

RULES AND REGULATIONS GOVERNING THE BOARD OF DIRECTORS

Grupo de Inversiones Suramericana S.A.
—Grupo SURA—

PREAMBLE

Grupo Sura is fully aware of the important role that its Board of Directors play with regard to the Company's business activities. As a collegiate administrative body, it has a deliberative, professional nature and represents all of the Company's shareholders.

These regulations complement the Chapter relating to the Board of Directors as contained in the Company's [By-laws](#) the [Code of Good Governance](#) as well as the [General Policy for the Appointment, Remuneration and Succession of the Board of Directors](#). These rules and regulations address aspects relating to the proper functioning of Grupo SURA's Board of Directors, in terms of its structure and operations, the functions and responsibilities of its members, its Chairperson and Secretary, as well as their duties and rights. Furthermore, in compliance with the Financial Conglomerates Law, the Board of Directors are granted the functions and responsibilities provided by the rules and regulations regarding such matters, given Grupo SURA's status as the financial holding company of the Financial Conglomerate SURA - Bancolombia.

These rules and regulations shall be binding on the Board of Directors and disseminated on the Company's [website](#).

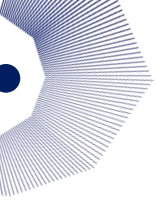
CHAPTER I: GENERAL ASPECTS

In addition to that stipulated in Chapter IV of the Company's By-laws, the General Policy for the Appointment, Remuneration and Succession of the Board of Directors as well as that set forth in the Code of Corporate Governance, the following provisions shall be taken into account:

1.1 Structure

The Board of Directors shall be composed of seven (7) members, all of whom shall be Principal Members. The Independent and Equity Members shall hold the majority with regard to its Executive Members, according to the definitions below:

- **Independent Member:** anyone who meets the independence requirements established in the Appointment, Remuneration, and Succession Policy of the Grupo SURA Board of Directors and other relevant internal regulations.
- **Equity Member:** anyone who has been nominated as an equity member by the shareholders.



- **Executive Member:** anyone who is a legal representative or a member of Senior Management.

1.2 Board Support Committees

The Board of Directors shall have specialized committees to act as investigative and support bodies on certain matters. These committees are not independent from the Board since their functions shall be determined by the Board itself in the rules and regulations it approves for each of these.

These committees shall submit reports and recommendations on specific topics and the Board shall adopt the pertinent decisions.

Except for those functions defined in the Company's By-laws as non-delegable, the Board may expressly delegate to any of the Committees the exercising of certain functions when this is considered appropriate.

These Board Committees are listed as follows:

- a) Audit and Finance Committee
- b) Risk Committee.
- c) Sustainability and Corporate Governance Committee
- d) Remuneration Committee

The Board of Directors shall appoint the members of each Committee, define the criteria for the remuneration of its members¹ and approve the rules and regulations governing their working order.

When setting up its Committees, the Board of Directors takes into consideration the profiles, knowledge and professional experience of the committee members with regard to the Committee's own particular discipline.

The rules and regulations governing these Board Committees shall regulate the details of their structure, the matters and functions on which the Committee must work, as well as their operation.

Communication channels between the Committees and the Board of Directors shall also be regulated, as well as the means of liaising and coordinating between Grupo SURA's Board Committees and those of its subsidiaries when these exist. The foregoing in any case, shall be in compliance with the SURA Business Group's Institutional Relations Policy Framework.

Board Committees shall have a minimum of three (3) members and an Executive Director may not be a member. They shall be chaired by an Independent Member.

Board Committees may rely on members of Senior Management offering the experience required in matters within their own area of expertise, as well as on external experts, who may participate in Committee meetings on a permanent or temporary basis, with the prior approval of the Board of Directors.

¹This according to amendment made to the General Appointments, Remuneration and Succession Policy governing the Board of Directors

The Secretary to the Board shall also act as Secretary to Committee meetings, and he or she shall record the corresponding minutes and send a copy to all the members of each Committee. These minutes shall comply with the requirements set forth in applicable legislation.

1.3 Secretary

The Company Secretary shall act as Secretary to the Board of Directors and the General Assembly of Shareholders and shall have the following duties:

- a) Call for Board meetings in accordance with the established schedule.
- b) Provide members of the Board with information in a timely manner and in due form, in accordance with the provisions of these Rules and Regulations and the Information Management Protocol.
- c) Preserve corporate documentation, duly reflect in the minute books what went on at the meetings and attest to that agreed upon by the respective corporate bodies.
- d) Ensure the legality of the Board's actions, so that these are carried out in accordance with current legislation, the Company's By-laws and other applicable internal rules and regulations.
- e) Ensure that the governance procedures, rules and regulations are respected and regularly reviewed, in accordance with the provisions of the By-laws and other of the Company's internal rules and regulations.
- f) Intervene during Board discussions when considered appropriate, in order to ensure compliance with current legislation, the By-laws and other applicable internal rules and regulations.

1.4. Preparing meetings of the Board of Directors

- **Schedule and annual agenda of issues to be discussed:** The Board of Directors shall approve the schedule for its ordinary meetings, notwithstanding the fact that, on an extraordinary basis, it may meet whenever necessary, under the terms set forth in Article 28 of the Company's By-laws and the provisions set forth below.

Likewise, it shall approve the agenda of strategic issues to be discussed during each year, ensuring that one or two meetings per year are focused on following up on the Company's strategy reviewing and defining this when necessary.

- **Preparing Board Meeting Agendas** The ultimate responsibility for preparing Board Meeting Agendas rests with the Chairman of the Board of Directors, with the support of the Secretary to the Board of Directors.

The agenda shall be structured in such a way as to cover the strategic agenda during the year. Likewise, Board Meeting agendas shall be designed in such a way as to present the topics in a logical order and allow sufficient time for discussing and deciding upon such.

1.5 Discussions

The Chairperson of the Board of Directors shall chair the meetings, ensuring that they are based on debates and discussions regarding current operations, current and potential risks and the implementation of the Company's strategy.

The Chairperson of the Board shall ensure that the discussions are open and are based on the active and effective participation of all Directors, allowing for a diversity of criteria and opinions. Likewise, the Chairperson of the Board of Directors may establish rules to control the time allotted to addressing each item contained on the Meeting's agenda.

After the corresponding discussion has taken place, the Chairperson of the Board of Directors shall ask the Directors for their vote on the matters submitted for their consideration whenever a consensus of those present has not been reached. Likewise, he or she shall suspend or terminate meetings when so required.

1.6 Minimum attendance at meetings

The members of the Board of Directors shall attend at least ninety percent (90%) of the meetings of said body during the year, unless they have a valid excuse not to.

1.7 Access to Information on the part of members of the Board

The members of the Board shall have access to the information that shall be the subject of the meeting of the Board of Directors no less than five (5) calendar days in advance. This information may be provided by electronic means.

In those cases in which Board members make additional requests for information, the provisions of the Information Management Protocol shall be complied with. In any case, such requests must be (i) made at Board meetings; (ii) submitted in writing; and (iii) be duly justified. Any decision on any access to information shall be made jointly by the Board of Directors, through a majority vote provided for in these By-laws.

CHAPTER II: DUTIES, RIGHTS AND FUNCTIONS OF THE BOARD OF DIRECTORS

2.1 Duties and rights

The members of the Board of Directors act as custodians of shareholders' rights vis-à-vis the Company. In this regard, in addition to their duty to abide by all applicable legislation, they must also comply with the Company's internal rules and regulations as contained in its By-Laws, its Code of Good Governance, its Code of Conduct and the Policy for Managing Conflicts of Interest as well as any other internal rule and regulation that may apply

The conduct of the Board members should be focused on working in an objective and transparent fashion, fully complying with their different responsibilities and the principles of the Company.

2.2 Duties

The members of the Board shall bear in mind the following duties in carrying out their functions, which shall be strictly enforced so as to maintain greater objectivity, independence and knowledge when making the decisions entrusted to them.

- a) **Due diligence or the duty of care.** The members of the Board shall be properly informed and act in good faith, with due diligence and care, ensuring the interests of both the Company and its shareholders. While Board Members are entitled to receive information from the Company in order to carry out their work, it is their duty to remain informed about events occurring within the Company's own environment in order to make recommendations to Senior Management and gain sufficient knowledge on which to base their decisions..
- b) **Duty of loyalty and duty not to take part in situations that could potentially lead to conflicts of interest.** The members of the Board shall make fair and equitable decisions applying their own objective and autonomous criteria while safeguarding the interests of the both Company and its shareholders. Upon deciding on matters put before them, the members of the Board shall ensure strict compliance with all that stipulated in applicable legislation, the Company's By-Laws and the Code of Good Governance, and shall take into account stakeholder concerns with regard to the Company.

In carrying out the above, the Board has the task of ascertaining and managing the conflicts of interest that it is responsible for, in accordance with the provisions of the By-laws, the Information Management Protocol, the Single Policy for Managing Conflicts of Interest and other applicable internal rules and regulations.

To this end, the Directors shall disclose any situation that could potentially produce a conflict of interest or any situation that could affect them in their personal capacity, which due to its particularities may be at odds with the Company, in accordance with the assumptions and procedures established in the By-laws, the General Policy for the Appointment, Remuneration and Succession of the Board of Directors, the Information Management Protocol, the Code of Good Governance, the Code of Conduct, the Policy for Managing Conflicts of Interest, and other internal rules and regulations.

Likewise, in the event that a Board member or a Legal Representative becomes aware of a situation that could potentially lead to a conflict of interest regarding another of the Company's Board members or Legal Representatives, he or she shall be bound to inform the Board of Directors of such situation.

- c) **Duty not to compete.** The members of the Board shall not compete with the Company, either directly or through their affiliates, with the companies belonging to the business group and the financial conglomerate in Colombia or in the countries where these operate. This duty is supplemented with that provided in terms of competition as contained the General Policy for the Appointment, Remuneration and Succession of the Board of Directors, as well as in the Information Management Protocol as attached to these Rules and Regulations.
- d) **Duty of secrecy:** All information received in their capacity as members of the Board shall be considered confidential until it has been disclosed to the public, therefore all members are duty-bound not to disclose this information to third parties
- e) **Duty not to use corporate assets:** The Company's assets must be used for the benefit of the

Company and all its shareholders. No member of the Board may use corporate assets for personal gain or for the benefit of a third party.

In carrying out the aforementioned duties, the members of the Board, after having been appointed by the General Assembly of Shareholders, must sign the Information Management Protocol in order to hold or continue to hold office and adhere to the dispute resolution mechanisms approved by the Company.

2.3 Rights

In order to exercise their corresponding functions, members of the Board shall have the following rights:

- a) **Right to information.** Board Members are entitled to be informed of events taking place within the Company. Prior to making any decision, they must have the necessary information to enable them to conduct an objective and proper analysis in order to decide on specific matters. In this regard, and at any time the Board of Directors, acting as a collegiate body, may make requests for information to the Company's Chief Executive Officer, in accordance with the provisions of the Company's By-laws, these Rules and Regulations and the Information Management Protocol.
- b) **Right to expert assistance.** The Board of Directors, acting as a collegiate body, may authorize the hiring of an external advisor either for the Board itself or any of its Board Committees, whenever in the opinion of the majority of its members, this is required for a specific issue.
- c) **Right to remuneration.** The Directors shall be entitled to the fees approved by the General Assembly of Shareholders as well as those set by the Board of Directors for their participation in the different Committees.
- d) **Right to induction and ongoing training.** When a member is appointed to the Board for the first time, he or she shall undergo an induction process in order to properly ascertain the Company's situation and its business environment.

Also, on a permanent and continuous basis, members of the Board may receive training on specific topics, so as to optimize their involvement and contribution to the smooth running of the Company.

2.4. Responsibilities of the Board of Directors

Without prejudice to the specific functions of the Board of Directors, the responsibilities of the Directors shall address the following four (4) areas:

- a) **Governance and ethics.** The Board of Directors is responsible for ensuring and strictly monitoring the Company's Corporate Governance system, recommending best practices while overseeing communications and ensuring the transparent handling of such. They also are duty-bound to ensure the appropriate use of the Company's assets and for carrying out transactions with related parties under appropriate conditions.

The functions assigned to the Board of Directors with regard to conflicts of interest are addressed in the Single Conflict of Interest Policy.

- b) **Senior Management** With respect to the Company's Senior Management, which is comprised of the Chief Executive Officer and Senior Executive Officers,, the Board is responsible for selecting, evaluating, setting their remuneration and replacing these, as well as assigning their main responsibilities and supervising their succession plans. . The Board shall be informed of Senior Management's performance evaluations.
- c) **Business Performance** With regard to the Company's business operations, the Board shall be responsible for steering and reviewing the Company's strategy, major projects, risk policy, budgets and business plans, setting performance targets and sustainability indicators and following up on major investments.

It shall also be responsible for providing guidance on environmental, social and corporate governance issues, which should be evaluated beforehand, with regard to possible investments to be made by the Company as well as verifying that each ESG issue is duly complied with prior to completing the transaction in question.

- d) **Control.** The Board shall ensure the integrity of the Company's information management, accounting, financial and external auditing systems and shall be responsible for appointing the Internal Auditor, as well as the proper functioning of these financial, administrative, control, risk management and compliance systems

2.5 Functions

In addition to the functions established in Article 31 of the By-laws, the Board of Directors shall have the following functions:

- Authorizing discretionary gifts, bonuses and benefits of an extralegal nature to the Company's personnel
- In conjunction with the Company's Senior Management, the Board shall present to the General Assembly of Shareholders at its ordinary meetings, in the form of the Annual Corporate Governance Report, the statutory and legal reports on the performance of and main activities carried out during the year by the Board of Directors, its Board Committees and the Chief Executive Officer, which shall serve in order for the shareholders to ascertain their performance and exercise the pertinent controls.

Whenever any merger, spin-off, change of corporate purpose, waiver of preemptive rights for the subscription of shares, change of registered place of business, early dissolution or spin-off involving the Company is to be submitted for the consideration of the General Assembly of Shareholders, this shall be duly stated in the minutes of such meetings as well as the studies, grounds and other sources of information that support such proposals and the reasons for and against the position taken.

2.5.1 Functions of the Board of Directors with regard to the Company's Risk Management and Control Architecture

In addition to that provided in the Company's By-laws, the Board of Directors is ultimately responsible for the existence of a sound control environment within the Company so as to:

- a) promote a risk management and control culture throughout the Company, and by extension

- the entire Organization;
- b) be able to define roles and responsibilities in terms of the risk management, internal control and auditing functions with clearly defined reporting lines; and
 - c) assess the risks involved with the Company's strategic planning and processes so as to be able to monitor, evaluate and handle such risk. The Board of Directors, through its Audit and Finance as well as Risk Committees, shall be responsible for overseeing the effectiveness of the different components of the Company's control architecture.

The Board of Directors is responsible for defining a risk management policy and setting maximum limits of exposure for each risk identified. In this regard, the Board of Directors is responsible for ascertaining and periodically supervising the Company's exposure to the maximum risk limits set, as well as proposing corrective measures and additional monitoring in the case of any departures from such.

The Board shall also be responsible for ensuring an adequate internal control system, duly adapted to the Company and its complexity, and consistent with an effective handling of the risks in force. It shall also monitor the effectiveness and adequacy of the Company's internal control system, which may be delegated to the Audit and Finance Committee, without the Board relinquishing its responsibility to oversee this function

The Board of Directors shall ensure that a Control Architecture exists with a sufficiently consolidated, formally-defined scope that encompasses all the Group's subsidiaries, establishing responsibilities with regard to the corresponding policies and guidelines that govern the conglomerate and defining clear reporting lines so as to provide a consolidated overview of the risks to which the SURA Business Group is exposed, while adopting the corresponding control measures.

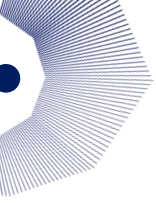
Notwithstanding the above, and without prejudice to the autonomy of the governing bodies of its affiliates and subsidiaries, when the Company acts as parent company of the SURA Business Group, the functions of the Board shall be focused on the entire Group and shall be undertaken based on general policies, guidelines or information requests while preserving the balance between the interests of the parent company and those of its subsidiaries, as well as the Conglomerate as a whole

CHAPTER III: BOARD PERFORMANCE EVALUATIONS

The Board's performance as a collegiate body, as well as that of its Committees and individual members shall be evaluated every year alternating between self- evaluations and external performance evaluations carried out by outside consultants.

3.1 Internal evaluations

In the case of self-evaluations these shall take into account among other factors: the follow-ups carried out on key aspects involving the Company; an evaluation of the tasks carried out by members of the Board and their contribution in defining strategies and projecting the Company into the future; adherence to corporate principles; compliance with that laid out in the Code of Good Governance; participation in scheduled training programs, knowledge of the Company, meeting attendance rates and active involvement in the decision-making process. These self-evaluations may be supplemented by a third-party evaluation as determined by the Board of Directors.



The resulting report and recommendations shall be submitted to the Board of Directors. This report shall be published on the Company's website and shall form part of the annual Corporate Governance report, which is presented to the General Assembly of Shareholders and other stakeholders.

3.2 External evaluations

Every two years the Board of Directors shall select an external firm that is not involved in any conflict of interest with the Company in order to perform external performance evaluations of the Board of Directors.

The Company Secretary, with the support of the Sustainability and Corporate Governance Committee, shall coordinate this evaluation process making available the information resources and contacts that may be required.

The external firm shall submit a detailed report containing the findings, progress and recommendations arrived at which shall be provided to the Board of Directors, so that an action plan can be implemented in order to evaluate the corresponding recommendations.

An executive summary of these external evaluation reports shall be published on the Company's website and will form part of the annual Corporate Governance report presented to the General Assembly of Shareholders and other stakeholders.

Paragraph The Sustainability and Corporate Governance Committee shall be responsible for submitting to the Board of Directors the schedule corresponding to the performance evaluations of the Board and its Committees, as well as ensuring compliance therewith.

ANNEXES

- Information Management Protocol.
- Internal Policy for Handling Conflicts of Interest.
