

BANCO DE BOGOTÁ
GENERAL SHAREHOLDERS' MEETING – MARCH 21st / 2024

PRESENTATION OF THE REFORM TO THE CORPORATE GOVERNANCE CODE AND THE BOARD OF DIRECTORS' RULES OF PROCEDURE

NOTE: These reforms were approved by the Board of Directors at meetings held on June 20th and December 19th / 2023.

PREVIOUS TEXT	MODIFICATION
<p style="text-align: center;">BANCO DE BOGOTÁ CORPORATE GOVERNANCE CODE</p> <p>June 20th / 2023</p> <p>..../....</p> <p>TITLE TWO CORPORATE GOVERNANCE BODIES</p> <p>..../....</p> <p>CHAPTER 2 ADMINISTRATIVE BODIES</p> <p>..../....</p> <p>2.3. COMMITTEES.</p> <p>..../....</p> <p>2.3.1.2. CREDIT COMMITTEE.</p> <p>..../....</p> <p>The Credit Committee meets usually on a weekly basis, to analyze and decide on lending operations to customers, within the limits determined by the Board of Directors, and recommends lending operations which, due to the amount, must be approved by the Board.</p> <p>..../....</p>	<p style="text-align: center;">BANCO DE BOGOTÁ CORPORATE GOVERNANCE CODE</p> <p>June 20th / 2023–December 19th / 2023</p> <p>..../....</p> <p>TITLE TWO CORPORATE GOVERNANCE BODIES</p> <p>..../....</p> <p>CHAPTER 2 ADMINISTRATIVE BODIES</p> <p>..../....</p> <p>2.3. COMMITTEES.</p> <p>..../....</p> <p>2.3.1.2. CREDIT COMMITTEE.</p> <p>..../....</p> <p>The Credit Committee meets usually on a bi-weekly basis, to analyze and decide on lending operations to customers, within the limits determined by the Board of Directors, and recommends lending operations which, due to the amount, must be approved by the Board.</p> <p>..../....</p>

July 5th / 2022

**ANNEX 2
BANCO DE BOGOTÁ
BOARD OF DIRECTORS' RULES OF PROCEDURE**

---/---

ARTICLE 6. DUTIES AND RESPONSIBILITIES.

---/---

Furthermore, and regarding risk management, the Board of Directors shall:

- 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:
 - 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

~~July 5th / 2022- June 20th / 2023~~

**ANNEX 2
BANCO DE BOGOTÁ
BOARD OF DIRECTORS' RULES OF PROCEDURE**

~~---/---~~

~~ARTICLE 6. DUTIES AND RESPONSIBILITIES.~~

~~---/---~~

Furthermore, and regarding risk management, the Board of Directors shall:

- ~~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:~~
 - ~~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~~

<p>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.</p> <p>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.</p> <p>vii. Approve the 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.</p> <p>viii. Approve the Bank's Risk Appetite Framework (MAR, by its acronym in Spanish) and the Statement on Risk Appetite (DAR), 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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>xiv. Know and express an opinion on results from the independent evaluation (performed by the internal audit or other external bodies) of the SIAR's and its components' design and effectiveness and their alignment with the Bank's control expectations, at least once a year.</p>	<p>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.</p> <p>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.</p> <p>vii. Approve the 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.</p> <p>viii. Approve the Bank's Risk Appetite Framework (MAR, by its acronym in Spanish) and the Statement on Risk Appetite (DAR), 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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>xiv. Know and express an opinion on results from the independent evaluation (performed by the internal audit or other external bodies) of the SIAR's and its components' design and effectiveness and their alignment with the Bank's control expectations, at least once a year.</p>
---	---

<p>xv. Delegate to the Board's Integral Risk Management Committee and the Management's Integral Risk Management Committee, the functions deemed appropriate.</p> <p>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.</p>	<p>xv. Delegate to the Board's Integral Risk Management Committee and the Management's Integral Risk Management Committee, the functions deemed appropriate.</p> <p>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.</p> <p>i. Approve the governance structure for the Bank's risk management, as well as the responsibilities and duties assigned to the positions and areas in charge thereof. Approve the Bank's business plan and verify on its compliance.</p> <p>ii. Approve, and verify compliance with, policies of the Integral Risk Administration System (SIAR, by its acronym in Spanish), general exposure limits, strategies to manage risks, capital and liquidity.</p> <p>iii. Verify that these policies are in accordance with the risk profile and appetite, the business plan, the company's activities' nature, size, complexity and diversity, and with economic and market environment.</p> <p>iv. Ensure 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 the event of material risk exposures.</p> <p>v. 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. Verify their compliance.</p> <p>vi. Know and express an opinion on the Bank's risk profile, at least once a year, and propose and/or approve improvement actions and strengthening measures on those aspects that may require them.</p> <p>vii. Monitor, at least once a year, the effectiveness and suitability of the SIAR in carrying out an appropriate risk management and also its consistency with the business plan and with the economies and markets where the entity operates, as well as approve improvement actions.</p> <p>viii. Monitor and guide risk management, using reports on the SIAR's status and evolution.</p>
---	---

	<ul style="list-style-type: none"> ix. Know stress testing performed on different types of risk and approve action plans that arise from those results. x. Analyze and evaluate sufficiency of human, physical and technical resources, as well as technological tools used for the implementation of the Bank's risk management function, ensuring that its operation is carried out within the approved SIAR manual. xi. Know and express an opinion on results from the independent evaluation (performed by the internal audit, the statutory auditor or other external bodies) of the SIAR's and its components' design and effectiveness and their alignment with the Bank's control expectations, at least once a year. xii. Delegate to the Board's Integral Risk Management Committee and the Management's Integral Risk Management Committee, the functions deemed appropriate. xiii. Appoint members of the Board of Director's Integral Risk Management Committee and of the Management's Integral Risk Management Committee, approve their rules of procedure and ensure their compliance. xiv. Approve, at least once a year, training policy for staff that works within the Bank's risk governance structure, as well as guidelines on ethics or conduct and on internal control related to the SIAR. xv. Provide unrestricted support to the internal audit and the statutory auditor for them to have freedom to examine and inform on the effectiveness of risk administration systems. xvi. Express an opinion on relevant events that affect the Bank either through damages on its public image, on client service or through financial harm on its P&L. xvii. Appoint members of the Asset and Liability Committee (ALCO). xviii. Express an opinion on abnormal situations regarding risk levels, based on reports presented by the Bank's supporting risk management Committees and the Legal Representative. xix. Priorly approve reclassifications of any position in the treasury or banking book. xx. Authorize the Code of Ethics that must be followed by all the Bank's employees, as well as any updates. xxi. Approve the exclusion of the uncovered portion on controlled investments abroad, from the banking book's positions, for the calculation of the exchange rate module of the regulatory VaR.
--	---

	<p>xxii. Approve guidelines on internal reports regarding risk management and the liquidity contingency plan, as well as their updates.</p> <p>xxiii. Approve actions to be implemented, as well as follow up on their execution and effectiveness, in the following events: (i) increases in risk exposure which result from excess over thresholds defined in the DAR; (ii) 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; (iii) corrective and improvement actions, once the previous governance instances are surpassed.</p>
--	---