

# **BANCO DE BOGOTÁ**

## **AUDIT COMMITTEE**

### **RULES OF PROCEDURE**

March 19<sup>th</sup> / 2024

## **BANCO DE BOGOTÁ AUDIT COMMITTEE RULES OF PROCEDURE**

In order to assist the Board of Directors in the compliance of its duties, it shall have the support of several committees that operate under its direction and are dependent on it; one of these committees is the Audit Committee.

**ARTICLE 1. PURPOSE OF THE AUDIT COMMITTEE.** The Audit Committee shall be elected by the Board of Directors and be directly dependent on it. Its primary function shall be to assist the Board of Directors in its supervisory duty through the evaluation of accounting procedures, the relationship with the Statutory Auditor and, generally, the assessment of the Bank's Control Architecture, including the audit over the risk management system implemented by the Bank.

**ARTICLE 2. COMMITTEE STRUCTURE.** The Committee shall be comprised of three members from the Board of Directors, the majority of whom shall be independent and elected for a one-year term. They may be indefinitely re-elected.

Audit Committee members must have experience and knowledge in issues related to the Committee's responsibilities.

The Board of Directors shall appoint a Chairman for the respective period. Committee sessions shall be presided by an independent member, and in his/her absence, by the member designated by the Committee, provided that he/she is independent. The Bank's Secretary General shall act as Committee Secretary and in his/her absence, the Bank's Legal Vice-president or the person appointed by the Committee shall replace him/her.

The Bank's staff responsible for accounting procedures, Control Architecture and the risk management system, as well as any other employee the Committee deems appropriate in order to provide information considered relevant regarding matters that fall within the Committee's competence, may be summoned to Committee meetings as frequently as necessary, in order to provide appropriate explanations about matters of internal control.

In order to have an interaction and coordination mechanism between the Audit Committees of the Parent Company, the Bank's and those of its subordinated companies, the Parent Company's Corporate Comptroller and the Bank's Comptroller shall attend the Bank's and the subsidiaries' Audit Committee meetings, whenever deemed appropriate.

**ARTICLE 3. SUMMONS.** The Committee shall meet ordinarily every three (3) months, when summoned by the Board of Directors or its Chairman, or by the Chair of said Committee, via invitation sent by the Secretary General.

The Committee shall meet extraordinarily as many times as deemed necessary under circumstances considered as deficiencies in the Internal Control System (ICS) that require urgent assessment and corrective actions.

ARTICLE 4. QUORUM. The Committee shall deliberate and make valid decisions with the presence and votes of the majority of its members.

ARTICLE 5. MINUTES. Any observations presented by the Committee, as well as the reports and decisions produced therein, shall be recorded in the minutes of the meetings, which will be kept and safeguarded by the Bank's Secretary General in accordance with provisions of article 189 of the Code of Commerce. Minutes shall be distributed to all the members of the Committee. When situations of significant importance are detected, a special report shall be submitted to the Board of Directors.

ARTICLE 6. FUNCTIONS. The main functions of the Audit Committee shall be the following, in accordance with current regulation:

1. Regarding the control environment:

- Approve the following documents and policies:
  - a. ICS' structure, procedures and methodologies, including responsibility lines and accountability.
  - b. Internal audit annual plan.
  - c. Policy on assurance and improvement of the quality of internal audit.
- Review and recommend for approval of the Board of Directors, the following documents and policies:
  - a. Code of Ethics, Conduct and Transparency.
  - b. Policy on generation and distribution of ICS' reports.
  - c. Information security policy.
  - d. Internal Audit Statute.
  - e. Technology's strategic plan.

2. Regarding risk management:

- Present to the Board of Directors a report on decisions taken by the Audit Committee, at least every 6 months, or with higher frequency if needed.
- Evaluate risks that may affect the execution of the strategic plan and those derived from changes in Senior Management, their impact on the ICS and, if necessary, recommend timely measures to mitigate said impacts.
- Propose to the Board of Directors, controls to appropriately prevent, detect and respond to fraud risks.

### 3. Regarding control activities:

- Approve the methodology to define criticality of findings from the internal audit, the statutory auditor and external audits, if appropriate.
- Monitor internal audit's functions and activities, to verify that it upholds its independence and objectivity regarding audited activities and identify possible limitations that prevent its adequate performance.
- Assess the ICS' structure to determine if designed procedures reasonably protect the Bank's assets and those of third parties that it manages or safeguards.
- Ensure that financial and accounting information is prepared, presented and disclosed in accordance to current regulation and the Bank's financial performance goals, verifying existence of necessary controls.
- Evaluate and approve proposals from the internal audit, or other similar body, related to the hiring of specialized external auditors.
- Evaluate if the ICS reasonably ensures information systems' performance, their reliability and integrity for decision making, and propose to the Board of Directors appropriate measures to solve any detected vulnerability.
- Evaluate reports from the internal audit, the statutory auditor and the external auditors, verifying that their recommendations and suggestions are implemented.

### 4. Regarding information and communication:

- Prepare the report that the Board of Directors must submit to the highest governing body at its ordinary meeting, regarding the ICS performance during the previous period, which must include, at least, the following:
  - a. The process used to review the effectiveness of the ICS, expressly mentioning aspects related to risk management.
  - b. Relevant activities from the Audit Committee.
  - c. Identified material deficiencies, recommendations stated and measures taken, including those aspects that may affect financial statements and the management report, among others.
  - d. Observations from control bodies and sanctions imposed on the Bank, when applicable.
  - e. Evaluate the work performed by the internal audit, including, among other aspects, its scope, its independence and assigned resources.
- Act as a communication channel in matters regarding internal control, between Senior Management and the Board of Directors.
- Maintain continuous communication with internal audit, through the Committee's Chairman.
- Inform the Board of Directors, when it detects that the Bank does not provide required information to competent authorities and control bodies.

- Request reports that it deems necessary to adequately fulfill its responsibilities.
- Present to the highest governing body, through the Board of Directors, candidates to the Statutory Auditor position, notwithstanding the right of shareholders to present other candidates. To that effect, the Committee shall collect and analyze the information provided by each candidate and submit to the consideration of the highest governing body the results of the analysis.

5. Regarding follow up and monitoring activities:

- Continuously evaluate compliance with regulation and policies that form the internal control environment and request from Senior Management the reports it deems appropriate.
- Follow up on compliance with instructions from the Board of Directors, regarding the ICS.
- Monitor compliance with the internal audit annual plan.
- Evaluate efficiency of internal audit in terms of resources and results, reporting to the Board of Directors any inefficiencies.
- Review and evaluate changes in the Bank's environment and its business model, whenever they may affect risk management or compliance with strategic objectives.

6. Any other functions set forth by the Board of Directors.

ARTICLE 7. APPROVAL AND AMENDMENTS TO THE RULES OF PROCEDURE. Banco de Bogotá's Board of Directors shall have exclusive competence to approve and amend these Rules of Procedure.

ARTICLE 8. INTERPRETATION AND PRIORITY OF THE RULES OF PROCEDURE. These Rules of Procedure are complementary and supplementary to the provisions of the Bylaws, to regulation provided on this matter and to Corporate Governance rules applicable to the Bank.

It is Banco de Bogotá's Board of Directors' responsibility to solve any doubts or discrepancies that may arise in the application or interpretation of these Rules of Procedure, in accordance with the principles and recommendations in matters of Corporate Governance adopted by the Company