies, the purpose of which is to adopt best Corporate Governance practices and standards.
- ✓ Awareness-raising and training events on Ethics and Corporate Governance, focused mainly on the Organization's employees, suppliers and managers.
- ✓ Continuing to review our internal rules and regulations with regard to our Ethics and Corporate Governance function, this in order to incorporate all those best practices that we are seeing in this area.
- ✓ The continued implementation of the rules and regulations governing Colombian Financial Conglomerates, so as to ensure full compliance with all those legal obligations that fall to Grupo SURA as the Holding Company of the SURA - BANCOLOMBIA Financial Conglomerate.

## II. THE COMPANY'S OWNERSHIP STRUCTURE

### 1. Share Capital and Ownership Structure

- Authorized capital: COP 112,500,000,000 divided up into 600,000,000 shares
- Subscribed capital: COP 109,120,790,250 divided up into 581,977,548 shares
- Paid-in capital: COP 109,120,790,250 divided up into 581,977,548 shares
  
- Ordinary shares: 466,720,702
- Preferred shares: 112,508,173
- GRUPO SURA'S SHAREHOLDERS. 2,748,673

## 2. Holders Of Significant Stakes In The Company's Share Capital. Year-end 2021\*

SHAREHOLDER	TOTAL	% STAKE
GRUPO ARGOS S.A.	130,012,643	22.45%
GRUPO NUTRESA S.A.	61,021,436	10.53%
FDO DE PENSIONES OBLIGATORIAS PROTECCION MODERADO	42,863,170	7.40%
FONDO DE PENSIONES OBLIGATORIAS PORVENIR MODERADO	40,553,736	7.00%
CEMENTOS ARGOS S.A.	28,394,940	4.90%
FONDO BURSATIL ISHARES COLCAP	23,737,424	4.10%
FONDO DE PENSIONES OBLIGATORIAS COLFONDOS MODERADO	14,878,971	2.57%
FONDO DE PENSIONES OBLIGATOR. PORVENIR MAYOR RIESGO	12,221,403	2.11%
FUNDACION GRUPO ARGOS	10,685,767	1.84%
FONDO DE PENSIONES OBLIGATORIAS PROTECCION MAYOR R	10,001,439	1.73%
COLOMBIANA DE COMERCIO SA CORBETA Y/O ALKOSTO SA	10,000,000	1.73%
SKANDIA FONDO DE PENSIONES OBLIGATORIAS-MODERADO	6,782,933	1.17%
FONDO BURSATIL HORIZONS COLOMBIA SELECT DE S&P	6,041,391	1.04%
ACCIONISTAS MINORITARIOS	182,033,622	31.43%
<b>TOTAL</b>	<b>579,228,875</b>	<b>100.00%</b>

\*Calculations correspond to the percentage stakes held after the amount of shares that were repurchased, and do not include the results of the tender offers for Grupo SURA shares, since these ended in 2022. The shareholder structure shall be updated at the next half-yearly closing to reflect said changes, this as required by applicable legislation.

## 3. Significant family, commercial, contractual or corporate relations amongst significant shareholders or between significant shareholders and the Company

Grupo SURA and its subsidiaries maintain business relations with certain significant shareholders, such as Grupo Nutresa, Grupo Argos and Cementos Argos. All transactions with the aforementioned Companies are carried out on an arm's length basis and according to objective procurement criteria.

## 4. Trades conducted by members of the Board of Directors, Senior Management and other executives with regard to stocks and other securities issued by the Company.

In 2021, no trades were carried out by Grupo SURA's Senior Management with shares and other securities issued by the Company.

## 5. Shareholder Agreements

In 2021, the Board of Directors and Senior Management were not made aware of any agreements that had been made among Grupo SURA's shareholders.

## **6. The Company's own shares held in its possession.**

In 2020, the General Assembly of Shareholders granted due authorization for repurchasing the Company's own shares up to a total of three hundred billion pesos (COP 300,000,000,000) during a maximum period of three years, beginning on March 27th, 2020. Furthermore, the General Assembly of Shareholders authorized delegating to the Board of Directors, the task of defining the terms and conditions under which these stock buy backs would be carried out, in accordance with currently applicable legislation in Colombia.

In 2021 and in accordance with the rules and regulations issued by the Company's Board of Directors governing these buy-backs, 2,316,558 ordinary shares and 432,115 preferred shares were repurchased for a total value of COP 55,151,535,977 (including commissions and VAT).

A report of the weekly repurchases carried out by the Company has been disclosed by the Colombian Stock Exchange (BVC) through its daily bulletin on Tuesdays of each week.

The aforementioned operations have been carried out (i) with the assistance of a commission made up of two independent members of the Board of Directors, who have been expressly appointed for this purpose; (ii) these operations have been using the Colombian Stock Exchange's own trading systems in compliance with this authority's Rules and Regulations as well as its Circular; (iii) the demand for ordinary and preferred shares have corresponded to the same proportion that these two types of shares have in the Company's share capital; and (iv) equal treatment for all shareholders and market transparency have been guaranteed at all times.

## **III. GENERAL ASSEMBLY OF SHAREHOLDERS**

### **1 Guarantees and rights of the General Assembly of Shareholders as established in the Company's internal rules and regulations these exceeding the minimum requirements established in current legislation.**

In 2021, Grupo SURA upheld the guarantees and rights of its shareholders as provided by law, its Articles of Association, its Code of Good Governance, the Rules and Regulations governing the General Assembly of Shareholders as well as other internal Corporate Governance regulations, as approved by the Company. Such rights correspond to aspects such as:

- ✓ The exclusive and non-delegable powers granted to the General Assembly of Shareholders
- ✓ Shareholder rights to conduct specialized audits
- ✓ Notices for ordinary Shareholders' Meetings to be given no less than 30 calendar days beforehand with those corresponding to all the other meetings no less than 15 calendar days.

- ✓ Publishing the Agenda as part of the corresponding Notice calling for both ordinary and extraordinary meetings.
- ✓ Publishing information regarding the proper exercising of shareholder inspection rights to prior to holding the corresponding shareholder meetings. To the extent that the information is not confidential or subject to any type of secrecy arrangement, this is to be published on the Company's website.
- ✓ Complete and timely publication of the proposals to be voted on so that shareholders may be informed of these sufficiently in advance and exercise their right to vote in an informed manner.
- ✓ Participate in the quarterly events held by the Company to inform its shareholders and the general public on the progress of the Business Group's business.
- ✓ Receive legally requested and non-privileged information in a clear and timely manner, regardless of their status as a controlling or minority shareholder.

The Company's internal rules and regulations governing shareholder rights can be found on Grupo SURA's website <https://www.gruposura.com/centro-de-recursos/>

## **2. Measures adopted to encourage greater participation at shareholder meetings**

In 2021 Grupo SURA ensured that its shareholders were able to access timely, accurate and sufficient information on its corporate website before, during and after meetings of the General Assembly of Shareholders.

The Annual Ordinary Meeting of the General Assembly of Shareholders was called more than 30 calendar days in advance, and the Extraordinary Meeting 15 calendar days in advance; with the corresponding Notices containing the Agendas set for said meetings.

The Annual Meeting of the General Assembly of Shareholders was called for more than 30 calendar days in advance, providing special measures that had to be adapted for holding said meeting remotely, given the context in which the meeting was held, that is to say, in the midst of a country-wide health crisis, due to the Covid-19 pandemic. Consequently, Grupo SURA provided a list of suggested proxies to the shareholders in order to ensure that they could all be duly represented, given the impossibility of attending the meeting in person due to the health restrictions in force at that time. All of the above was carried out with the prior approval of the Colombian Superintendency of Finance, the authority that controls Grupo SURA in its capacity as issuer, while providing oversight over its role as the Holding Company of the SURA - BANCOLOMBIA Financial Conglomerate.

At the end of 2021, as described in the initial part of this Report, an extraordinary meeting of the Company's General Assembly of Shareholders was called in view of the fact that certain members of the Board of Directors declared the existence of situations that could potentially give rise to conflicts of interest with regard to deliberating and deciding on whether or not to accept the tender offer for Grupo Nutresa shares, this in accordance with the provisions of Article 23 of Law 222 of 1995 and Decree 1925 of 2009.

On the other hand, Quarterly Earnings Webcast Conferences were also streamed over the Internet for shareholders, market analysts and the general public, whereby the Company presented its quarterly earnings reports and addressed suggestions and concerns.

The Company also guaranteed equal treatment to all its shareholders, by allowing and encouraging them to exercise their rights, including among others: the possibility of consulting and freely contacting the Company Secretary's Office; participating in the quarterly earnings conference calls and accessing the information published by the Company with this same frequency, as relates to the Organization's performance and the progress made by its different lines of business; and being clearly and opportunely informed of all material information concerning the Company through the Company's web page and the Relevant Information mechanism laid on by the Colombian Superintendency of Finance for such purposes.

### **3. Grupo SURA'S Formal Communication Channels For Interacting With Its Shareholders**

Grupo SURA has its own Investor and Capital Markets Department, a Company Secretary's Office and the Fiduciaria Bancolombia Shareholder Office who are on hand to address any requests and concerns about the Company, its shares, dividend payment dates, certificates to be issued, among other matters.

These areas can be contacted by telephone or electronically, as well as in person at the Company's registered headquarters at the following address: Carrera 43A #5A - 113, Medellín, Colombia.

Likewise, the contact information for Fiduciaria Bancolombia's Shareholder Office is as follows: Address; Carrera 48 # 26 – 85, Torre sur, sucursal Puerta del Río, Sede Principal Bancolombia, Medellín Colombia; the Shareholder Help Line is (+57604) 4447231 in Medellín and for the rest of the country 018000954242; email [caa@Bancolombia.com.co](mailto:caa@Bancolombia.com.co).

A calendar of events relating to the General Assembly of Shareholders, the dividend payment period, the reporting of results to the regulatory authorities, documents used for activities or meetings at which quarterly earnings reports are presented to the market, among others, have been made available at <https://www.gruposura.com/relacion-con-inversionistas/>.

### **4. Number Of Shareholder Requests For Information And Other Inquiries**

Grupo SURA attended all shareholder requests as shown below:

REQUEST	QUANTITY
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VISITS TO SHAREHOLDER OFFICE	0
TELEPHONE CALLS	148
<b>TOTAL SHAREHOLDERS ATTENDED</b>	<b>148</b>

<b>TYPE OF REQUEST</b>	<b>QUANTITY</b>
TAX CERTIFICATES	347
PAST SHARE CERTIFICATES	11
DEPOSIT RECEIPTS	4
SHARE TRANSFERS OUTSIDE THE STOCK MARKET	7
CANCELLATIONS OF SHARE PLEDGE ARRANGEMENTS	4
GENERAL-PURPOSE CERTIFICATES	9.
CERTIFICATE OF INCOME	2
CHANGE OF DEPOSITOR	16
BLOCKING OR UNBLOCKING	2
RIGHTS OF PETITION	1
CANCELLATIONS OF SHARE PLEDGE ARRANGEMENTS	1
DIVIDEND PAYMENT INFORMATION	7
<b>TOTAL REQUESTS RECEIVED IN 2021</b>	<b>411</b>

### **5. Attendance Data and Main Decisions Made At The Annual Meeting Of General Assembly Of Shareholders Held In 2021**

The Annual Ordinary Meeting of the General Assembly of Shareholders held on March 26, 2021, obtained a quorum of 85.64%, which means that, out of a total of 469,037,260 ordinary shares in circulation, 401,681,974 of these shares were represented. This was in spite of the special conditions in which the meeting was held, namely the public health crisis declared throughout the country due to the Covid-19 pandemic. Nevertheless, the Company encouraged shareholder participation at this meeting by laying on different measures, as described in this report.

The main decisions made are as follows:

- ✓ Approval for the Management Report from the Board of Directors and Chief Executive Officer.



- ✓ Approval for both the Separate and Consolidated Financial Statements on December 31, 2020.
- ✓ Approval for the proposed distribution of dividends, the setting up of the Company's reserves and the funds to be allocated for social outreach programs.
- ✓ Approval for the fees to be paid to the members of the Board of Directors and the Statutory Auditor for the period beginning in April 2021 and ending in March 2022.

On the other hand, the Extraordinary Meeting of the General Assembly of Shareholders held on December 09, 2021, obtained a quorum of 85.4%, which means that, out of a total of 466,720,702 ordinary shares outstanding, 398,766,672 of these shares were represented.

The proposals voted on by the General Assembly of Shareholders along with the most important decisions made at their meetings were simultaneously published in the form of Relevant Information through the dedicated channel laid on by the Colombian Superintendency of Finance as well as on the Company's own web site.

## **IV. BOARD OF DIRECTORS - STRUCTURE AND PERFORMANCE**

### **1. The Board Of Directors, Its Board Committees And Corresponding Members**

The members of the Company's Board of Directors were appointed by the General Assembly of Shareholders at their Annual Meeting held on March 27, 2020, for a period of two (2) years (2020 to 2022). There are a total of seven (7) principal members, four (4) of whom enjoy an independent status, these representing 57% of the entire Board.

Both the Chairman and the Vice Chairman of the Board of Directors enjoy an independent status, as do the Chairpersons of the Board's four Support Committees.

The following table shows the profiles of the members of the Board as well as other aspects relating to their performance in 2021:

<b>JAIME BERMÚDEZ MERIZALDE</b>	
<b><i>Chairman of the Board of Directors - Independent Member</i></b>	
Mr. Bermúdez holds a law degree from the Universidad de los Andes and a Ph.D. in Political Science majoring in Public Opinion from Oxford University (Great Britain). Among other responsibilities throughout his career, the following stand out: He also served as a Communications Consultant to the President of Colombia between 2002 and 2006, whereupon he was appointed the Colombian Ambassador to Argentina between 2006 and 2008. He later served as Chancellor of Colombia between 2008 – 2010. He is currently the Chief Executive Officer of Banca de Inversión MBA - Lazard in Colombia.	
<b>Date of First Appointment:</b>	Tuesday March 29, 2011
<b>Age:</b>	55 years
<b>Board Meeting Attendance:</b>	100%
<b>Board Committee Meeting Attendance and Remuneration:</b>	
<b>i) Audit and Finance Committee:</b>	100%
<b>(ii) Risk Management Committee:</b>	100%
<b>iii) Appointment and Remuneration Committee:</b>	100%
<b>Total Fees Earned in 2021:</b> (As a Member of the Board of Directors and Support Committees):	\$ 252,600,000
<b>Stock held in Grupo SURA:</b>	N/A

<b>SERGIO MICHELSEN JARAMILLO</b>	
<b><i>Vice-Chairman of the Board of Directors - Independent Member</i></b>	
Holding a degree in Law from the Universidad de los Andes, Mr. Michelsen obtained his Master's Degree in Commercial Law from the University of Paris and pursued studies in the American Legal System and Comparative Law at the University of Texas. He has also attended various complementary courses at the Universidad de Los Andes, the Euromoney Institute in New York and Harvard University. He is currently a partner of the law firm, Brigard & Urrutia Abogados, and is in charge of Mergers and Acquisitions, Wealth Management and TMT. Prior to this, he was a member of Hughes Hubbard & Reed LLP, serving as a Visiting Partner for the firm's Miami office, He also worked for different companies in Colombia belonging to the multinational company, Shell and served as Secretary to the Bogotá Stock Exchange, foreign associate of the firm, Baker & Botts, an associate of Cavellier Abogados and an officer of the Colombian Superintendency for Foreign Exchange Controls.	
<b>Date of First Appointment:</b>	Thursday March 26, 2015
<b>Age:</b>	62 años

<b>Board Meeting Attendance:</b>	100%
<b>Board Committee Meeting Attendance and Remuneration:</b>	
<b>i) Sustainability and Corporate Governance Committee:</b>	100%
<b>(ii) Risk Management Committee:</b>	100%
<b>Total Fees Earned in 2021:</b> (As a Member of the Board of Directors and Support Committees):	
	\$ 196,800,000
<b>Stock held in Grupo SURA:</b>	N/A

<b>LINA MARÍA ECHEVERRI PÉREZ</b>	
<i>Independent member</i>	
<p>Having earned a degree in Electronic Engineering from the Universidad Pontificia Bolivariana, Ms. Echeverri went on to obtain a Master's as well as a Ph.D. degree in Economics from the University of Georgia, USA.</p> <p>She has served as Chief Public Affairs and Communications Officer at Carbones del Cerrejón; Director of Public Affairs for Latin America, Chief Institutional Relations and Chief Regulatory Affairs Officer at Telefónica S.A.; Strategy Manager at Teledatos S.A., General Manager of EPM Television; Chief Regional Officer at Corporación Financiera del Valle and Assistant Manager at Prospección S.A. She has also amassed over 30 years' of holistic professional experience and active participation on the Executive Committees in the financial and telecommunications, outsourcing and mining sectors,</p>	
<b>Date of First Appointment:</b>	Friday March 27, 2020
<b>Age:</b>	59 years
<b>Board Meeting Attendance:</b>	100%
<b>Board Committee Meeting Attendance and Remuneration:</b>	
<b>Audit and Finance Board Committee:</b>	100%
<b>Total Fees Received in 2021:</b> (As a Member of the Board of Directors and Support Committees):	
	\$ 195,800,000
<b>Stock held in Grupo SURA:</b>	1.910 ordinary shares 481 preferred shares

<b>MARÍA CAROLINA URIBE ARANGO</b>	
<i>Independent member</i>	

Holding a degree in law from the Universidad Pontificia Bolivariana and a Specialization in Business Law from the Universidad Externado de Colombia, she has also pursued studies in International Trade and Geopolitics at Georgetown University, United States.

She served as Head of the Contracting Area and Legal Analyst of Gran Cadena de Almacenes Colombianos (CADENALCO). She later became Assistant to the CEO, serving also as Head of the Contracting Department of the retail chain, Grupo Éxito, and later as Company Secretary and Chief Corporate Legal Affairs Officer of this same company. She is a founding partner of the law firm Uribe Henao Abogados, where she leads the commercial, corporate, compliance and real estate law practices. She is also a member of the Boards of Trustees of various Non-Profit Organizations in the health, education, digital transformation and psychosocial risk prevention sectors.

She studied Management Essentials, Sponsorship and Women in Leadership at Columbia University (NY). In 2021 she pursued a Senior Management Program in Digital Business and Circular Economy as well as Sustainable Strategies, at Cambridge University.

**Date of First Appointment:** Friday March 27, 2020

**Age:** 48 years

**Board Meeting Attendance:** 100%

**Board Committee Meeting Attendance and Remuneration:**

**Audit and Finance Board Committee:** 100%

**Total Fees Earned in 2021:**

(As a Member of the Board of Directors and Support Committees): \$ 195,800,000

**Stock held in Grupo SURA:** 1.015 ordinary shares  
13 preferred shares

**Jorge Mario Velásquez Jaramillo**

*Equity member (non-independent, shareholder appointed)*

Holding a degree in Civil Engineering from the Escuela de Ingeniería de Antioquia, Mr. Velasquez received a specialization in Industrial Operations, majoring in the cement industry in Great Britain. He also attended the CEO's Management program at the Kellogg School of Management and obtained his Supply Chain Strategist qualifications from Stanford University. He has also attended various specialization programs at Harvard University and the Escuela de Alto Gobierno (Senior Government Management School) attached to the Universidad de los Andes.

He has served as the Chief Executive Officer of Grupo Argos after serving as Chief Executive Officer of Cementos del Nare, the Chief Executive Officer of Cementos Paz del Río, and Chief Logistics and Chief Regional Officer for the Caribbean for Cementos Argos. He has been Chief Executive Officer of Grupo Argos S.A. since 2016.

**Date of First Appointment:** Thursday March 26, 2015

**Age:** 61 years

<b>Board Meeting Attendance:</b>	100%
<b>Board Committee Meeting Attendance and Remuneration:</b>	
<b>i) Sustainability and Corporate Governance Committee:</b>	100%
<b>ii) Appointments and Remuneration Committee:</b>	100%
<b>Total Fees Earned in 2021:</b> (As a Member of the Board of Directors and Support Committees):	
	\$ 154,600,000
<b>Stock held in Grupo SURA</b>	N/A

<b>CARLOS IGNACIO GALLEGO PALACIO</b>	
<b><i>Equity member (non-independent, shareholder appointed)</i></b>	
<p>Holding a degree in Civil Engineering as well as a Master's degree in Business Administration from the Universidad EAFIT, Mr. Gallego studied Supply Chain Management and Strategy at the Massachusetts Institute of Technology, MIT, Marketing programs at Kellogg School of Management at North Western University, as well as the CEO program at this same university. He first joined Compañía Nacional de Chocolates S.A. in 1991, serving, among other positions, as Chief Industrial Officer, Chief Executive Officer of Servicios Nutresa S.A.S., General Director of the Nutresa Foundation, Chief Executive Officer of Grupo Nutresa's Chocolate Division and Deputy Chief Executive Officer of the Southern Strategic Region of Grupo Nutresa S.A. He currently serves as Chief Executive Officer of Grupo Nutresa.</p>	
<b>Date of First Appointment:</b>	Thursday March 27, 2014
<b>Age:</b>	57 years
<b>Board Meeting Attendance:</b>	100%
<b>Board Committee Meeting Attendance and Remuneration:</b>	
<b>i) Sustainability and Corporate Governance Committee:</b>	100%
<b>ii) Appointments and Remuneration Committee:</b>	100%
<b>Total Fees Earned in 2021:</b> (As a Member of the Board of Directors and Support Committees):	
	\$ 154,600,000
<b>Stock held in Grupo SURA</b>	N/A

<b>ALEJANDRO PIEDRAHITA BORRERO</b>	
<b><i>Equity member (non-independent, shareholder appointed)</i></b>	

Holding a degree in Business Administration from the Universidad EAFIT, Mr. Piedrahita went on to obtain a Master of Science degree in Development Policy from the London School of Economics. He has studied Senior Business Management at the Universidad de la Sabana and also attended a business management program at Harvard. He worked in various positions in Bancolombia such as the Head of Economic Research, Manager of Derivative Structuring and Deputy Head of Capital Market Structuring. He is currently Chief Corporate Finance Officer for Grupo Argos.

**Date of First Appointment:** March 31, 2016

**Age** 49 years

**Board Meeting Attendance:** 100%

**Board Committee Meeting Attendance and Remuneration:**

**i) Risk Management Committee** 100%

**ii) Audit and Finance Committee:** 100%

(Standing invitation as a guest)

Total Annual Remuneration  
(Board of Directors and Support Committees) for 2021: \$ 162,800,000

**Stock held in Grupo SURA** N/A

## 2. Members of Grupo SURA's Board of Directors who are also members of the Boards of Directors or the Senior Management teams of other companies belonging to the SURA Business Group.

None of the members of Grupo SURA's Board of Directors is a member of the Boards of Directors or the Senior Management team of its subsidiaries or associates.

## 3. Rules and Regulations Approved by the Board of Directors

In 2021, Grupo SURA's Board of Directors approved and updated the following rules and regulations governing its Ethics and Corporate Governance System:

New rules and regulations	Updated rules and regulations
<ul style="list-style-type: none"> <li>The SURA-BANCOLOMBIA Financial Conglomerate Risk Management Framework Policy</li> </ul>	<ul style="list-style-type: none"> <li>Framework Policies for Closing the Pension Gap</li> <li>Internal Auditing Charter.</li> <li>Internal Auditing Manual</li> </ul>

## 4. Remuneration policy governing the Board of Directors and other aspects regarding the remuneration paid to said governing body, the Statutory Auditing firm and members of Senior Management

The General Appointment, Remuneration and Succession Policy for the Board of Directors, as approved by Grupo SURA's General Assembly of Shareholders, establishes guidelines to ensure that the persons appointed as members of the Board of Directors are well-suited to managing the Company in accordance with the functions assigned to this Governing Body. It also ensures that they receive an appropriate level of remuneration in keeping with the level of responsibility inherent to their positions, their personal and professional qualities, their experience and the time they must devote to the Board's activities.

This policy has been made available on the Grupo SURA's website, [www.gruposura.com](http://www.gruposura.com)

Similarly, and in accordance with the Company's Articles of Incorporation, the General Assembly of Shareholders is responsible for assigning the fees to be paid to the Company's Statutory Auditing firm, which was set at \$321,664,368 plus VAT for the period April 2021 to March 2022.

The General Assembly of Shareholders is also responsible for approving the fees to be paid to the members of the Board of Directors, and in exercising this authority, approved monthly fees for each Board member in the amount of COP 8,200,000, for the period from April 2021 to March 2022. Similarly, in the case of members of the Board's Support Committees, the shareholders authorized this same fee to be received as members of the Board of Directors, for each meeting attended.

Finally, an overall budget was drawn up for the Board's proper working order, this amounting to COP 1,520 million, which included the fees to be paid for attending both Board meetings and those held by its different Support Committees as well as travel and accommodation expense, training and expert advisory services

With regard to the remuneration paid to members of its Senior Management, Grupo SURA applies its Remuneration Policy as approved by the Board of Directors, which stipulates the minimum criteria for maintaining a fair and equitable remuneration system, whereby remuneration is established based on objective principles; ensuring that this remains competitive with regard to the salary market and the HAY model; while ensuring in any event that employees are fully aligned with the Company's strategy.

Likewise, and under these parameters, the Board's Appointments and Remuneration Committee defined the performance indicators for exceptional achievement on the part of Senior Management for the period from March 2021 to February 2022. Prior to the Annual Shareholders' Meeting and after due verification on the part of the Company's auditing staff, the aforementioned Committee must verify compliance with the defined indicators.

The following is the remuneration structure applicable to Grupo SURA's **Senior Management**, this in accordance with that stipulated in the respective Remuneration Policy and other internal Corporate Governance rules and regulations: It is worth clarifying that any payment accruing based on this remuneration structure is dependent on fulfilling our corporate indicators (company results), as well as achieving the goals considered to create added value for the Company and its shareholders. The first assumption for variable remuneration is that

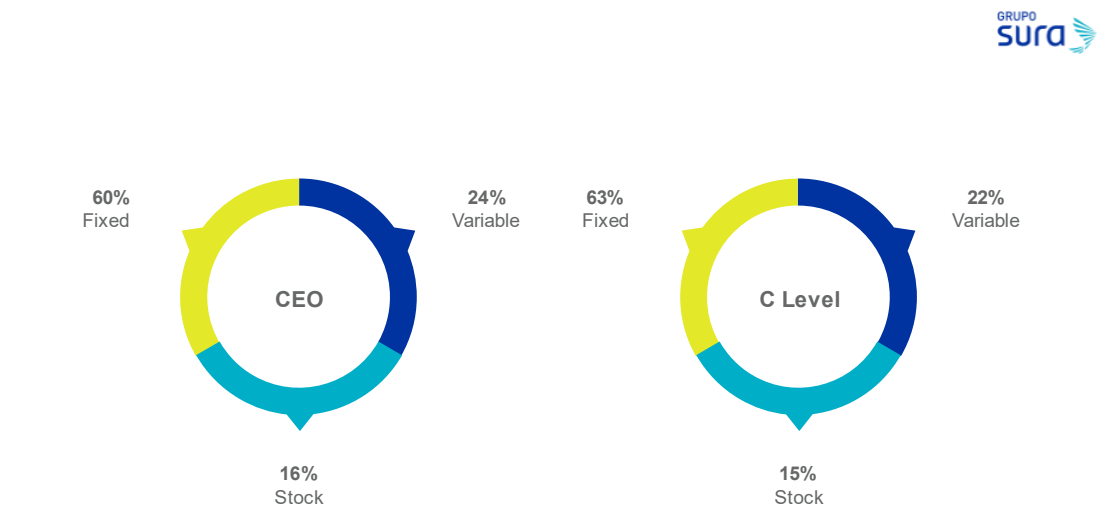
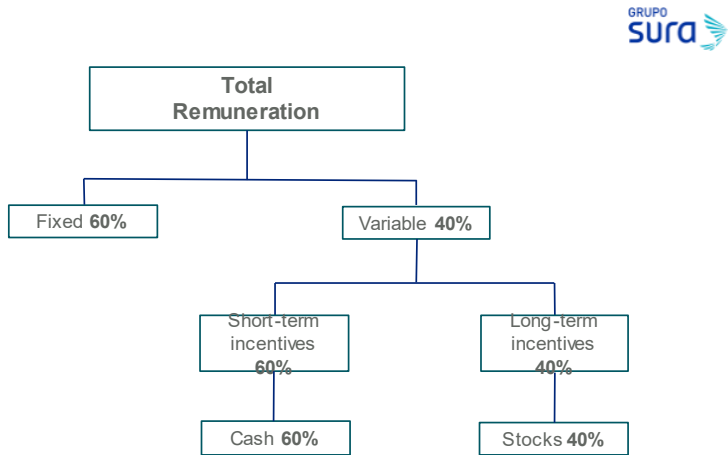


the ROE/EVA path is met. Likewise, the total amount of variable remuneration to be paid may not in any case exceed 10% of the profits obtained.

**Fixed Remuneration**  
Basic salary Number of fixed legal salaries per year

**Variable Remuneration**  
Salaries paid based on fulfilling exceptional achievement performance indicators  
60% Cash  
40% Stock

June 14, 2022  
2 GRUPO SURA © All rights reserved - Graphs



\* Shares The 'shares' component appearing in the graphs refers to a portion of the variable remuneration paid to members of Senior Management in the form of units of an investment fund, this set up for the purpose of exclusively investing in the Company's shares. In this way, employees who benefit from this system do not have shares but rather units of the aforementioned fund whose underlying are Grupo SURA shares.

The Company has reported the amounts paid to Senior Management personnel in the form of an attachment to the financial statements, pursuant to that provided in Article 446 of the Colombian Code of Commerce.

## 5. Board of Director Meetings and Quorum

As stipulated in the Company's Articles of Incorporation and the Board's own Rules and Regulations, the Board may discuss and validly decide on matters brought before it with the presence and votes of the majority of its members, except in the event of Grupo SURA choosing to guarantee or endorse the obligations of its related companies, in which case the unanimous vote of all its members is required.

In 2021, this governing body, making use of technological tools as well as legal provisions and internal policies, complied with the previously established schedule of meetings, and also held the extraordinary meetings that were called, as shown in the following summary table:

<b>Number of Board Meetings held during the year</b>	<b>25</b>
Meetings attended in person	11
Meetings attended remotely with written votes cast:	5
Remote meetings held (via video conferencing)	9.
Percentage of meetings at which the quorum required to deliberate and decide on matters was met:	100%

## 6. Functions And Key Matters Within The Purview Of The Board's Chairman And Secretary Including The Handling Of Information

The Chairman of the Board, Mr. Jaime Bermúdez Merizalde (Independent Member) with the support of the Company Secretary, ensured the Board's normal working order and that its members received accurate, complete and timely information while supervising the implementation of the Board's annual work plan..

On the other hand, the Secretary to the Board of Directors, a position currently held by the Company's Chief Corporate Legal Affairs Officer, Mr. Juan Luis Múnera Gómez, fulfilled the responsibilities of his position, including, among other matters, calling for board meetings in accordance with the established schedule or for extraordinary board meetings when the circumstances so warranted, delivered the information to the Directors in a timely and proper manner, kept and preserved corporate documentation, drew up accurate minutes of the Board meetings and attested to the resolutions of the corporate governing bodies. He also ensured

the formal legality of the Board's actions and guaranteed that its procedures and rules of governance were duly abided by.

The Chairman and Secretary to the Board were responsible for the Board of Directors receiving timely, sufficient and accurate information for adequate decision making. This information was handled under strict privacy rules in order to protect the Group's business secrets and the proper implementation of Grupo SURA's business plans and investments.

All information that must be disclosed to the market based on current legal requirements, was provided on a timely basis through the relevant information mechanism laid on by the Colombian Superintendency of Finance for such purpose, and simultaneously published on the Company's website, [www.gruposura.com](http://www.gruposura.com).

## **7. Relationships Between The Board And The Statutory Auditing Firm, Financial Analysts, Investment Banks And Rating Agencies**

In 2021, a representative from the Statutory Auditing firm attended all meetings of the Company's Finance and Audit Committee, at the latter's invitation and the Statutory Auditing reports were submitted to the Board after being considered by this Committee.

Likewise, at the Board of Directors' meetings, information was delivered on the coverage provided by international analysts regarding the shares issued by the Company, and reports were presented on the rounds of meetings with investment analysts that are held periodically, which last year were held remotely.

## **8. External Consultancy Services Received By The Board Of Directors**

In order for the directors to adequately comply with their duty of due diligence in deciding on the Tender Offer for a stake in the share capital of Grupo Nutresa S.A., international financial advisors were hired, as well as local and international legal and communications advisors, for the aforementioned purposes.

The corresponding analyses were performed based on recognized methodologies and were presented to the Board of Directors in support of and to enrich their decisions in this regard. Consequently, the Board of Directors were able to rely on the analyses and support of independent and specialized legal advisors, who provided their guidance with respect to the Board's responsibility within its own framework of action and ensured that an informed decision was made in the best interests of both the Company and its shareholders with respect to the aforementioned tender offer for NUTRESA shares.

## **9. Board Committee Performance**

The Board's support committees are governed by formally established rules and regulations, which define their respective functions and proper working order. The Board of Directors of Grupo SURA has four (4) support committees namely i) the Audit and Finance Committee, ii) the Risk Management Committee, iii) the Sustainability and Corporate Governance Committee

and iv) the Appointments and Remuneration Committee. Their management reports are signed by their respective chairpersons, and these can be found at the end of this report in the form of an attachment.

## **V. TRANSACTIONS WITH RELATED PARTIES AND CONFLICTS OF INTEREST**

### **1. Board Of Director Attributions And Formally Established Mechanisms For Managing Transactions With Related Parties The more significant transactions**

The Company upholds policies that define the general guidelines for handling transactions between related parties, ensuring that these are always carried out with the utmost transparency, fairness and impartiality while correctly handling any possible conflicts of interest that could arise,

Consequently, all transactions between the companies belonging to the SURA Business Group are carried out pursuant to the guidelines contained in the Related-Party Transaction Framework Policy, the procedure that regulates said policy as well as other applicable rules and regulations. Should any conflict of interest arise between our companies during the normal course of business, these must be handled according to the guidelines stipulated in the SURA Business Group's Code of Good Governance, its Code of Conduct, as well as any other applicable Good Governance rule or regulation the Companies may have put into place for this same purpose. The main rules and regulations can be found on the Grupo SURA website [www.gruposura.com](http://www.gruposura.com).

The Companies belonging to the SURA Business group disclose in the Business Group's Special Report their more significant contractual arrangements and related-party transactions carried out with other Companies belonging to the Group as well as with other related parties.

In 2021, a situation of potential conflicts of interest was detected between the companies Suramericana S.A., Servicios Generales Suramericana S.A.S. and Suramericana S.A.S. and EPS Suramericana S.A.; companies that form part of the SURA Business Group. Here, Suramericana S.A. and Servicios Generales Suramericana S.A.S. acquired the shares that EPS Suramericana S.A. held in Ayudas Diagnosticas SURA S.A.S.

This acquisition was approved by the Senior Management of both Suramericana S.A., Servicios Generales Suramericana S.A.S. as well as the Board of Directors of EPS Suramericana S.A.; these being the bodies empowered for deciding and entering into this transaction. This acquisition was duly reported to the Board of Directors of Suramericana S.A.

Likewise, the aforementioned transaction was entered into by the Senior Managements and Boards of Directors of the Companies involved, this based on market prices, in terms of transparency and in compliance with good corporate governance practices as well as our own organizational principles, codes of good governance and other policies

**2. Conflicts of interest and how they were dealt with by the members of the Board**

Pursuant to the guidelines contained in the Company’s Code of Good Governance, the members of the Board of Directors must avoid any situation and refrain from making any decision that could involve any personal interest on their part or could be incompatible with their fiduciary duties and the legal or contractual obligations that they are required to uphold in exercising their roles as members of the Company’s Board of Directors.

For this purpose, Grupo SURA’s Articles of Incorporation, Code of Conduct and Code of Good Governance as well as other applicable internal rules and regulations contain guidelines and rules of conduct that must be observed by the members of the Board of Directors, Senior Management and other employees in exercising their functions with the aim of preventing and managing any possible conflict of interest. The aforementioned rules and regulation have been made available on the Company’s website [www.gruposura.com](http://www.gruposura.com).

**Permanent conflicts of interest on the part of the members of the Board of Directors** In 2021, the members of the Board of Directors did not have any permanent conflicts of interest that would have prevented them from continuing to hold their positions, or that would indicate that those who serve as independent members should cease to be considered as such.

**Abstentions and sporadic conflicts of interest on the part of the Board of Directors.** In 2021, as announced in previous sections of this Report, Directors Carlos Ignacio Gallego, Jorge Mario Velásquez, and Alejandro Piedrahita declared the existence of potential conflicts of interest, to deliberate and decide whether or not to accept the tender offer for Grupo Nutresa shares. Furthermore, despite not considering that he was involved in a conflict of interest, Mr. Sergio Michelsen decided to bring to the attention of the Shareholders at an Extraordinary Meeting, held on December 9, 2021, circumstances that could give the appearance of conflicts of interest, and said body made the determinations summarized below:

Director	Issue
<p><b>Carlos Ignacio Gallego</b></p>	<p>Not authorized by the shareholders to participate in the decision-making process with regard to the tender offer for Grupo Nutresa shares launched by Nugil S.A.S.</p>
<p><b>Jorge Mario Velásquez</b></p>	<p>Not authorized by the shareholders to participate in the decision-making process with regard to the tender offer for Grupo Nutresa shares launched by Nugil S.A.S.</p>

**Alejandro Piedrahita**

Not authorized by the shareholders to participate in the decision-making process with regard to the tender offer for Grupo Nutresa shares launched by Nugil S.A.S.

**Sergio Michelsen**

Authorized by the shareholders to participate in the decision-making process with regard to the tender offer for Grupo Nutresa shares launched by Nugil S.A.S.  
Sergio Michelsen

## VI. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS

Our Internal Control System is made up of a series of activities that ensure that the Company obtains a reasonable degree of operating security, thus allowing it to attain its objectives in a lawful and transparent manner.

Grupo SURA's Internal Control System is structured in keeping with the COSO 2013 framework, which is in turn taken into account by local and international regulators such as the U.S. Securities and Exchange Commission (SEC).

The Internal Control System is constantly monitored by means of evaluations carried out by the Company's different areas of assurance including Risk Management, Information Security, Compliance and Auditing. The results of this exercise are subsequently analyzed by the Company's Audit and Finance Committee and presented to the Board of Directors. Based on the findings identified and presented to the corresponding governing bodies, improvement plans are defined for the purpose of reinforcing the Company's processes and mitigating risk.

The subsidiaries, Suramericana and SURA Asset Management, monitor their Internal Control System and present the results to their respective Board of Directors, through the designated Committees, the Risk Committee and the Audit Committee.

Meetings of the Audit Committees of the subsidiary companies are attended by Grupo SURA's Corporate Internal Auditor as a guest, which guarantees a communication channel between these committees and Grupo SURA's Board of Directors, to which the most relevant situations are reported.

As the Holding Company of the SURA Business Group, Grupo SURA is exposed to its own particular risks, as well as those arising from its investments. For this reason, it has a Risk Management Framework Policy, which provides adequate reporting and articulation guidelines among the Companies. Based on these guidelines, as set out by Grupo SURA, each Company develops its own application framework, which reflects the Organization's own dynamics.

In 2021, despite the demands of the global health crisis as well as the dynamics of each industry, both the Companies and Grupo SURA were able to adequately manage the different risks that arose for each of the Business Group's operations, thereby preventing significant risk that could have compromised the stability and sustainability of the Group's companies, while enabling their different lines of business to function in an internal, safe and reliable environment for all stakeholder groups.

In addition to the Business Group's risk management system, Grupo SURA, as parent company, is regulated by the Financial Conglomerates Law namely Law 1870 of 2017 and its subsequent regulatory provisions. Additional risk management requirements for Grupo SURA as the Holding Company of the SURA-Bancolombia Financial Conglomerate, which is made up of Grupo SURA, Suramericana, SURA Asset Management, Bancolombia and Protección, together with their financial subsidiaries both at home and abroad; their foreign-based entities dedicated to the same activities as entities overseen by the Colombian Superintendency of Finance, as well as their domestic and foreign financial subsidiaries; together with all those legal entities or investment vehicles through which the financial holding company exercises control.

Since coming into full force and effect, Grupo SURA has worked on each of the chapters contained in this law :

- ✓ **Risk Management Framework - RMF:** This consists of a set of policies, manuals and procedures that allow Grupo SURA to carry out an adequate handling of:
  - i) The Conglomerate's own risks: strategic exposure as well as risk concentration and contagion; and
  - ii) Grupo SURA's own risk appetite framework.

In 2021, Grupo SURA's Board of Directors approved the following documents:

- i) The Risk Management Framework Policy, which provides guidelines for managing the Conglomerate's own risks and describes the governance for aggregating data and presenting information together with the responsibilities of the different governance bodies of both Grupo SURA and the Companies that make up the Financial Conglomerate; and
- ii) Grupo SURA's Risk Appetite Framework.

Furthermore, the Board's Risk Committee approved the first risk appetite limit of Grupo SURA's risk appetite framework, which consists of a limit for credit exposures between the entities belonging to the Financial Conglomerate and other risk groups.

Parallel to these efforts, the activities defined in the Master Plan, which was filed with the Colombian Superintendency of Finance at the end of 2020, continued, presenting



significant progress that is allowing Grupo SURA to have a functional data aggregation and reporting model to date.

- ✓ **Risk concentration:** Decree 1486 of 2018 defined the risk concentration guidelines for Financial Conglomerates in Colombia. Prior to this law coming into full force and effect, the Company designed and approved a policy governing risk concentration exposure and limits for transactions made between the companies comprising the Financial Conglomerate, as well as between these and their related parties.

As part of the implementation of this policy, a data aggregation system was designed and implemented to monitor the exposure required by the regulations in question and to control compliance with the risk concentration limits established by the Financial Holding Company in the aforementioned Policy.

- ✓ **Adequate capital levels:** This regulation is aimed at ensuring that Financial Conglomerates have sufficient equity to absorb unexpected losses from the lines of business run by the Companies that make up said Financial Conglomerates. Using the data capture system, as defined by the Colombian Superintendency of Finance, in 2021 Grupo SURA satisfactorily reported the calculated solvency levels for the SURA - Bancolombia Financial Conglomerate, these exceeding the minimum capital requirements for each reporting period in all cases.

A more detailed report on the Group's Internal Control System can be found on the Control Architecture Management Report that is included in the corresponding Chapter on the Company's Internal Control System as part of the Company's Annual Report, which has been made available on the Company's website.

## VII. ETHICS HOT LINE

The Ethics Hot Line run by Grupo SURA and its Subsidiaries are a safe and confidential means that the public can use to report any situation that is considered to go against our corporate ethics and principles, which must be upheld by all the Organization's employees.

As of 2021, and in accordance with international best practices, the Ethics Hot Line service of both Grupo SURA and its subsidiaries has been operated by EthicsGlobal, an independent third party specializing in handling complaints and queries.

The outsourcing of this channel offers whistleblowers the possibility of accessing new communication channels, both for reporting complaints and the subsequent follow-ups of their case, this on a 24/7 basis, in addition to preventing possible conflicts of interest in receiving and classifying complaints. Since this service has been outsourced, the Company has extended its whistle-blowing channels to include a telephone line, WhatsApp, an APP, email and an on-line form on the Company's website. All these attended by personnel specialized in dealing with such cases. However, investigating and determining the

allegations made falls to the internal teams of each company belonging to the Sura Business Group.

The cases thus reported cases are handled in accordance with previously established procedures and under strict confidentiality rules for protecting the whistleblowers and preventing any retaliation. The individual Ethics Committees of each Company are responsible for monitoring how our Code of Conduct is being implemented and for encouraging an ethical culture within the Organization. Similarly, the Boards of Directors of each Company, through their Audit and Finance as well as Sustainability and Corporate Governance Board Committees, carry out regular follow-ups on how the Ethics and Corporate Governance System is functioning throughout the SURA Business Group and Ethics Committees have been set up on an individual company level for reviewing all those cases in which top level executives might be involved.

In 2021, Grupo SURA's Ethics Hot Line received a single anonymous complaint, which was opportunely handled and later dismissed by the Ethics Committee, after following the formal procedures that it deemed necessary, as established in Grupo SURA's Code of Conduct and the working rules and regulations of said Committee.

Finally, there were no cases of corruption, bribery, restrictive practices or allegations related to non-compliance with laws or our internal policies.

## ANNEX BOARD COMMITTEE PERFORMANCE REPORTS - 2021 FINANCE AND AUDIT COMMITTEE PERFORMANCE REPORT

The Board of Directors of Grupo SURA hereby presents the shareholders with the following report from the Audit and Finance Committee which contains basic information regarding this Committee and the main activities carried out in 2021:

MEMBERS	PERSONS ATTENDING BY INVITATION	No. MEETINGS HELD	ATTENDANCE RATE
<b>Jaime Bermúdez</b> <b>Lina María Echeverri</b> <b>María Carolina Uribe</b>  <b>Alejandro Piedrahita</b> <b>(attending by invitation)</b>	Gonzalo Pérez - Chief Executive Officer of Grupo SURA John Jairo Vásquez - Internal Auditor Mónica Guarín - Chief Social and Human Development Officer Ricardo Jaramillo - Chief Business Development and Finance Officer Juan Luis Múnera - Chief Corporate Legal Affairs Officer Representatives from the Statutory Auditing Firm	4	100%

Overview of the activities carried out during the reporting period, classified in order of importance of the matters analyzed by the Committee, for which recommendations were duly submitted to the Board of Directors.

Subject	Subtopics
<b>Financial reports</b>	Consolidated and separate financial results and indicators
<b>Governance and Compliance</b>	Auditing and Internal Control Report for 2021
	Requirements received from oversight authorities
	Approval was given to the Company's Annual Corporate Governance Report .
	Amendments to Internal Auditing Activity Charter and Audit Manual
	Review of the Rules and Regulations governing the Audit and Finance Committee:
	2021 Audit Work Plan and follow-ups on the internal audits carried out
<b>Internal Auditing:</b>	Progress and compliance with the SOX Project
	Maturity Assessment of Human Talent Management Process
	Matters discussed by the Audit Committees of the Companies that make up the Business Group
	Robotized Audit Test Results
	Process for obtaining International Certification from the Institute of Internal Auditors (IIA).
Integrated Assurance Method	

	Maturity assessment of Grupo SURA's Internal Control System
	Lessons learned with the COVID - 19 pandemic
	Analysis and progress with evaluating extreme risk for ARUS
	Progress made with improvement plans
<b>Strategic Issues</b>	Structuring of the Auditing Think Tank
	Opinion on the Company's Financial Statements, Internal Control and Legal Compliance for 2021
<b>Statutory Auditing Firm</b>	Progress made with the External Auditing Plan
	Other value-added activities such as talks and training sessions.

JAIME BERMÚDEZ MERIZALDE  
Committee Chairman  
Company Secretary

JUAN LUIS MÚNERA GÓMEZ

## INFORMATION REGARDING THE SUSTAINABILITY AND CORPORATE GOVERNANCE COMMITTEE

Grupo SURA's Board of Directors hereby presents the shareholders with the following report from the Sustainability and Corporate Governance Committee which contains basic information regarding this Committee and the main activities carried out in 2021:

MEMBERS	PERSONS INVITATION	ATTENDING BY	No. MEETINGS HELD	ATTENDANCE RATE
<b>Sergio Michelsen</b> <b>Jorge Mario Velásquez</b> <b>Carlos Ignacio Gallego</b>	Gonzalo Pérez - Chief Executive Officer of Grupo SURA Mónica Guarín - Chief Social and Human Development Officer Juan Luis Múnera - Chief Corporate Legal Affairs Officer		2	100%

Overview of the activities carried out during the reporting period, classified in order of importance of the matters analyzed by the Committee, for which recommendations were duly submitted to the Board of Directors.

Subject	Subtopics
<b>Periodic reports</b>	Annual Corporate Governance Report
	Reports: Relevant information, voting abstentions, Board and Board Committee Meeting Attendance, External Requirements, and an integrated report on the SURA Business Group's Ethics Hot Line.
<b>Corporate Governance and Compliance Issues</b>	Ethics and Corporate Governance Work Plan for 2021
	Regulatory Simplification Project Review of Grupo SURA's Internal Regulations (amending and updating its corporate policies)
	Analysis of Global Corporate Governance Standards and Indexes
	Ethics Hot Line Outsourcing Project
	Updating the Responsible Investment Policy
<b>Sustainability Issues</b>	SURA's social investment
	Standards ANALYSIS:

SERGIO MICHELSEN JARAMILLO  
Committee Chairman  
Company Secretary

JUAN LUIS MÚNERA GÓMEZ

## INFORMATION REGARDING THE RISK COMMITTEE

Grupo SURA's Board of Directors hereby presents the shareholders with the following report from the Risk Committee which contains basic information regarding this Committee and the main activities carried out in 2021:

MEMBERS	PERSONS ATTENDING BY INVITATION	No. MEETINGS HELD	ATTENDANCE RATE
<b>Sergio Michelsen</b> <b>Jaime Bermúdez</b> <b>Alejandro Piedrahita</b>	Gonzalo Pérez - Chief Executive Officer of Grupo SURA Ricardo Jaramillo - Chief Business Development and Finance Officer Juan Luis Múnera - Chief Corporate Legal Affairs Officer	3	100%

Overview of the activities carried out during the reporting period, classified in order of importance of the matters analyzed by the Committee, for which recommendations were duly submitted to the Board of Directors.

Subject	Subtopics
<b>Periodic reports</b>	Review of the issues analyzed by Risk Committees at subsidiary level.
<b>Special topics</b>	Adequate Capital Formation - Solvency levels for the Financial Conglomerate
	Risk Management Framework
	Adequate levels of capital for the SURA-Bancolombia Financial Conglomerate
	Risk exposure and risk concentration on the part of the SURA-Bancolombia Financial Conglomerate
	Risk and Solvency Training

SERGIO MICHELSEN JARAMILLO      JUAN LUIS MÚNERA GÓMEZ  
Committee Chairman                      Company Secretary

## INFORMATION REGARDING THE APPOINTMENTS AND REMUNERATION COMMITTEE

The Board of Directors of Grupo SURA hereby presents the shareholders with the following report from the Appointments and Remunerations Committee which contains basic information regarding this Committee and the main activities carried out in 2021:

MEMBERS	PERSONS INVITATION	ATTENDING	BY	No. MEETINGS HELD	ATTENDANCE RATE
<b>Jaime Bermúdez</b> <b>Jorge Mario Velásquez</b> <b>Carlos Ignacio Gallego</b>	Gonzalo Pérez - Chief Executive Officer of Grupo SURA Mónica Guarín - Chief Social and Human Development Officer Juan Luis Múnera - Chief Corporate Legal Affairs Officer			4	100%

Overview of the activities carried out during the reporting period, classified in order of importance of the matters analyzed by the Committee, for which recommendations were duly submitted to the Board of Directors.

Subject	Subtopics
<b>Periodic reports</b>	Scorecard Results for 2020
	Performance indicators 2021
	Performance-based remuneration
<b>Special topics</b>	Salary increases for Senior Management
	Updating the Exceptional Achievement Recognition Model
	Benchmarking Senior Management Remuneration
	Proposed KPI scorecards for 2021
	Monitoring Progress with Strategic Objectives: <ul style="list-style-type: none"> <li>• Total ROE - Grupo SURA</li> <li>• Average metrics for sustainability indicators</li> <li>• Sustainable Finance</li> </ul>
	Amending the Closing the Pension Gap Framework Policy
	Incentives for Strategic Achievements

JAIME BERMÚDEZ MERIZALDE  
Committee Chairman  
Company Secretary

JUAN LUIS MÚNERA GÓMEZ