

RISK MANAGEMENT FRAMEWORK POLICY SURA Business Group

Risk management at the SURA Business Group represents a dynamic and interactive process framed by the internal control system, and intended to achieve strategic goals while seeking sustainability for the companies thereof.

Scope and Framework of the Application:

The guidelines contained in this document apply to the companies which are part of the SURA Business Group including its affiliates, subsidiaries and subholdings (“The Companies”).

These guidelines are set to create a strategic engagement for risk management so that The Companies can face new challenges and opportunities in a changing scenario, creating value through interaction and coordination as a Business Group.

General Guidelines:

- The Board of Directors and Senior Management of each of The Companies are responsible for their own risk management, ensuring its consistency and feedback with the organizational strategy. The risk management scope of The Companies will be implemented based on the size, business and process complexity, local context and nature of the risk faced.
- Each Company should warrant the existence of clear reporting mechanisms for the parent company, to provide a consolidated vision of the risks the Business Group is exposed to and the control measures adopted thereof.

The reports addressed to Grupo SURA shall include the following information: i) Strategic risks and relevant results of the Company’s integral risk management; ii) Special and high-impact risk events on the strategy of the Company and of the Business Group; iii) Management of the economic

capital and regulations of the Company; iv) Risks for different reports made by the Business Group.

- The different risk areas of The Companies should have interaction mechanisms, including a Conglomerate Risks Desk or similar body – to engage the Group’s strategy and to coordinate the execution of different initiatives on this subject matter.
- Every Company will have its organizational structure and decision-makers to ensure compliance with the risk management guidelines. Notwithstanding the autonomy of the steering bodies of The Companies, the Board of Directors of Grupo SURA shall discuss and provide the general guidelines of the Business Group’s Risk Management. In addition, this Board may request information it deems pertinent, seeking the overall balance of the interests of the Group.
- Grupo SURA shall back the risk management of its affiliates in the event of systemic spread or risk, which eventually compromise or undermine the Business Group, such as:
 - **Strategic.** Derived from internal and external events and trends that offset the creation of value of The Companies and can hurt their sustainability.
 - **Reputational.** Risks and/or crisis that expose the reputation of the Business Group.
 - **Regulatory and Political.** Regulations and/or politics which may jeopardize the Group’s investments.
 - **Risk Concentrations.** Exposures that can cause losses and threaten the Group’s solvency or that may significantly hurt the consolidated financial statements.
- Regarding the Risk Management System, each Company shall keep the following in mind:

1. **Risks structure:** Each and every one of The Companies shall have a clear risks management structure. The structure should specify the responsibilities of the different areas involved in the standards, policies and procedures designed by the Company to ensure compliance with the guidelines on this subject matter.
2. **Specific policies and procedures:** The Companies shall develop specific policies aligned with the general guidelines set forth in this document and which ensure what is established herein.

The Companies shall ensure compliance with the regulations demanded by the control entities on this subject matter for their risk management. Moreover, they shall oversee that their system has at least the following:

- a) Procedures to identify and manage the threats which The Companies are exposed to.
 - b) Levels of exposure, limitations and appetite risks set in a proper, clear and concise manner.
 - c) Risks map understood as a tool to identify and follow-up the risks each Company is exposed to.
 - d) Establishing controls and verifying the effectiveness thereof.
 - e) Tools for proper risk management of The Companies.
3. **Training and Culture:** Each Company shall have its strategy to train employees so they have the knowledge necessary to manage the risks related to their activities. It is paramount that each employee understands its role within the Company's internal control system, and consequently, creating a culture of risk within.
 4. **Reporting:** Every Company shall have communications and reporting mechanisms to ensure their proper risk management and compliance with control entities, based on their steering bodies and decision-makers.

Main duties and responsibilities of different steering bodies related to Risk Management of the Business Group's companies

Board of Directors

- Approve the risk management framework policy of the Business Group.
- Understand and regularly monitor the Company's main risks.
- Appoint Risk Committee members.
- All other duties included in the Board of Directors Regulations.
- Approve the Company's risk appetite and hence, establish the risk tolerance thereof.

Risk Committee

- Brief the Board of Directors on fundamental aspects of the Company's risk management.
- Review and assess the integrity and adequacy of the risk function.
- Request reports deemed necessary for its duties.
- Follow the recommendations made by oversight authorities to exercise its duties.
- All other duties that the Board of Directors of each Company deems necessary to assign to the Risk Committee.

Audit Committee

- Oversee the efficacy of the risk management system designed and implemented by management.
- Formal audits shall include the identification of situations that tend to enhance controls and decrease risk levels in accordance with the risk appetite determined by the Company.
- All other duties that the Board of Directors of each Company deems necessary to assign to the Audit Committee.

Risk Function

- Ensure that the Company's integral risk management system meets the minimum provisions pointed out in the regulations in force and in the Business Group's Policy Framework – all based on the size, processes and nature of the risks faced by the Company.
- Determine the roles and responsibilities pertaining to risk management, and establish clear reporting lines for the proper follow-up, assessment and management of the risks in their business processes and derived from their strategy.
- Ensure compliance with the policies and strategies issued by the Board of Directors in terms of risk management.
- Submit to the consideration of the Risk Committee and request approval from the Board of Directors, of guidelines, procedures and methodologies for the Company's risk management.
- Promote the culture of risk management and self-control among all Company employees, in coordination with the corresponding areas of the Organization.

Policy Governance

Approval of this policy is rendered by the Board of Directors of Grupo SURA and by the Board of Directors of each of The Companies which are part of the SURA Business Group. Approval is rendered with the prior recommendation by the Risk Committee or the entity acting as such. Any amendment hereof should be approved by these same steering bodies.

Disclosure and Update

All persons that participate in The Companies' risk management shall understand, apply and comply with this policy.

The Corporate Risk Management of Grupo SURA is responsible for managing this Policy and consequently, will lead the compliance, disclosure and update hereof with the areas involved in The Companies part of the Business Group. This document

shall be updated in accordance with the legal provisions, organizational changes or other aspects that may affect the guidelines described herein.

This Policy is in force after its approval by the Board of Directors or similar bodies of each of The Companies, for a maximum period of one (1) year. After that period, each Company shall proceed to adjust its specific policies and to create a work plan to implement it in this framework.