

BANCO DE BOGOTÁ
BOARD OF DIRECTORS' INTEGRAL RISK
MANAGEMENT COMMITTEE
RULES OF PROCEDURE

BANCO DE BOGOTÁ
BOARD OF DIRECTORS' INTEGRAL RISK MANAGEMENT COMMITTEE
RULES OF PROCEDURE

ARTICLE 1. PURPOSE OF THE COMMITTEE: The Board's Integral Risk Management Committee has the primary function of assisting the Board of Directors in complying with its overseeing responsibilities related to the Bank's risk management.

ARTICLE 2. STRUCTURE OF THE COMMITTEE: The Board's Integral Risk Management Committee shall be designated by the Board and shall act as a body dependent on the Board of Directors. The Committee is comprised of three members from the Board of Directors, elected for a one-year term, and who may be re-elected indefinitely.

The Board shall designate a Committee Chairman for the respective period. Meetings will be chaired by the Chairman and, in his absence, by the member whose surname follows in alphabetical order. The Bank's Secretary General shall act as Secretary to the Committee and, in his absence, the person designated by the Committee.

Likewise, the following administrative employees shall be permanent guests of the Board's Integral Risk Management Committee: CEO, Executive Vice-President, other Vice-Presidents, Internal Auditor, Credit & Treasury Risk Director, Compliance Director, Integral Risk Director, Operational Risk Manager, Treasury Risk Manager, Integral Risk Manager and the following employees from Grupo Aval: Risk Senior Vice-President and Corporate Risk & Conglomerate Regulations Manager.

ARTICLE 3. QUORUM. The Committee shall deliberate validly with the presence of two (2) of its members. Decisions will be valid with the favorable vote of the majority of the participants at each meeting.

ARTICLE 4. SUMMONS. The Committee shall meet ordinarily every three (3) months upon summons from the Board of Directors, its Chairman, from the Committee's Chairman or from the General Secretary.

The Committee shall be able to meet as many times as considered necessary. Likewise, it shall meet whenever circumstances arise, such as scenarios where the Bank's risk levels rise above the limits established as risk appetite, when adoption of measures to administer or mitigate risk exposure is necessary or when significant changes to the approved risk appetite framework present themselves.

ARTICLE 5. MINUTES. Committee's decisions shall be recorded in minutes, which will follow prescriptions included in Article 189 of the Code of Commerce. Observations from the Committee and the reports presented shall be included in the minutes, which will be safeguarded by the Bank's Secretary General.

ARTICLE 6. FUNCTIONS The Board's Integral Risk Management Committee shall have the following primary responsibilities:

- To advise the Board of Directors on the Risk Appetite Framework (MAR, by its acronym in Spanish) and its coherence with the Bank's business and strategic plan, capital levels and rewards' scheme, as applicable.
- To assess and propose methodologies for the definition of risk appetite, in accordance with objectives and policies established by the Board, as well as supervising implementation of the MAR.
- To review the Appetite Framework and the Statement on Risk Appetite (DAR, by its acronym in Spanish) at least once a year, and propose any necessary adjustments to the Board for approval.
- To propose to the Board for its approval: i) Exposure and concentration limits, which must be coherent with risk appetite and profile; ii) Guidelines to address any excess on established operation' limits, as well as corrective and improvement actions; iii) The early warnings system in reference to risks inherent to the Bank's corporate purpose; and iv) Risk policies and risk governance structure.
- To follow up on the risk management function, including risk limits and risk management reporting, making appropriate recommendations.
- To monitor the risk profile in order to validate that risk level remains within the limits established in the MAR and the DAR.
- To evaluate sufficiency of technical and human resources for appropriate management of the Bank's risks, in order to direct the Bank's operation towards remaining within the guidelines approved in the MAR.
- To advise the Board of Directors on corrective and/or improvement actions when the materialization of risks is foreseen, which may impact, among other aspects, the Bank's risk appetite, as well as the risk profile and exposure limits.
- To assess evidence on contingency plans defined to face stress scenarios and/or events.
- To identify and monitor emerging risks that the Bank may face while carrying out its corporate purpose.

Whenever the Committee deems it necessary it will reach out to the Committees on the matter in Grupo AVAL or in any of its subsidiaries, if they exist.

ARTICLE 7. APPROVAL AND MODIFICATIONS OF THIS DOCUMENT. Banco de Bogotá's Board of Directors will have sole competency to approve and modify these rules of procedure.

ARTICLE 8. INTERPRETATION AND PRECEDENCE OF THIS DOCUMENT. These rules of procedure are complementary and supplementary to prescriptions included in the bylaws and applicable regulations on the matter and to corporate governance regulation applicable to the Bank.

Banco de Bogotá's Board of Directors shall resolve any doubts or differences referring to the application or interpretation of this document, in accordance with corporate governance principles and recommendations adopted by the Bank.