

# **BANCO DE BOGOTÁ**

## **BYLAWS**

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## SECTION I FOUNDING, DOMICILE AND DURATION OF THE BANK

**ARTICLE 1-** The company named "Banco de Bogotá", incorporated by Deed Number 1923 issued before Bogotá's Notary 2 on November 15 / 1870, will be governed henceforth by the following Bylaws.

**ARTICLE 2-** Banco de Bogotá is a commercial joint-stock company (*sociedad comercial anónima*) domiciled in the city of Bogotá, and it may establish branches or agencies at the discretion of its Board of Directors, with the authorization of the Financial Superintendence of Colombia.

**ARTICLE 3-** The Bank will last until June 30 / 2070, unless prior to that date it is dissolved for any legal or statutory cause, but this term may be extended in accordance with the Law and these Bylaws.

## SECTION II AUTHORIZED CAPITAL

**ARTICLE 4-** The authorized capital of the Bank is FIVE BILLION PESOS (COP \$5,000,000,000), divided into 500 million (500,000,000) shares with a nominal value of TEN PESOS (COP \$10), each.

## SECTION III SHARES AND SHAREHOLDERS

**ARTICLE 5-** Shares represent the right which shareholders have in the assets of the company, by virtue of their compliance with the obligations contracted with said company. The rights and obligations of shareholders shall be governed by the provisions set forth in legal regulations, in the Company Bylaws and in the Bank's Corporate Governance Code.

**ARTICLE 6-** The shares will be represented by nominative securities or certificates, which will meet all legal requirements, and which will carry the signatures of the Bank's legal representative and Secretary General. Notwithstanding this, the securities may be dematerialized in full or in part, having been deposited by the Bank or the shareholder in

a centralized securities deposit for their management or for any other purpose provided by Law, and in accordance with applicable regulation.

**ARTICLE 7-** Shares are transferable as permitted by Law but, in order for a transfer to have effect for the Bank and third parties, it must be registered in the Bank's Shareholders Ledger.

#### **SECTION IV OPERATIONS**

**ARTICLE 8-** The Bank may conduct all operations permitted by Law, particularly those allowed by the Organic Statute of the Financial System.

#### **SECTION V ADMINISTRATIVE STRUCTURE**

**ARTICLE 9-** Shareholders assembled at a General Meeting are the Bank's supreme management body, and the Bank's administration will be the responsibility of a Board of Directors and a President, who will have the legal representation of the Bank for all legal effects.

**ARTICLE 10-** The Bank will also have an Executive Vice President, Vice Presidents, Managers, a Secretary and all other employees that the Bank's appropriate operation requires.

**ARTICLE 11-** The Bank will also have as a body of administrative control, a Statutory Auditor and his/her Deputy, elected by the General Shareholders Meeting, who will perform their functions in the manner and on the terms provided by the Law and these Bylaws.

#### **SECTION VI GENERAL SHAREHOLDERS MEETINGS**

**ARTICLE 12-** The General Shareholders Meeting is constituted by the Bank's shareholders assembled under the quorum and conditions prescribed by Law and by these Bylaws,

**ARTICLE 13-** The General Shareholders Meeting will be chaired by the Chairman of the Board of Directors, or by the Board's Vice Chairman, or by any of the other directors. In

absence of the directors, by the Bank's President or his/her alternate, or finally by the shareholder designated by the absolute majority of the attendees.

**ARTICLE 14-** The shareholders who so decide, may be represented at the General Shareholders Meeting, through a written power of attorney that indicates:

1. The name of the proxy and, if applicable, the name of the person who can substitute the proxy.
2. The date or time frame of the meeting or meetings for which the power of attorney is granted.

Senior Management and employees may not represent shares other than their own at General Shareholders Meetings, nor substitute the powers conferred, while exercising their offices, except in cases of legal representation.

**ARTICLE 15-** The Secretary of the General Shareholders Meeting will be the Bank's Secretary, and in his absence the person designated by the Meeting's Chairman.

**ARTICLE 16-** All meetings, resolutions, elections and other work carried out by the General Shareholders Meeting shall be recorded in a Minutes Ledger which will be authorized, by means of their signatures, by the Meeting's Chairman and Secretary.

**ARTICLE 17-** The General Shareholders Meeting shall hold an ordinary session once a year on the last business day of March at the latest, at its registered office, on the date, at the time, and at the location indicated in the Notice of the Meeting.

Extraordinary meetings shall be held when required by the Bank by virtue of a summons made by the Board of Directors, by the legal representative or by the Statutory Auditor, either directly or upon the request of a number of shareholders that represents one quarter of the stock capital or more. The Financial Superintendence of Colombia may also convene extraordinary meetings, either directly or upon the request of a plural number of shareholders that represents no less than one quarter of the subscribed shares in those cases provided in the regulations.

**PARAGRAPH 1.** In exceptional cases, when required by unforeseen or urgent circumstances, the Bank's general purpose consolidated financial statements may be submitted to the consideration of the General Shareholders Meeting at an extraordinary meeting held within ninety days after the last business day of March, on the year immediately following the year of said financial statements.

**PROVISIONAL PARAGRAPH.** Regarding the approval of separate Financial Statements for the semester ending on December 31 / 2016, the Shareholders Meeting shall be held on the last business day of March / 2017 at the latest.

The first clause of this article shall be effective starting on January 1 / 2017.

**ARTICLE 18-** Summons to the General Shareholders Meeting shall be conducted through a notice published in a newspaper with circulation at the Bank's main domicile, at least five (5) business days before the meeting, except in the following events which require the notice to be published at least fifteen (15) days in advance:

1. When approving period-end financial statements.
2. When considering projects for spin-offs, mergers, transformations and segregation operations, also known as inappropriate spin-offs.

The Summons Notice shall include:

1. Date, time and place of the meeting.
2. The planned agenda.
3. When considering a spin-off, merger, transformation or a segregation operation, also known as inappropriate spin-off, the cancelation of the Bank's stock listing in the stock exchange, the approval of period-end financial statements, the increase of authorized capital or the decrease of subscribed capital, it shall be so indicated in the Notice.
4. All other matters required by Law.

The General Shareholders Meeting may meet validly any day and anywhere without prior announcement, when all of the subscribed shares are represented.

Proposals submitted by shareholders prior to the Shareholders Meeting will be processed as provided for in the Rules of Procedure for the General Shareholders Meeting.

**ARTICLE 19-** At an ordinary meeting, the Shareholders Meeting shall elect, for the corresponding period, the members of the Board of Directors and their alternates, as well as the Statutory Auditor and his/her alternate. Without prejudice to the foregoing and in accordance with applicable legal and statutory provisions, the General Shareholders Meeting may at any meeting, be it ordinary or extraordinary, freely elect and remove staff members whose designation is under its responsibility.

**ARTICLE 20-** The quorum to deliberate in the General Shareholders Meeting shall be a plural number of shareholders that represents at least the absolute majority of subscribed shares.

In the event that a General Shareholders Meeting is summoned and it cannot be held due to lack of quorum, another meeting shall be summoned and be validly held with one or more shareholders, regardless of the amount of shares represented. The new

meeting shall be held no sooner than ten (10) days and no later than thirty (30) days from the date scheduled for the first meeting.

**ARTICLE 21-** With the exception of special majority' decisions stipulated by Law, decisions shall be taken by a majority of the votes present.

**PARAGRAPH.** Each shareholder may designate one or more representatives for the General Shareholders Meeting, regardless of the number of shares owned. The shareholder or his/her representative or representatives must cast the same vote with his/her shares. In other words, a certain vote may not be cast with certain shares, and another vote cast with other shares. When a person represents multiple shareholders, he/she may vote separately according to the instructions of the principal or of each person or group he/she represents, dividing the votes between each of them as instructed. Shares can be represented through a written power of attorney that names the proxy or proxies, the person or people who can substitute the proxy or proxies, and the date of the meeting for which the power is conferred. The power of attorney may cover two (2) or more meetings, provided that this is explicitly stated in the document. Except in cases of legal representation, the Bank's managers and employees may not represent shares other than their own at the General Shareholders Meetings, while they are exercising their positions, nor may they seek representation for their own shares. They cannot vote on the Bank's period-end balance sheets or financial statements, nor on those of liquidation.

**ARTICLE 22-** The functions of the General Shareholders Meeting are:

1. To dissolve and extend the company;
2. To issue, in accordance with legal provisions, rules for the liquidation of the company, naming the liquidators and assigning their compensation;
3. To reform the Bylaws;
4. To increase the company's authorized capital;
5. To evaluate the actions of the Board of Directors and Senior Management based on the study and approval of the Management Report;
6. To conclusively approve financial statements and accounts and to determine profit distribution;
7. To elect principal and alternate members of the Board of Directors, from the names submitted by shareholders, ensuring that they comply with the requirements prescribed by legal and company regulations in effect;

8. To elect the Statutory Auditor and his/her alternate, as well as assigning their compensation. For the election of the Statutory Auditor and the alternate, shareholders may submit to the consideration of the Shareholders Meeting, proposed candidates from auditing firms with recognized track record and experience, which will be discussed at the Shareholders Meeting. After consideration, the election will take place;
9. To authorize the Bank's Senior Management, on an exceptional basis and subject to legal and company requirements in effect, to participate in actions that imply competition with the Bank or that represent a conflict of interest, as long as they do not jeopardize the Bank's interests. To this effect, Senior Management must provide the Shareholders Meeting all the information relevant to this decision;
10. To determine the maximum amount up to which the company may make donations that support causes that will benefit the community or specific sectors (for example, causes aimed at sectors such as health, education, culture, religion, democracy, sports, scientific and technological research, ecology and environmental protection, defense, protection and advocacy of human rights, access to justice, social development programs, disaster and catastrophe relief, etc.) and which contribute to the promotion of the company's reputation as part of its social responsibility. The General Shareholders Meeting shall have the faculty of deciding on the specific sectors to which these donations may be made.

The Board of Directors shall propose, at each General Shareholders Meeting, recommendations on the amount and destination of donations.

**PARAGRAPH:** The maximum amounts approved for donations by the General Shareholders Meeting shall subsist until they are exhausted;

11. To rule that a specific common stock issuance be placed without being subject to pre-emptive rights, by having the vote of seventy percent (70%) of the shares present;
12. To authorize the issuance, when deemed appropriate, of stock with preferential dividend and without voting rights;
13. Other functions prescribed by Law;
14. To determine compensation for the members of the Board of Directors, on an annual basis;
15. To approve the Board of Directors' successions policy;
16. To approve the acquisition, sale or liens of/on assets, as well as segregation operations, also known as inappropriate spin-offs, that exceed twenty five percent

(25%) of the Company's total assets, as calculated on the basis of its separate financial statements from the immediately previous period.

**PARAGRAPH.** In addition to those prescribed by Law, functions included in numerals 14 to 16 of this article are functions exclusive to the General Shareholders Meeting and cannot be delegated.

## **SECTION VII** **BOARD OF DIRECTORS**

**ARTICLE 23-** The Board of Directors shall be composed of five (5) principal members, who will have five (5) personal alternates. They shall be elected by the General Shareholders Meeting for a one (1) year term, with the possibility of being re-elected indefinitely, and will be subject to the inabilities and incompatibilities prescribed by Law. The Shareholders Meeting will determine their compensation.

The Board of Directors shall have a Chairman and a Vice Chairman elected from the Board itself by the directors. The Bank's Secretary General will act as Secretary of the Board; otherwise, the employee so appointed by the Board.

**ARTICLE 24-** Alternate directors will replace principal directors, in their permanent or temporary absences, as provided by the Law.

**ARTICLE 25-** The period for which the directors and their alternates will be elected will start on the day following the election, without invalidating the actions from the outgoing directors, while the newly elected directors take office.

**ARTICLE 26-** Within the Board of Directors there shall not be a majority made up by persons linked by marriage or by kinship within the third degree or by affinity within the second degree, or by first civil degree, nor may any of the Bank's staff be part of the Board.

**ARTICLE 27-** The Board of Directors shall meet ordinarily at least once a month, and extraordinarily as many times as needed in the interest of the Bank, under the terms provided by Law.

The Bank's President, Vice Presidents and staff determined by the Board, shall attend Board meetings as non-voting participants. The Statutory Auditor or his/her alternate will have the right to attend Board meetings as a non-voting participant.

**ARTICLE 28-** The Board of Directors shall validly deliberate with the presence of a majority of its members.

**ARTICLE 29-** Any decision or action from the Board of Directors must be agreed on by the vote of the majority of the participant members; in the event of a tie on two occasions, the matter submitted to vote shall be considered to be denied.

**ARTICLE 30-** Any action or decision from the Board shall be recorded in a Minutes Ledger and the minutes will be signed by the Board's Chairman and Secretary. The foregoing applies, except when the minutes refer to the use of the mechanisms provided for under articles 19 and 20 of Law 222 / 1995, in which case the minutes shall be signed by the legal representative and by the Secretary.

**ARTICLE 31-** The functions of the Board of Directors are:

1. To establish its own rules of procedure;
2. To establish and eliminate any subsidiary, branch and agency it deems convenient, subject to legal requirements;
3. To address all matters concerning changes in the Bank's stock certificates and concerning new issuances of reserved shares, accordant to the authorized capital;
4. To clarify the meaning of the Bylaws, whenever in doubt, after consulting the Colombian Financial Superintendence and to inform the matter at the following General Shareholders Meeting;
5. To present at ordinary sessions of the General Shareholders Meeting, together with the Bank's President or his/her deputy, general purpose financial statements and other reports, documents, details and accounts required by Law, based on reports from the Audit Committee, the Statutory Auditor and the Bank's Senior Management, among others; and to propose appropriate earnings' distribution, after deduction of the amount that shall be destined to legal and other reserves. This presentation will be accompanied by a report on business results and the Bank's general situation, including a description on the Bank's main risks, internal control activities and relevant findings. This report shall be at the disposal of the shareholders in accordance with the mechanisms established in the Corporate Governance Code;
6. To establish the positions of Branch Managers or positions that entail legal representation, at the request of the Bank's President;
7. To elect the Board's Chairman and Vice Chairman and address their resignation;
8. To appoint and freely remove the Bank's President, to establish his/her compensation and to address his/her resignation or leave of absence;

9. To evaluate the performance of the Bank's President and Senior Staff by considering the Management Report at the end of each fiscal period, as well as on other occasions as required by legal provisions or by the Board of Directors;
10. To create consulting or advisory committees as deemed necessary, to define their functions and to make related appointments;
11. To indicate or approve the powers conferred to the Vice Presidents, and to other Senior Staff, when submitted to consideration by the Bank's President;
12. To adopt decisions related to the individuals who shall exercise the Bank's legal representation;
13. To decide on matters submitted to consideration by the Bank's President;
14. To summon the Shareholders Meeting, to decide on the resignation of the members of the Board of Directors and the Statutory Auditor;
15. To summon extraordinary Shareholders Meetings when considered convenient;
16. To consider monthly financial statements; to examine the Bank's ledgers and documents and to verify the Bank's treasury statement;
17. To submit to consideration of the Shareholders Meeting any Bylaws' reform proposal;
18. To ensure effective compliance on requirements established by regulatory entities;
19. To adopt specific measures related to the company's governance, conduct and information in order to ensure that the rights of investors, whether in shares or in any other security issued, are respected, and to ensure appropriate management and public knowledge of its actions;
20. To ensure respect of the rights of all shareholders and security investors, in accordance with the parameters set by regulatory authorities;
21. To approve a Corporate Governance Code which shall contain rules, policies and mechanisms required by Law, the General Shareholders Meeting and the Bylaws, and approve any amendments or updates;
22. To ensure compliance with the Bylaws, applicable regulation and decisions from the Board or the General Shareholders Meeting;

23. To ensure appropriate compliance with policies and procedures regarding the Bank's internal control;
24. To authorize bond issuances;
25. To authorize or reject the appropriateness of specialized audits when requested by shareholders representing at least fifteen percent (15%) of the Bank's outstanding shares and/or investors that own at least twenty five percent (25%) of the total fixed income securities issued by the Bank, under the terms and conditions established by the Code of Corporate Governance;
26. To authorize donations to be made by the company, within the authorizations granted by the Shareholders Meeting;
27. To analyze and define the Bank's Corporate Governance principles;
28. To exercise the functions which are not assigned to the General Shareholders Meeting by the Bylaws;
29. To approve share subscription regulation, which shall contain a) The amount of shares that will be offered, which shall not be less than the amount of shares already issued; b) The proportion and form of subscription; c) The term of the offer, which shall not be less than fifteen (15) days nor exceed one (1) year; d) The offering price; e) The term for payment of the shares. To set the price at which the shares will be offered, the technical study described in Article 41 of Law 964 / 2005 shall not be necessary;
30. To respond to proposals on items to be discussed by the General Shareholders Meeting, presented to the Board of Directors by a multiple number of shareholders that represent at least five percent (5%) of subscribed shares, and
31. Other functions in accordance with the Law and the Bylaws.

## **SECTION VIII**

### **PRESIDENT AND EXECUTIVE VICE PRESIDENT**

**ARTICLE 32-** The President is the Bank's legal representative.

The functions of the President are:

1. To use the signature of the Bank in the administration of its business and to represent the Bank as a legal entity in court and otherwise, before any person or authority;

2. To summon the Shareholders Meeting and the Board of Directors to ordinary and extraordinary meetings;
3. To present to the General Shareholders Meeting, at ordinary meetings, a detailed report on the Bank's performance;
4. To present to the Board of Directors the Bank's monthly financial statements and other accounts, inventories and reports;
5. To keep the Board of Directors permanently and adequately informed on the course of business and to provide it with the information it requests;
6. To appoint mandate-holders who shall represent the company in judicial and other business, before any person or authority, and to delegate on to them the necessary functions or duties, from his own functions. In the case of general powers of attorney, to make such designations upon approval from the Board of Directors;
7. To execute actions and enter into contracts that meet the corporate purpose;
8. To dispose of or take liens on social assets, within the amounts and powers previously established by the Board of Directors and the Law;
9. To compromise and settle on differences between the Bank and third parties, upon authorization from the Board of Directors, for amounts exceeding 1.500 times the monthly minimum wage;
10. To appoint and freely remove the Bank's staff whose designation is not reserved to another authority;
11. In exercise of these powers and with the limitations indicated in these Bylaws, and within the amounts indicated by the Board of Directors, the President may, purchase or acquire under any capacity any movable or immovable asset; sell or dispose of the Bank's movable or immovable assets under any capacity and to take liens on them of any kind; alter real estate assets by its nature or purpose; celebrate credit contracts of any kind; make bank deposits; celebrate commercial exchange contracts of any form; sign all types of acts or contracts; sign all types of negotiable instruments and negotiate, accept, endorse, protest, pay, discharge, hold them, etc.; appear in court for trials where the property of the company's assets or any of the company's rights are under discussion; compromise, commit, desist, settle, novate, receive, begin any kind of proceedings on pending business or matters; represent the Bank before officials, courts, authorities, natural or legal persons or, in general act in management and administration of the company's business;

12. To present to the Board of Directors, ensuring permanent compliance, specific actions on the company's governance, conduct and information, in order to secure respect for the rights of those who invest in shares or in any other securities issued;
13. To ensure respect for the rights of shareholders and other investors, in accordance with the parameters set by regulatory bodies;
14. To provide the market timely and accurate information on financial statements and business and administrative performance, always in accordance with legal provisions;
15. To compile in a Corporate Governance Code, that shall be presented to the Board of Directors for its approval, regulations and mechanisms required by Law, the General Shareholders Meeting and the Bylaws. This Code must be permanently available for consultation of shareholders and investors, at the company's headquarters;
16. To comply with the decisions from the General Shareholders Meeting and the Board of Directors;
17. Other functions prescribed by Law, the Bylaws, the General Shareholders Meeting or the Board of Directors.

**PARAGRAPH:** The Executive Vice President or any of the other Vice Presidents, designated by the Board of Directors, shall replace, in that order, the Bank's President in his incidental, temporary or permanent absences, while the Board of Directors makes a new appointment.

## **SECTION IX** **STATUTORY AUDITOR**

**ARTICLE 33-** The Statutory Auditor shall be elected by the General Shareholders Meeting for a one year period. He/she will be elected from an auditing firm with recognized track record and experience and will have an alternate who will replace him/her in case of permanent or temporary absences. The Statutory Auditor shall engage the personnel required to ensure proper service and management of this task, being able to delegate onto them one or several of his/her functions.

As a guarantee of transparency in the election of the Statutory Auditor at the General Shareholders Meeting, shareholders may submit alternative candidates for consideration, by presenting a quotation and a proposal with the general and specific

conditions offered; all this, in order to elect in an informed and conscious manner, a firm with recognized track record and experience from the alternatives presented, always in compliance with the requirements foreseen in the Code of Corporate Governance.

In addition to the ineligibilities and incompatibilities set forth in the Law and in the Bylaws, the Statutory Auditor may not be a company shareholder, nor have a marital bond or kinship within the fourth degree of consanguinity or first degree of affinity, nor can he/she be a co-partner of the Legal Representative or of any member of the Board of Directors, the treasurer, the accountant nor the internal auditor. The Statutory Auditor's duties are incompatible with the performance of any other job or employment within the company or its subordinates.

**ARTICLE 34-** The Statutory Auditor has the inspection right and duty on all of the Bank's business actions and must provide whatever means are necessary for strict compliance with the Law, the Bylaws, the Board's and the Colombian Financial Superintendence's regulations and resolutions, as well as with the decisions from the General Shareholders Meeting. He/she shall exercise control on the Bank's activities, with the purpose of examining the company's operations, ledgers, correspondence, cash position, securities and business, as well as the Board of Directors' minutes, and shall be able to ask from the President, Vice President, Senior Management and any other staff, any information required for the proper discharge of his/her duties. Additionally, he/she shall submit to the Bank's Board of Directors any observations resulting from his/her examinations and will propose any measures deemed useful to the Bank's interests. He/she shall ensure that the company's management complies with specific obligations established by the supervisory authorities, particularly those related to information obligations and to the Code of Corporate Governance, and shall verify that the company attends to the complaints or claims filed by shareholders and investors in relation to the compliance of the Corporate Governance Code, taking appropriate measures. He/she shall timely provide information in writing to the Shareholders Meeting, the Board of Directors, the Audit Committee or the President, as the case may be, of any relevant findings on the Bank's course of business, so that appropriate measures are adopted. The Statutory Auditor may request the Bank's management to inform shareholders and the market in general of such findings, by using the mechanisms established in the Code of Corporate Governance.

Furthermore, he/she shall have the responsibility to exercise all other functions provided by Law.

**ARTICLE 35-** Additionally, the Statutory Auditor shall verify as many times as deemed convenient, the existence of cash positions, liens and securities portfolio or under custody and shall authorize the Bank's financial statements, by means of his/her signature. Furthermore, he/she shall present to the ordinary Shareholders Meeting an opinion or report on the financial statements, in which minimum data and information required by Law shall be expressed, as well as a report on the discharge of his/her

functions in the preceding period and other matters expressly required by Law to be informed to the General Shareholders Meeting.

Visits to branches and agencies may be performed by the Statutory Auditor him/herself or by those freely designated by him/her.

## **SECTION X** **SECRETARY**

**ARTICLE 36-** In addition to his duties as Secretary to the General Shareholders Meeting and the Board of Directors, the Bank's Secretary General shall perform the functions assigned by the Board in the respective rules of procedure and those established by the Bank's President. His appointment and removal is the Board of Directors' responsibility.

## **SECTION XI** **FINANCIAL STATEMENTS AND PROFITS**

**ARTICLE 37-** The Bank's financial statements shall be prepared every month on the last business day, and they will be complemented with the consolidated financial statements as per provisions from the Financial Superintendence.

**ARTICLE 38-** At the end of each period all accounts shall be closed in order to prepare end-of-period financial statements in accordance with applicable legal provisions and accounting regulations.

**ARTICLE 39-** Once the General Shareholders Meeting approves end-of-period financial statements and establishes the manner in which profit is to be distributed, the Bank's President shall comply with said distribution.

**ARTICLE 40-** Approval of financial statements implies the approval of the accounts from the respective period and their final sign-off, but it does not relieve senior management and other staff, the Statutory Auditor and the Accountant, who acted in those offices on the respective period, from their responsibility.

**ARTICLE 41-** Dividends shall be declared on equal terms for all subscribed and fully-paid shares. Dividends on subscribed shares that have not been paid in full shall be paid proportionately to the paid portion. Shares subscribed after the closing of a financial period, shall be entitled to dividends starting on the month following the month of subscription and payment, when so approved by the General Shareholders Meeting, in which case dividend payment will be taken from earnings from the preceding period

and/or from reserves appropriated for future dividend payments from profits of previous periods.

## **SECTION XII LEGAL RESERVE**

**ARTICLE 42-** The legal reserve shall receive the following appropriations:

1. At the end of each fiscal period, at least ten percent (10%) of net profits, until the reserve required by Law is completed; if this level of reserve has been met, it can be increased in the manner expressly approved by the General Shareholders Meeting.
2. Additional paid-in capital from issuances of new shares.

**ARTICLE 43-** The legal reserve shall, at all times, have the purpose of:

1. Covering the losses demonstrated in the financial statements and reinstating equity in case of losses;
2. Being responsible, together with the Bank's equity and assets, for payment of any corporate liabilities.

The Legal Reserve shall not be destined to dividend payment.

Neither shall it be destined to cover expenses or losses as long as the Bank has undistributed profits.

## **SECTION XIII DISSOLUTION AND LIQUIDATION**

**ARTICLE 44-** The company shall be liquidated and dissolved prior to the term established in these Bylaws, when half of the subscribed capital is lost or when it is so demanded by a number of shareholders that represents the majority of subscribed shares, or for any other reason considered by the Law.

**ARTICLE 45-** All notices that the company's liquidators must notify to the Bank's shareholders and customers shall be widely published in the press.

**ARTICLE 46-** Shareholders shall not be entitled to receive dividends from earnings or capital during the liquidation process, until such time when the liquidators hold enough cash to cover all the Bank's liabilities.

#### **SECTION XIV MISCELLANEOUS PROVISIONS**

**ARTICLE 47-** Inspection of the Bank's books and accounts, its cash position and portfolio, documents, papers, etc., shall only be permitted to those entities and authorities which by Law or by contract have the power to perform it, and to Bank employees whose duties require it, without prejudice to the inspection right established by the Law for all shareholders.

**ARTICLE 48-** Reforms to these Bylaws, approved by the General Shareholders Meeting, shall be formalized before any of the city's notary publics, along with the pertinent sections of the minute from the Shareholders Meeting in which the reforms were approved.

**ARTICLE 49-** Mechanisms that ensure equal treatment of the company's shareholders and investors. The Bank shall provide the same treatment regarding petitions, claims and information, to all its shareholders, regardless of the number of shares owned, as well as to its investors, regardless of the value of their investments.

The specific mechanisms that ensure equal treatment of shareholders and investors include: (i) Requesting to summon a Shareholders Meeting as prescribed in the Bylaws, (ii) demanding compliance with the Corporate Governance Code, (iii) being treated and informed with the same level of detail, at the same time period and with the same timeliness, in order to protect their rights. Attention and disclosure of information to shareholders and investors shall be provided by the company's office destined to the attention of its shareholders and investors.

#### **SECTION XV HONORARY CHAIRMAN**

**ARTICLE 50-** The Board of Directors may elect, at its discretion, an Honorary Chairman.

**ARTICLE 51-** The Honorary Chairman may attend the meetings of the Board of Directors as a non-voting participant.

**ARTICLE 52-** The Honorary Chairman shall act as advisor to the Board of Directors and the Bank's President.

## **SECTION XVI**

### **MECHANISMS FOR RESOLUTION OF CONFLICTS OF INTEREST**

**ARTICLE 53-** Resolution of conflicts of interest between a director or manager and the company. Considering that legal provisions stipulate that managers have the duty to refrain from participating either directly or through a third party, in their own interest or in the interest of others, in actions that represent a conflict of interest, unless expressly authorized by the General Shareholders Meeting, when a manager is in such a situation, he/she shall request that a Shareholders Meeting be summoned to present his/her case, and shall present this corporate body with all information relevant for taking a decision. The vote of the manager should be excluded from the decision, in case of being a shareholder. In any case, the authorization from the Shareholders Meeting may only be granted when the action does not jeopardize the Bank's interests.

**ARTICLE 54-** Resolution of conflicts of interest between a manager and a shareholder. Managers shall not disregard, limit or restrict in any way the rights of any shareholder, who shall have all the powers conferred by Law to exercise their rights.

When a conflict of interest arises between a manager and a shareholder, compliance with regulations in force and with the Bank's interests shall prevail.

**ARTICLE 55- ARBITRATION CLAUSE:** Controversies or disputes that arise between shareholders or between shareholders and the company or its Board of Directors, related to entering into, elaborating on, executing and liquidating these Bylaws or share subscription contracts, which cannot be directly resolved by the parties involved, including contestation of decisions from the Shareholders Meeting or the Board of Directors, and unless applicable regulations establish that said controversy or dispute is to be resolved through judicial proceedings, they shall be submitted to the decision of an arbitration tribunal appointed by the parties. In the event that an agreement is not reached within thirty (30) calendar days following the invitation from one party to the other, the appointment will fall under the authority of Bogotá's Chamber of Commerce Center for Commercial Conciliation and Arbitration, from the arbitrators listed by that Center. The tribunal appointed in this manner, will proceed pursuant to the Law, in accordance with the following rules: a) The tribunal will be made up of three (3) arbitrators who shall be Colombian citizens in exercise of their civil rights; b) internal organization and functionality of the tribunal shall be subject to the rules established by Bogotá's Chamber of Commerce Center for Commercial Conciliation and Arbitration; c) the tribunal will lawfully rule; and d) the arbitration tribunal will seat in Bogotá at Bogotá's Chamber of Commerce Center for Commercial Conciliation and Arbitration

**ARTICLE 56-** Without prejudice to their voluntary nature, best practices and recommendations in matters of corporate governance that the Bank decides to adopt, pursuant to applicable regulation, shall be of mandatory compliance by the Bank, its management and staff.