

PARTIAL AMENDMENT OF THE CORPORATE GOVERNANCE CODE, REGULATION OF THE GENERAL ASSEMBLY OF SHAREHOLDERS AND REGULATION OF THE BOARD OF DIRECTORS

APPROVED BY THE GENERAL ASSEMBLY OF SHAREHOLDERS

The General Assembly of Shareholders of BBVA Colombia, in the extraordinary meeting held on May 30, 2018, approved the partial amendment of the regulations of the Corporate Governance System of BBVA Colombia, as follows:

i) CORPORATE GOVERNANCE CODE:

Previous text	Approved amendment
<p>6. CONTROL ENTITIES 6.1. EXTERNAL CONTROL ENTITIES (...) B. STATUTORY AUDIT</p> <p>The Bank has a main Statutory Auditor with two alternates, elected by half plus one of the shares represented at the meeting of the General Assembly of Shareholders for a period equal to that of the Board of Directors, in accordance with legal regulations, who may be removed at any time with the same majority voting in favor. In the event of designating a Firm as Statutory Auditor, it must demonstrate independence, recognized experience and reputation. Its management must be free of conflicts of interest and be unrelated to any situation of subordination with regard to the governing bodies. The compensation for the Statutory Auditor shall be determined by the General Assembly of Shareholders, considering the human and technical resources that are required for the due exercise of its functions. (...)</p> <p>REQUIREMENTS</p> <p>The Statutory Auditor and its alternates must be public accountants. If a legal entity is appointed as Statutory Auditor, it shall assign public accountants for the Bank’s Statutory Auditing, whom may not practice as Statutory Auditor over more than five (5) stock companies. Before taking possession of his office, the Statutory Auditor must be sworn in before the Superintendencia Financiera of Colombia as legally established.</p> <p>Also, the firm holding the Statutory Audit must rotate the individuals within the Bank to fulfill this function every five (5) years and the person that has been rotated can only resume the audit after a period of two (2) years.</p>	<p>6. CONTROL ENTITIES 6.1. EXTERNAL CONTROL ENTITIES (...) B. STATUTORY AUDIT</p> <p>The Bank has a main Statutory Auditor with two alternates, elected by half plus one of the shares represented at the meeting of the General Assembly of Shareholders for a period equal to that of the Board of Directors <u>and extendable for a maximum hiring term up to 10 years</u>, in accordance with legal regulations, who may be removed at any time with the same majority voting in favor. In the event of designating a Firm as Statutory Auditor, it must demonstrate independence, recognized experience and reputation. Its management must be free of conflicts of interest and be unrelated to any situation of subordination with regard to the governing bodies. The compensation for the Statutory Auditor shall be determined by the General Assembly of Shareholders, considering the human and technical resources that are required for the due exercise of its functions. (...)</p> <p>REQUIREMENTS</p> <p>The Statutory Auditor and its alternates must be public accountants. If a legal entity is appointed as Statutory Auditor, it shall assign public accountants for the Bank’s Statutory Auditing, whom may not practice as Statutory Auditor over more than five (5) stock companies. Before taking possession of his office, the Statutory Auditor must be sworn in before the Superintendencia Financiera of Colombia as legally established.</p> <p>Also, the firm holding the Statutory Audit must rotate <u>the partner assigned to the Entity and the individuals within the Bank that are part of his working team</u>- to fulfill this function every five (5) years and the person that has been rotated can only resume the audit after a period of two (2) years.</p>

DISCLAIMER: The English version is only a translation from the original in Spanish and should be used for information purposes. In case of discrepancies, the Spanish version shall prevail.

<p>8.4. EQUAL TREATMENT</p> <p>Shareholders and investors are entitled to receive from managers and other administrators of the Bank fair treatment respecting the rights of information, inspection and notice provided by law, the bylaws, and the Code of Corporate Governance.</p>	<p>8.4. EQUAL TREATMENT</p> <p>Shareholders and investors are entitled to receive from managers and other administrators of the Bank fair treatment respecting the rights of information, inspection and notice provided by law, the bylaws, and the <u>present</u> Code of Corporate Governance.</p>
<p>15. COMPLIANCE WITH STANDARDS OF GOOD GOVERNANCE</p> <p>The Board of Directors must ensure compliance with governance standards established in this code and its annexed regulations, supported by the compliance area, by the Corporate Governance Committee and other bodies established for proper management of the Bank's government. The Bank will announce in a newspaper of national circulation the adoption of this Code of Corporate Governance, as well as any amendment, change or complementation.</p> <p>In the event that the shareholders or investors consider that there has been an alleged breach of the Code of Corporate Governance, they should file a letter to the Bank's management which will be conveyed to the disciplinary committee or corporate management integrity committee to evaluate and decide on sanctions to be imposed (warning, suspension, termination of the labor contract or dismissal from the Board of Directors).</p>	<p>15. COMPLIANCE WITH STANDARDS OF GOOD GOVERNANCE</p> <p>The Board of Directors must ensure compliance with governance standards established in this code and its annexed regulations, supported by the compliance area, by the Corporate Governance Committee and other bodies established for proper management of the Bank's government. The Bank will announce in a newspaper of national circulation the adoption of this Code of Corporate Governance, as well as any amendment, change or complementation.</p> <p>In the event that the shareholders or investors consider that there has been an alleged breach of the Code of Corporate Governance, they should file a letter to the Bank's management which will be conveyed to the Disciplinary Committee, or Corporate Management Integrity Committee <u>or the Corporate Governance</u> Committee to evaluate and decide on sanctions to be imposed (warning, suspension, termination of the labor contract or dismissal from the Board of Directors).</p> <p><u>PARAGRAPH: Corresponds to the Corporate Governance Committee the evaluation of the actions of the Board of Directors related to the company Bylaws and the Corporate Governance Code (including its annexes). The actions of Managers, Legal Representatives or employees will be evaluated by the Disciplinary Committee or the Corporate Management Integrity Committee.</u></p>

ii) REGULATIONS OF THE GENERAL ASSEMBLY OF SHAREHOLDERS

Texto anterior	Texto propuesto
<p>7. DEVELOPMENT</p>	<p>7. DEVELOPMENT <u>OF THE ASSEMBLY AND DISCLOSURE OF ITS DECISIONS</u></p>
<p>11. RELATED PARTY TRANSACTIONS 11.1. RELATED PARTY DEFINITION</p> <ul style="list-style-type: none"> a) That which directly or indirectly through one or more intermediaries: i) controls the Bank, is controlled by the Bank, or is under common control with the Bank (this includes parent company, subsidiaries and other dependents of the same parent company); ii) has a participation in the Bank that gives it significant influence over it; or iii) has joint control over the Bank; b) Key management staff of the Bank or its parent company; c) The spouses and relatives within the fourth degree of consanguinity , affinity or first civil of a person who is in the cases a) or d); d) An entity over which any person of the cases b) or c) exercises control, joint control or has significant influence, or has directly or indirectly a significant voting power; <p>11.2. APPROVAL</p> <p>The General Assembly of Shareholders will approve the transactions held by the Bank with related parties; this approval is delegated to the Board of Directors when the following conditions are met:</p> <ul style="list-style-type: none"> a) The operation is held in the ordinary course of business. b) The operation is carried out under market conditions. If necessary, the Board of Directors may request an analysis or study based on recognized methodologies which demonstrate compliance with this condition. La operación debe salvaguardar los intereses del Banco, sus accionistas y acreedores. c) The operation must safeguard the interests of the Bank, its shareholders and creditors. d) The Audit Committee will meet and assess the transaction, its price and value, if the transaction complies with equal treatment of shareholders and the market conditions. e) The members of the Board of Directors who are directors or employees of a related party for which is due to approve an operation under this chapter, shall refrain from participating and voting on the decision. 	<p>11. RELATED PARTY TRANSACTIONS 11.1. RELATED PARTY DEFINITION</p> <ul style="list-style-type: none"> a) That which directly or indirectly through one or more intermediaries: i) controls the Bank, is controlled by the Bank, or is under common control with the Bank (this includes parent company, subsidiaries and other dependents of the same parent company); ii) has a participation in the Bank that gives it significant influence over it; or iii) has joint control over the Bank; b) Key management staff of the Bank or its parent company; c) The spouses and relatives within the fourth degree of consanguinity , affinity or first civil of a person who is in the cases a) or d); d) An entity over which any person of the cases b) or c) exercises control, joint control or has significant influence, or has directly or indirectly a significant voting power; <p>11.2. <u>ASSESSMENT</u></p> <p><u>The Audit Committee will meet and assess the transactions with related parties. The conclusions of the assessment will be shared with the Board of Directors through a report that must contain:</u></p> <ul style="list-style-type: none"> <u>a) Qualitative and quantitative criteria to determine the materialness of the operation.</u> <u>b) Compliance of the equal treatment of shareholders.</u> <u>c) Price or value of the operation and the compliance of the market conditions.</u> <u>d) Moment of its disclosure.</u> <p><u>11.3. APPROVAL</u></p> <p>The General Assembly of Shareholders will approve the transactions held by the Bank with related parties; this approval is delegated to the Board of Directors when the following conditions are met:</p> <ul style="list-style-type: none"> a) The operation is held in the ordinary course of business. b) The operation is carried out under market conditions. If necessary, the Board of Directors may request an analysis or study based on recognized methodologies which demonstrate compliance with this condition. La

When the Board of Directors is in charge of the approval of the transaction by meeting the above conditions, it is also required the report of the Audit Committee, the majority of three quarters of the Board of Directors and the affirmative vote of its independent members.

Recurring transactions in the ordinary course of business will not require express approval by the Board of Directors, and may be approved by the Administration whenever conducted under adhesion contracts, or general framework contracts, which have conditions perfectly standardized, are apply massively and they are made at market prices, they are established with general character and whose individual amount is not relevant.

In addition to compliance with the Code of Conduct of the BBVA group in the securities markets and the one for the prevention of money laundering, the director should follow strict adherence to legal provisions and internal instructions applicable for the application of credits, bonds and warranties to financial institutions that comprise the BBVA group.

Potential conflicts of interest situations must be submitted to the compliance department, which will conceptualize and resolve the potential conflict of interest based on the provisions of the Code of Conduct.

11.3. DISCLOSURE

For the subsequent disclosure of related-party transactions within the ordinary course of business, that are recurrent and at market prices, the corporation provides information to the market beyond the scheme proposed by the IFRS, and it does so at least once a year through the financial statements.

operación debe salvaguardar los intereses del Banco, sus accionistas y acreedores.

c) The operation must safeguard the interests of the Bank, its shareholders and creditors.

~~e) The Audit Committee will meet and assess the transaction, its price and value, if the transaction complies with equal treatment of shareholders and the market conditions.~~

e)d) The members of the Board of Directors who are directors or employees of a related party for which is due to approve an operation under this chapter, shall refrain from participating and voting on the decision.

When the Board of Directors is in charge of the approval of the transaction by meeting the above conditions, it is also required the report of the Audit Committee, the majority of three quarters of the Board of Directors and the affirmative vote of its independent members.

Recurring transactions in the ordinary course of business will not require express approval by the Board of Directors, and may be approved by the Administration whenever conducted under adhesion contracts, or general framework contracts, which have conditions perfectly standardized, are apply massively and they are made at market prices, they are established with general character and whose individual amount is not relevant.

In addition to compliance with the Code of Conduct of the BBVA group in the securities markets and the one for the prevention of money laundering, the director should follow strict adherence to legal provisions and internal instructions applicable for the application of credits, bonds and warranties to financial institutions that comprise the BBVA group.

Potential conflicts of interest situations must be submitted to the compliance department, which will conceptualize and resolve the potential conflict of interest based on the provisions of the Code of Conduct.

11.34. DISCLOSURE

For the subsequent disclosure of related-party transactions within the ordinary course of business, that are recurrent and at market prices, the corporation provides information to the market beyond the scheme proposed by the IFRS, and it does so at least once a year through the financial statements.

iii) REGULATIONS OF THE BOARD OF DIRECTORS

Texto anterior	Texto propuesto
CAPITULO I	
<p>10.3 MEETING CALL</p> <p>The Board may be convened by itself, by its Chairman, the CEO, the Statutory Auditor, or by two (2) of its members, directly or through the Secretary of the Board of Directors. The Board must be convened at least eight (8) days in advance for regular meetings, and at least two (2) days in advance for extraordinary meetings, through email or post mail.</p>	<p>10.3 MEETING CALL</p> <p>The Board may be convened by itself, by its Chairman, the CEO, the Statutory Auditor, or by two (2) of its members, directly or through the Secretary of the Board of Directors. The Board must be convened at least eight (8) <u>ordinary</u> days in advance for regular meetings, and at least two (2) <u>ordinary</u> days in advance for extraordinary meetings, through email or post mail.</p>
<p>10.4 INFORMATION FOR MEMBERS OF THE BOARD</p> <p>For the proper performance of their duties, members of the Board of Directors must have a minimum of five (5) days of advanced access to relevant information for decision making, except in emergency situations, in accordance with the agenda contained in the meeting call.</p> <p>Such information will be available at the offices of the Secretariat General of the Bank, without prejudice of the additional information required by members of the Board, which shall be processed through the same Secretariat.</p>	<p>10.4 INFORMACIÓN PARA LOS MIEMBROS DE JUNTA</p> <p>For the proper performance of their duties, members of the Board of Directors must have a minimum of five (5) <u>ordinary</u> days of advanced access to relevant information for decision making, except in emergency situations, <u>in accordance with the agenda contained in the meeting call, or in the case that its necessary to adjust or precise the delivered information.</u></p> <p>Such information will be available <u>for the members of the Board of Directors at a network resource exclusive for Bank server's access.</u></p> <p><u>The following,</u> without prejudice of the additional information required by members of the Board, which shall be processed through the same Secretariat.</p>
<p>11.FUNCTIONS OF THE BOARD OF DIRECTORS</p> <p>Non-delegable functions of the Board of Directors are:</p> <ol style="list-style-type: none"> 1. To approve and regularly monitor the strategic plan, business plan, management targets and annual budget of the Bank, its affiliates, subsidiaries. 2. To define the structure and governance model of the Bank and its subsidiaries. 3. To approve the guidelines or financial investment policies of the Bank and its subsidiaries. 4. To approve the remuneration policy, compensation, bonus and evaluation if Senior Management and other employees whose duties impact on the risk profile of the bank and its subsidiaries, previous recommendation of the respective Committee of support to the Board, and to establish mechanisms for evaluating the management of the directors and senior executives, for which it will require, when necessary, presenting 	<p>The established functions of the Board of Directors didn't need the numeric corrections made in the Spanish version.</p>

DISCLAIMER: The English version is only a translation from the original in Spanish and should be used for information purposes. In case of discrepancies, the Spanish version shall prevail.

<p>reports to know the development of the activities of the various areas of the bank and the degree of exposure the various risks.</p> <ol style="list-style-type: none">5. Conduct a periodic monitoring of performance of the Bank's business and meet the performance evaluation if the Senior Management.6. Ensure that the process of proposing and election of the members of the Board of Director is carried with compliance with the provisions of the current legal regulations, bylaws, Regulation of the Assembly and with the support if the Corporate Governance Committee.7. To organize the annual assessment process of the Board, both as a collective administrative body and for each of its members, in accordance with generally accepted self-assessment or evaluation methodologies or it may consider involving external consultants.8. To act as liaison between the Bank and its shareholders, creating appropriate mechanisms to provide accurate and timely information.9. To approve investments, disinvestments or transactions of all kind in amount and/or features that may be classified as strategic or that may affect strategic assets or passives of the Bank, unless the approval of such operations has been reserved to the General Assembly of Shareholders, in which case the function of the Board is limited to the proposal and justification of the operation.10. To approve the Corporate Governance policy, to monitor it and update it and approve the Corporate Governance report.11. To approve the policy of information and communication with shareholders, markets, stakeholders and public opinion in general.12. To approve the risk and knowledge policy and periodic monitoring of the main risks of the Bank.13. To approve policies related to whistleblowers systems.14. To approve proposals to present to the General Assembly, the following policies: i) succession and remuneration of the Board; ii) policy of buybacks of own shares; iii) policy of recruitment of the Fiscal Auditor, with a previous analysis of their expertise and time availability, human resources needed to carry out their duties; iv) the proposal to the Assembly of the rest of the policies that are required by the Entity.15. To appoint for a period of two years the Executive President of the Bank and when necessary, his Deputy; to set their remuneration, to point out their functions, to ensure its succession plan, decide on his resignation and remove him freely.	
---	--

16. To appoint the Vice-Presidents, the General Auditor and other executives who were granted the legal representation of the Bank, set policies for their evaluation, compensation and succession and remove the, freely.
17. Appoint the President and the two Vice Presidents of the Board, to regulate their designation and period.
18. To create the Committees of the Board of Directors, such as Audit, Risk, Compensation and Nominating and Corporate Governance and any other prescribed by the law or that is deemed appropriate, as well as the approval of internal regulations of functioning of these committees.
19. To exercise acts related to the Bank's management that are not expressly attributed by law or statute to another social organ.
20. To define the general structure for the proper management of the Bank and its subsidiaries, including the creation or suppression of positions, which by law or by the statutes have to be created, suppressed or their functions settled by the Board of Directors.
21. To comply with the decisions of the General Assembly.
22. To approve the rules of issuance and placement of ordinary shares and shares with preferential dividend and no voting rights in reserve, if regarding these latter there is delegation in this sense by the General Shareholders Meeting.
23. To approve the bond issuance and to regulate their placement under the terms established in the current regulation.
24. To authorize new products, operations or services whenever required by current regulation or supervisory authority.
25. To provide instructions to the Executive Chairman and to provide orders that it considers appropriate.
26. To call the Assembly to its ordinary meetings when the Executive Chairman does not do it on time and to extraordinary meetings when deemed necessary.
27. To set the maximum amounts within which Bank employees will have authority to enter into contracts and perform acts in the ordinary course of business of the Bank without prior authorization from the same Board or the bodies it points out.
28. To interpret the statutes of the Bank following the guidelines of the Financial Superintendence of Colombia.
29. To indicate policies, adopt the Code of Conduct and approve the Procedures Manual for the Prevention of Money Laundering and periodically evaluate its performance.

- | | |
|--|--|
| <ol style="list-style-type: none">30. To control and guarantee that the rights of shareholders and investors are respected and given equal treatment.31. To propose to the General Assemblies of Shareholders of the Bank's subsidiaries societies, the names of the persons that ought to be appointed as members of their collegial bodies.32. To approve the expansion projects proposed by the Executive Chairman.33. To decide over the business and operations that the Executive Chairman deems appropriate to propose.34. To know and manage conflicts of interest between the Bank and shareholders, Board of Directors and Senior Management.35. To know and, in case material impact, approve the operations that the Bank does with controlling or significant shareholders, depending on the ownership structure of the Bank, or represented at the Board of Directors; with members of the Board and other directors or persons related to them (transactions with Related Parties), as well as entities belonging to BBVA.36. To authorize the opening and closing of branches and agencies as it deems appropriate, and authorize its conversion, either in Colombia or abroad, subject to compliance with legal requirements and corporate and local policies.37. To take necessary measures to ensure the independence of the Internal Auditor and monitor their compliance.38. To define and approve the general policies and guidelines of the Internal Control System (ICS) as well as its structure and procedures, seeking a Control Architecture with a consolidated scope and a clear line of transversal and inclusive report to assess the effectiveness of controls implemented, all on the basis of the recommendations of the Audit Committee.39. To know the relevant reports on the internal control systems (ICS) that are presented by the different organs of control or supervision and to give the necessary orders for recommendations or corrective measures to meet the objectives of the ICS and monitor its compliance adopted.40. To appoint the managers or person in charge for the respective areas in charge of Internal Control System (ICS) and risk management, and approve adequate resources for its operation.41. To analyze the reports submitted by the Compliance Officer regarding the work done to prevent the entity being used as an instrument to carry out criminal activities, evaluate the effectiveness of implemented controls and recommendations for improvement. | |
|--|--|

<p>42.To evaluate the financial statements with their notes before they are submitted to the Assembly of Shareholders, considering the reports and recommendations submitted by the Audit Committee.</p> <p>43.To present at the end of each year to the General Assembly of Shareholders a report on the outcome of the evaluation of ICS and its actions on the matter.</p> <p>44.. To supervise among other topics, the following: i) the integrity and reliability of the accounting systems and internal information based, among others, on the reports of internal audit and legal representatives; ii) financial and non-financial information that is ought to be made public periodically by the condition of the Issuer Bank; iii) the effectiveness of corporate governance practices implemented, and the level of compliance with ethical and conduct standards adopted by the Bank.</p> <p>45.Other functions assigned under the law and these statutes.</p> <p>PARAGRAFO.- La Junta Directiva podrá delegar en el presidente, cuando lo juzgue oportuno y para casos especiales o por tiempo limitado, alguna o algunas de las funciones antes indicadas, siempre que por su naturaleza sea delegable.</p>	
CHAPTER II	
<p>CHAPTER II REGULATION OF THE EXECUTIVE MEMBERS OF THE BOARD OF DIRECTORS</p>	<p>The title of Chapter II didn't need the orthographic corrections made in the Spanish version.</p>