

BANCO DE BOGOTÁ
GENERAL SHAREHOLDERS' MEETING – MARCH 29th / 2023
PRESENTATION OF THE REFORM TO THE BOARD OF DIRECTORS' RULES OF PROCEDURE

NOTE: This reform was approved by the Board of Directors at the meeting held on July 5th / 2022.

PREVIOUS TEXT	MODIFICATION
<p>BANCO DE BOGOTÁ CORPORATE GOVERNANCE CODE</p> <p>December 21st / 2021</p> <p>.../....</p> <p style="text-align: center;">ANNEX 2 BANCO DE BOGOTÁ's BOARD OF DIRECTORS RULES OF PROCEDURE</p> <p>.../....</p> <p>ARTICLE 6. DUTIES AND RESPONSIBILITIES.</p> <p>.../....</p> <p>Furthermore, and regarding risk management, the Board of Directors shall:</p>	<p>BANCO DE BOGOTÁ CORPORATE GOVERNANCE CODE</p> <p>December 21st / 2021–July 5th / 2022</p> <p>.../....</p> <p style="text-align: center;">ANNEX 2 BANCO DE BOGOTÁ's BOARD OF DIRECTORS RULES OF PROCEDURE</p> <p>.../....</p> <p>ARTICLE 6. DUTIES AND RESPONSIBILITIES.</p> <p>.../....</p> <p>Furthermore, and regarding risk management, the Board of Directors shall:</p> <ul style="list-style-type: none"> i. Approve the policies of the Integral Risk Administration System (SIAR, by its acronym in Spanish), general exposure and concentration limits, strategies to manage: (i) risks, (ii) capital, (iii) liquidity and (iv) conflicts of interest and their disclosure; as well as their updates. ii. Approve: (i) guidelines on internal reports presented to the Board in reference to risk management and (ii) the liquidity contingency plan, as well as their updates. iii. Approve actions to be implemented and follow up on their execution and effectiveness, in the following events:

<ul style="list-style-type: none"> i. Approve the Bank's Risk Appetite Framework (MAR, by its acronym in Spanish) and the Statement on Risk Appetite (DAR, by its acronym in Spanish), as well as their updates, upon recommendation from the Board's Integral Risk Management Committee, which shall reflect the general risk tolerance or exposure levels, according to the corporate strategy, its capital plans, and its financial and operating structure. ii. Approve the organizational structure needed for the Bank's risk management, as well as the responsibilities and duties assigned to the positions and areas in charge thereof. 	<ul style="list-style-type: none"> a. Increase of risk exposure which results in excess over thresholds defined in the Statement on Risk Appetite (DAR, by its acronym in Spanish). b. Weaknesses in the SIAR to carry out risk administration in accordance with the economies and markets where the entity operates, its capital and liquidity levels, the regulatory framework, the business plan and the entity's risk profile and appetite. c. Corrective and improvement actions, once the previous governance instances are surpassed. iv. Monitor, at least once a year, the effectiveness and suitability of the SIAR to carry out an appropriate risk management and its consistency with the business plan and with the economies and markets where the entity operates, as well as approve improvement actions. v. Priorly approve a reclassification of any position in the treasury or banking book, resulting from an identified coverage strategy. The reclassification shall only be in force 30 working days after its adoption. The aforementioned does not imply nor allows investment reclassification due to valuation or accounting effects, whose procedures are defined in the investment valuation chapter of the Accounting and Financial Basic Circular (CBCF, by its acronym in Spanish). In any case, coverage strategies to be implemented shall comply with criteria defined in Chapter XVIII of the CBCF. vi. Approve, at least once a year, training policy for staff that belongs to the risk governance structure, as well as guidelines on ethics or conduct and on internal control related to the SIAR. i. Approve the Bank's Risk Appetite Framework (MAR, by its acronym in Spanish) and the Statement on Risk Appetite (DAR, by its acronym in Spanish), as well as their updates, upon recommendation from the Board's Integral Risk Management Committee, which shall reflect the general risk tolerance or exposure levels, according to the corporate strategy, its capital plans, and its financial and operating structure. ii.vii. Approve the organizational governance structure needed for the Bank's risk management, as well as the responsibilities and duties assigned to the positions and areas in charge thereof. i.viii. Approve the Bank's Risk Appetite Framework (MAR, by its acronym in Spanish) and the Statement on Risk Appetite (DAR, by its acronym in Spanish), as well as their updates, upon recommendation from the Board's Integral Risk Management Committee, which shall reflect the general risk tolerance or exposure levels, according to the corporate strategy, its capital plans, and its financial and operating structure.
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<ul style="list-style-type: none"> iii. Analyze and evaluate the adequacy of human, physical and technical resources, and of technological tools, for the development of the Bank's risk management function, ensuring that its operation is carried out within the approved MAR. iv. Approve Risk Management policies and monitor that the Legal Representative, Senior Management and the Bank's employees comply with the aforementioned policies, including those that refer to identification and timely management, risk limits and escalation of authorization in case of breach of said limits, as well as in case of material risk exposures. v. Favor the annual business plan to be in line with approved risk appetite and incentives, and include incentives in the compensation programs to facilitate adherence to risk appetite. vi. Know and express an opinion on the Bank's risk profile, at least once a year and propose improvement actions and strengthening measures on those aspects that may require them. vii. Know and express an opinion on stress testing results and on action plans that arise from those results, for those risks that require said testing. viii. Know and express an opinion on results from the independent evaluation (performed by the internal audit or other external bodies) of the MAR's design and effectiveness and its-alignment with the Bank's control expectations, at least once a year. ix. Delegate to the Board's Integral Risk Management Committee and the Management's Integral Risk Management Committee, the functions deemed appropriate. x. Designate the members of the Board of Director's Integral Risk Management Committee and the Management's Integral Risk Management Committee, approve its rules of procedure and ensure its compliance. 	<ul style="list-style-type: none"> iii.ix. Analyze and evaluate the adequacy of human, physical and technical resources, and of technological tools, for the development of the Bank's risk management function, ensuring that its operation is carried out within the approved MAR. iv-x. Approve Risk Management policies and monitor that the Legal Representative, Senior Management and the Bank's employees comply with the aforementioned policies, including those that refer to identification and timely management, risk limits and escalation of authorization in case of breach of said limits, as well as in case of material risk exposures. v.xi. Favor the annual business plan to be in line with approved risk appetite and incentives, and include incentives in the compensation programs to facilitate adherence to risk appetite. vi.xii. Know and express an opinion on the Bank's risk profile, at least once a year and propose improvement actions and strengthening measures on those aspects that may require them. vii.xiii. Know and express an opinion on stress testing results and on action plans that arise from those results, for those risks that require said testing. viii.xiv. Know and express an opinion on results from the independent evaluation (performed by the internal audit or other external bodies) of the MAR's SIAR's and its components' design and effectiveness and its their alignment with the Bank's control expectations, at least once a year. ix.xv. Delegate to the Board's Integral Risk Management Committee and the Management's Integral Risk Management Committee, the functions deemed appropriate. x.xvi. Designate the members of the Board of Director's Integral Risk Management Committee and the Management's Integral Risk Management Committee, approve its rules of procedure and ensure its compliance.
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