

# Functions of the Audit and Compliance Committee:

The main duty of the Audit and Compliance Committee is to assist the Board of Directors in its functions of supervision, by assessing the accounting procedures, interacting with the Fiscal Auditor and, in general, monitoring the Control Architecture of the Bank, including its risk management system. The internal regulation of the Audit and Compliance Committee assigns it the following functions:

1. To approve the structure, procedures and methodologies needed for the operation of the Internal Control System.
2. To point out the responsibilities, duties, competences and limits assigned to positions and departments with respect to the Internal Control System and risk management.
3. To evaluate the internal control structure of the Bank to conclude that the procedures are reasonably protecting the assets of the Bank, as well as other assets that the Bank manage or trust. To evaluate the internal control structure of the Bank to conclude that there are controls ensuring the transactions are being properly licensed, registered and in accordance with the needs, objectives, goals and strategies of the Bank, as well as conclude that those transactions are framed by the objectives of the Internal Control System, such as: efficiency and effectiveness during on the operations, adequacy and liability of the financial information.
4. To ensure that managers provide information that is required by the control bodies.
5. To ensure compliance with the law and other controls established for preparation, presentation and disclosure of financial information.
6. To study the financial statements and to prepare the report to be handed to the Board of Directors. The Committee shall base its report on the assessment of relevant project, opinions and pronouncements of the control bodies, results of the evaluations carried out by other committees and any other related information.
7. To design, implement and evaluate programs and controls in order to prevent, detect and manage fraud (an intentional act committed to obtain an illicit profit) and misconduct (violation of laws, regulations or internal policies).

8. To oversee the functions and activities of the Internal Audit in order to determine its independence and objectivity in relation to the activities that Internal Audit audits. To determine the existence of limitations that refrain Internal Audit of proper performance and verify if the scope of work meets the needs of the Bank.
9. Follow up, at least every three months, on levels of risk exposure, its implications and the measures taken by the Bank for controlling or mitigating the risk exposure and report to the Board of Directors the most important aspects.
10. To assess the reports made by the Internal Auditors, Compliance Officer or other body, by verifying that Administration has follow their suggestions and recommendations.
11. To verify the compliance with the instructions given by the Board of Directors regarding the Internal Control System.
12. To request the reports the Committee deems appropriate for the proper performance of its functions.
13. To analyze if the information systems works, if it is liable and truthful for decision-making process.
14. To present to the General Assembly of Shareholders, through the Board of Directors, the candidates to serve as Fiscal Auditor. However, shareholders have the right to appoint other candidates at the meeting, in this case, the Committee shall collect and evaluate the information provided by the candidates and shall make a report about it.
15. To propose to the Board of Directors the dismissal or non-renewal of the current Fiscal Auditor; the Board of Directors shall ask for the approval by the General Assembly of Shareholders based on the results of the evaluation cited on the next numeral.
16. To oversee the Fiscal Auditor's services, including the evaluation of its quality, independence and effectiveness. The Fiscal Auditor shall inform to the Committee the issues that affect his independence and inform about the additional services and that he provides and the remuneration he earns from those additional services.
17. To interact and keep regular contact with the Fiscal Auditor; assess any situation that may refrain the Fiscal Auditor from accessing information or may restrict his independence. Inform to the Board of Directors about those situations as well as about any other situation related to the audit plan or the financial audit, and take care of any communications foreseen within the financial audit regulations and technical standards.
18. To know about and assess the process of preparing, submitting and disclosing the financial information.
19. To ensure that the information that is often disclosed to the market has been prepared with the same professional principles and practices used for making the annual financial statements, and to review such information before being divulgated.

20. To propose to the Board of Directors the election, appointment, remuneration, and non-reelection of the manager of the Internal Audit Department.
21. To assess and keep the Board of Director informed about any conflict of interest, temporary or permanent, that may be affecting, directly or no-directly, or through a related party, any significant shareholder, members of the Board of Directors and senior management. The Committee shall make suggestions to manage the conflict of interest.
22. To prepare the report that the Board of Directors shall present to the General Assembly of Shareholders with respect to the Internal Control System. The report shall include at least:
  - General policies established for the implementation of the Internal Control System.
  - Process used to assess the effectiveness if the Internal Control System and the risk management.
  - Relevant activities undertaken by the Committee.
  - Deficiencies, recommendations and measures taken.
  - Comments made by supervisory bodies and penalties imposed, if any.
  - Evaluation of the work carried out by the Internal Audit, including at least the scope of work done, the independence of its function and the resources assigned to the Internal Audit Department.
23. To define the mechanisms to consolidate the information and reports made by the supervisory bodies and present it to the Board of Directors.
24. To review and approve the Regulation of the Internal Audit and its annual plan, as well as additional plans that must be done occasionally because of changes on regulations or because of new needs of the Bank. Furthermore, on a regular basis, the Committee shall oversee those schemes or plans.
25. To oversee in what extent the audited departments are complying with recommendations done by the Internal Audit and report to the Board of Directors about cases that mean a risk for the Bank and its subsidiaries.
26. To ensure that the Internal Audit has had training and adequate resources to carry out its functions, such as human resources and elements, material systems, procedures and rules. The Committee shall know about the obstacles that the Internal Audit has had to face when fulfilling its duties.
27. To ensure the clearness of the financial information prepared by the Bank and the proper disclosure, by establishing policies, criteria and practices that the Bank shall use when preparing and disclosing its financial and non-financial information. The Committee shall

watch that control exists when it is needed and that the financial statements reveal the situation of the Bank and the value of its assets.

28. To approve the report of the Fiscal Auditor, which must be presented to the General Assembly of Shareholders.
29. To oversee the compliance with the law regarding money laundering and to ensure effective controls to prevent criminal activities as money laundering, and review the reports that the Compliance Officer must submit to the Board of Directors for this purpose.
30. To oversee the compliance with the law related to the securities market and data protection. To oversee the scope of the activities of the Bank in the area of protection of the consumer, as well as the requirements of information or the actions taken by the relevant official bodies on these matters.
31. Comply with the rules established by the Regulation of the Board of, as well as the law applicable to the conduct within the securities market.
32. To become acquainted with the external supervisory bodies' reports (*"Superintendencia Financiera of Colombia"* and other supervisory bodies). The administrative control bodies shall ensure that these reports are duly communicated on time to the Chairman of the Committee.
33. To study codes of conduct and its amendments prepared by the corresponding area within the Bank
34. To analyze and approve the Annual Plan of the Compliance Department, as well as its modifications, and oversee its execution.
35. To know about actions of the members of the Board of Directors related to the compliance with the Regulation of the Board of Directors and securities market. Those actions must be informed to the Board of Directors when deemed necessary.
36. To report its opinion on possible operations to be carried out with related parties, verifying that the operations are carried out under market conditions and guarantee the right of shareholders to the equal treatment.
37. To monitor regularly the extent of the compliance with the code of conduct and the effectiveness of the anonymous-tip system or "whistle blowers," assess any unethical behaviors and the contents of any complaints received, and make pertinent recommendations to the Board of Directors.
38. Other duties as required by the Board of Directors.