

# **BANCO DE BOGOTÁ**

## **BOARD OF DIRECTORS' APPOINTMENT AND COMPENSATION POLICY**

### **PURPOSE**

The purpose of this document is to establish some of the guidelines and procedures to be considered for the appointment and compensation of Banco de Bogotá's Board of Directors (hereinafter, "the Bank").

The guidelines in reference to the composition of the Bank's Board of Directors seek continuity in decision making and the generation of appropriate stability of the Board's structure, through a selection process that is to be followed in events such as permanent, scheduled or unexpected absence from any of the Directors. Therefore, it is understood that the policy also defines the Board's succession aspects.

### **CRITERIA APPLICABLE TO THE APPOINTMENT OF THE BANK'S BOARD OF DIRECTORS.**

In order for the Bank's Board of Directors to count with individuals with the required professional and personal suitability to undertake defined duties and responsibilities, in addition to the requirements established by Law, the following criteria shall be taken into consideration by the Bank's shareholders for nominating, electing, reelecting or replacing the members of its Board of Directors:

1. Have professional education, competencies, knowledge and experience related to the financial or stock market sectors as well as to the activities and business carried out by the Bank and its subordinate entities, in such a way that the candidate understands the challenges and opportunities faced by Group Banco de Bogotá.
2. Have the ability to contribute to discussions and decisions on the Bank's strategic management, understand and question financial results and contribute to risk management, among others.
3. Have recognition, reputation, leadership and prestige, as well as managerial and teamwork capacities, evaluating the candidate's reputation, honesty and integrity, as well as performance in other professional and personal scenarios.
4. Have the necessary time availability and dedication to perform the responsibilities required by their position and by the Bank's strategic objectives.
5. For independent members, besides taking into consideration regulation included in paragraph 2, article 44 of Law 964 / 2005, evaluate the candidates' tenure in the Board of Directors and that they do not incur in situations that generate real or potential conflict of interest, such as i) having personal or professional relationships with the Bank's majority shareholders or those from the parent company or its affiliates or subsidiaries, including family relationships by blood, affinity or civil kinship; ii) having personal or professional relationships with external interested parties such as suppliers, consultancies or other companies that may provide a service to the Bank; and iii) being shareholder, partner or manager of a legal entity in conflict with the Bank, among others.

6. Contribute to the Board of Directors' balance and diversity in aspects such as knowledge, experience, competencies, gender and ethnicity, among others.

## PRESENTATION PROCEDURE AND EVALUATION OF PROPOSALS AND CANDIDATES.

Shareholders that, based on their shareholding stake and applying the electoral quotient system, wish to form part or propose lists for the election of the Board of Directors, may, if possible prior to the respective Shareholders' Meeting, nominate one or more candidates through a written proposal filed before the Bank's Secretary General's Office along with the *curriculum vitae* of the respective candidate(s) and the necessary additional documentation that supports compliance with the criteria required for such nomination.

The aforementioned proposal shall be accompanied by a written communication from each candidate, stating their acceptance to be included in the corresponding list. In the case of lists of independent members, it shall be additionally accompanied by a written communication from each candidate stating compliance with the independence requirements foreseen under applicable regulation.

The Chairman of the Board of Directors shall be responsible for leading the candidates' evaluation process and the enforcement of the Bank's selection policies. With the assistance from the Bank's CEO and from the Secretary of the Board of Directors, proposals received prior to the General Shareholders' Meeting shall be evaluated. Such evaluation shall include the verification of lack of legal incompatibilities and inabilities and the adequacy of candidates to the needs of the Board of Directors, through the validation of professional and personal applicable criteria.

The *curriculum vitae* of proposed candidates who comply with applicable election criteria, as long as they are previously received, shall be informed prior to the respective Shareholders' Meeting through the Bank's website ([www.bancodebogota.com.co](http://www.bancodebogota.com.co), Investor Relations section), provided that they are received within the term established for the receipt of such proposals.

In the event that any of the candidates proposed to form part of the Board of Directors does not comply with the requirements established by Law or under the herein policy, such situation shall be informed to the respective shareholder.

In accordance with the Bank's Bylaws, the Shareholders' Meeting shall be responsible for the election of the members of the Board of Directors. The proposal received from the shareholder(s) shall be presented to the Shareholders' Meeting, which will also be informed on whether the established evaluation process was followed and on its main conclusions.

External consultancy services can be hired for the search and selection of candidates to the Board of Directors.

The procedure established under this policy is intended to centralize and coordinate the process of structuring the Board of Directors, prior to General Shareholders' Meetings. Without prejudice of the foregoing, the same does not constitute an impediment for nomination and election of the members of the Board of Directors during the General Shareholders' Meeting that addresses such an election, pursuant to the rights conferred by the Bank's common shares.

Annually, the Board of Directors' effectiveness shall be evaluated through an external evaluation or self-evaluation process that allows, among others, to periodically assess the members' competencies, as well as the implementation of trainings, feedback and, in general, any strategy that tends to improve and evaluate such aspects.

#### COMPENSATION OF THE BOARD OF DIRECTORS.

The General Shareholders' Meeting shall be in charge of establishing the amount of fixed fees to be paid to the Directors, as compensation for their attendance to Board of Directors' meetings and to the meetings of the Support Committees of which they are members.

Alternate members attending the meetings of the Board of Directors, although they do not act as replacement of their respective principal member, shall be entitled to earn the same remuneration as the principal Directors.

The amount of fixed fees approved by the Shareholders' Meeting, applied to the total number of meetings of the Board of Directors or Support Committees that each member attends, shall constitute the maximum cost of the Board of Directors and the sole retribution component approved to such body.