

**CODE OF GOOD GOVERNANCE**

**GRUPO EMPRESARIAL SURA**

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# INTRODUCTION

## PRESENTATION

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The search for greater transparency and trust by investors in the securities market has turned corporate governance into the appropriate mechanism for Companies to adequately administer and control their businesses and the relations they build with their stakeholders.

In keeping with the highest international standards established by entities such as the Organization for Economic Cooperation and Development (OECD) and the recommendations provided by the Colombian financial superintendence (Superintendencia Financiera de Colombia) through external circular letter 028 of 2014—Country Code—and being aware of the impact of business activities on the dynamics for transformation and sustainable development, Grupo Empresarial SURA<sup>1</sup> has developed a corporate governance system. In addition to rules that are mandatory for the Companies and their employees on matters of ethics and governance, sets up mechanisms to ensure the effectiveness of the rules, framing their management in a clear commitment to good practices that is reflected in each of the Company's actions in the countries where it is present, through total respect for the law.

This Code of Good Governance, which has been approved by the Boards of Directors of the Companies that make up Grupo Empresarial SURA, is part of the corporate governance system and represents a key role that develops and complements the provisions of the bylaws by providing general action guidelines for the Companies and their employees. These guidelines must be strictly followed in the relationships of trust that are built with the stakeholders.

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<sup>1</sup> The Companies that make up Grupo Empresarial SURA can be identified in the Company's Certificate of Representation and Good Standing, available at [www.gruposura.com](http://www.gruposura.com)

## GENERAL PROVISIONS

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### A. SCOPE AND AREA OF APPLICATION:

This Code of Good Governance applies to all the Companies that make up Grupo Empresarial SURA, (hereinafter “the Companies”) and sets forth the philosophy and the standards that govern the relationships between the administration, the Board of Directors, the shareholders, the investors, and other groups of people interested in the development of the Companies.

Each Company shall approve an attachment to this Code that shall include any unique characteristics that apply to it, according to its size, jurisdiction, restrictions applicable to the its business, or any other relevant condition.

When this Code refers to e Grupo Empresarial or the Companies, it refers to provisions that apply to all the Companies that make up the conglomerate; when the Code refers to and Grupo SURA, Suramericana y Sura Asset Management, it refers to provisions that apply only to these 3 entities, and are not to be interpreted extending to their affiliates or subsidiaries; and if reference is made to Grupo SURA or the Parent Company, this should be interpreted as referring to provisions that only apply to Grupo de Inversiones Suramericana S.A.

These provisions complement, as far as they refer to Good Governance, the provisions established in the Companies’ bylaws and any legal provisions that are applicable to that effect.

### B. PUBLICATION:

Senior Management of the Parent Company will inform the market and the stakeholders about the existence and the contents of this Code. To do that, it shall announce through the appropriate information mechanisms of the Colombian Financial Superintendence, any amendment, change or addition made.

In addition, the text of this Code shall be available at the Secretary-General of the Companies, and may be consulted in the Parent Company’s webpage, [www.gruposura.com](http://www.gruposura.com) or in each Company’s webpage.

### **C. MECHANISMS TO ENSURE COMPLIANCE:**

The Senior Management of each Company will ensure compliance with bylaws, legal provisions, and decisions made by the General Shareholders Assembly and the Board of Directors. In addition, Senior Management is also responsible for ensuring compliance with the provisions defined in this Code.

When they believe that there has been a violation of what is provided for in this Code of Good Governance, stakeholders may file requests with the Parent Company or the Companies. In those cases, the management of the Companies, through the Secretary-General, or any channels set up for the purpose, shall provide a clear insufficient answer to the petitioner, in a diligent and timely manner.

Shareholders and investors in the Parent Company may file complaints and claims with the External Auditor for failures to comply with the provisions established in the Code of Good Governance. For this purpose, Grupo SURA would provide a proper and prompt reply to the requests filed by the External Auditor as a result of the complaint and shall heed the comments made by the External Auditor in that respect, once in the existence of the noncompliance has been verified. |

### **D. GENERAL INFORMATION ABOUT THE PARENT COMPANY AND ITS MAJOR AFFILIATES**

Grupo de Inversiones Suramericana S.A. —Grupo SURA— is a Latin American Company traded in the Colombian stock exchange (Bolsa de Valores de Colombia BVC) in this way should and is registered in the ADR Level One program in the United States. In addition, it is, so far, the only Latin American diverse financial services sector that is part of the Dow Jones sustainability Index that recognizes Companies that stand out on a global level for their good economic, environmental, and social practices.

Furthermore, this Company adhere to the United Nations Global Pact and for this reason ensures that the Company and the Companies that benefit from its investments, respect the principles in the areas of human rights, labor standards, environment, and anticorruption, promoted by the Company.

This organization started in 1944 with the creation of Compañía Suramericana de Seguros Generales, currently known as Seguros SURA. The creation of new Companies and participation in partnerships both in the financial and insurance sectors as well as other areas of industry, made it possible to grow and consolidate an investment portfolio which, when it split from the insurance activity 1997, gave rise to what is currently Grupo SURA.

At present, as Parent Company of Grupo Empresarial SURA, its main activity is focused on strategic investments that participate in the insurance and financial services sectors and is recognized as one of the major Latin American organizations in this sector, and is especially renowned because of its reputational soundness, which contributes to the generation of value and trust. Among the affiliate Companies, Suramericana S.A. and SURA Asset Management S.A. are the most outstanding.

Suramericana S.A., with over 70 years' experience, is a Company that specializes in risk insurance in management, leader in Colombia, with presence in Latin America. This Company, an affiliate of Grupo SURA (81.1%) and in which the German reinsurer Munich Re is a shareholder (18.9%), comes to its clients as with the brand SURA with its solutions in general insurance, life insurance, workers compensation, and mandatory and complementary health plans, among others.

In turn, SURA Asset Management S.A. is a Company that specializes in the areas of pensions, savings, and investment, with operations in Mexico, Peru, Chile, Colombia, Uruguay, and El Salvador. It is an affiliate of Grupo SURA (71.3%) and has other shareholders with minority participations.

## **E. THE CORPORATE FRAME OF REFERENCE**

The mission, vision, and principles of the Corporation guide the activities, goals, behaviors, and Conduct of Directors and officials in the Companies that are part of Grupo Empresarial SURA:

### **MISSION:**

Create value and trust by assisting people and organizations in their development, through Companies that offer financial, insurance and related services based on the integrated management of risks and the long-term.

### **VISION:**

To be recognized in 2020 is a Multi-Latin integrated financial services group that builds value and trust.

### **PRINCIPLES:**

The principles of Grupo Empresarial SURA are the pillars that support the internal standards and basic provisions for the way in which its members, regardless of their area of responsibility, hierarchical level, age, or training, must guide their actions to contribute to the growth and development of others in the organization and the environment. The

principles are nonnegotiable, and must prevail over the organization's strategies, projects, and work plans.

The principles that guide the relationship between the Companies and the employees, shareholders, suppliers, the community, and other stakeholders are:

**Equality:** This is to be understood as the fair and unbiased treatment in labor, commercial and/or civic relations. Equal treatment for everyone, regardless of their social, economic, racial, sexual or gender condition.

**Respect:** Recognizing others and accept them as they are. Beyond comply with the laws and agreements, the points of view, needs and opinions of the parties are taken into consideration.

**Responsibility:** The unequivocal intention of meeting the commitments, protecting the assets of the Company and its stakeholders. Delete

**Transparency:** The Company's relationships are based on knowledge and access to information, within the limits of the law and Company confidentiality.

## **F. CODE OF CONDUCT**

Grupo Empresarial SURA has a Code of Conduct separate from this Code, intended to provide practical guidelines for the ethical management of the Companies and to create standards of Conduct that encourage creating relationships of trust with stakeholders. The Code of Conduct complements the provisions of the Code of Good Governance and may be consulted in the Parent Company's webpage [www.gruposura.com](http://www.gruposura.com).

In addition, the Companies have specific and individual attachments that complement the Code and regulate certain aspects in detail, according to their standards of corporate governance and the legal requirements of their business environment.

# CHAPTER 1: RIGHTS, OBLIGATIONS AND THE FAIR TREATMENT OF SHAREHOLDERS

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Shareholders drive the Companies' activities. To reinforce their confidence in investing in each Company, the Company:

- Recognizes and defends their rights.
- Provides relevant information for their decisions.
- Plans and carries out the assemblies so that everyone can participate.
- Gives fair and unbiased treatment to every shareholder
- Has mechanisms for information and shareholder relations

## 1.1. RIGHTS OF THE SHAREHOLDERS

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Grupo SURA has common shareholders and shareholders with preferred dividends without the right to vote; the other Companies have common shareholders. They all have, according to the nature of their shares, the rights and obligations provided by law, the bylaws in this Code of Good Governance, and the rules for issuing and placing shares that might be applicable according to their characteristics of their individual businesses. In all cases, the exceptions provided by law must be taken into consideration.

The shareholders' rights include:

- a) Assign or transfer their shares according to the provisions set forth in the corporate bylaws.
- b) Having access to information that allows them to make decisions about their investment in each Company.
- c) Participate in vote in the General shareholders assemblies, according to the rights granted by their type of shares.
- d) Make recommendations about the corporate governance of each Company.
- e) Ask the administration for authorization to carry out specialized audits, according to the indications contained in item 1.3 of this Code.

- f) Share in the benefits produced by each Company, according to their investment and the nature of their shares.
- g) Receive a fair and unbiased treatment by the Company's administrators and Directors.
- h) To receive in a clear, accurate and timely manner all the financial and nonfinancial information about the Company.
- i) Exercise a right of infection set forth in the corporate bylaws.
- j) Have available, in the Parent Company's webpage, clear and up-to-date financial and nonfinancial information they have an interest on.
- k) Ask questions and have free access to the Company's Secretary-General, the body in charge of listening to all the questions posed by shareholders and handling the relations between the Company and the shareholders.
- l) Participate in the quarterly events hosted by the Parent Company to inform its shareholders and the public at large about the operation of the Parent Company and the business group.
- m) Have responsive and easy access mechanisms for resolving controversies, as provided by the corporate bylaws.
- n) Receive any legitimately requested and nonprivileged information in a clear and timely manner, regardless of their status as controlling or minority shareholder.

## **1.2. OBLIGATIONS OF THE SHAREHOLDERS**

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In exercising their rights, shareholders recognize that, in order to optimize and guarantee their active participation in the Company, they have set the certain obligations that help strengthen and consolidate the Company's in terms of corporate governance. Therefore, shareholders shall:

- a) Bear in mind that no economic preference will be granted that is not within the parameters and policies established by each Corporation for the various dealings they might have with the shareholders.
- b) Not ask the Companies for confidential information.
- c) If the shareholder is an employee, abstain from using the Company's confidential information for personal or third-party benefits.
- d) Act truthfully, with dignity, loyalty, and good faith.
- e) Abstain from taking part in simulated acts or fraudulent operations or any other type of operation that is intended to hide, distort, or manipulate the Company's information to the detriment of the Companies, the interests of third parties, or the State.

- f) Act loyally and responsibly, and in the same manner exercise the rights inherent to their status shareholders.

### **1.3. SPECIALIZED AUDITS BY SHAREHOLDERS AND INVESTORS**

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In addition to the right of inspection established in the bylaws, the Board of Directors may authorize specialized audits at the expense of a shareholder or group of shareholders representing at least 5% of the paid corporate capital, or by investors having at least 5% of the respective issue, according to the following conditions and procedures:

- The specialized audit must deal with complex other than those monitored by the Company's External Auditor.
- Under no circumstances, with the excuse of specialized audits, will a violation of the Company's privacy rights, its privileged information, the contracts that represent competitive advantages and, in general, all those documents that are considered privileged, be allowed.
- Specialized audits may not be about documents classified as confidential, according to the applicable laws. For Colombian entities, especially, the provisions of article 15 in the political Constitution and 16 in the Code of commerce, as well as item g), article 4, law 964 of 2005 and the norms that regulate it, specialized audits may not deal with industrial secrets or with respect to issues whose confidentiality is protected by the laws on intellectual property.
- Under no circumstances may this affect the autonomy of the administrators, according to the legal and statutory powers.
- Specialized audits must be requested in writing from the Secretary-General at the Company's domicile and must indicate in detail the reasons and the facts to perform the audit, the specific issues to be audited, and the audit's duration which may not be greater than fifteen (15) business days.
- The Board of Directors must reply in writing within ten (10) calendar days after the request is submitted, indicating whether the specialized audit is admissible or not.
- If the audit is denied, the reply must justify the denial.

- Specialized audits must take place within the fifteen (15) calendar days prior to the ordinary General Shareholders Assembly.
- The specialized auditor's working papers are confidential and must be kept for no less than five (5) years after the date on which they are prepared.
- Firms or individuals engaged to perform such audits must have at least the qualities, background, and experience of the External Auditor appointed by the General Shareholders Assembly for the respective period.
- The External Auditor for specialized audits shall be selected according to the following procedures that ensure they are objectively selected and independent and must not have a conflict of interest to perform the specialized audit.
- The Board of Directors shall appoint the person in charge of dealing with the specialized audit, and must report it in the communication sent to the requesting shareholder or shareholder or shareholders
- The costs and expenses incurred for the specialized audit must be paid for by the shareholder or group of shareholders that requested the audit.

#### **1.4. GENERAL SHAREHOLDERS ASSEMBLY**

The Companies' General Shareholders Assembly, as the main governance and decision-making body for each Company, consists of the shareholders registered in the share registry and meets in the ordinary Assembly, in their own name or through their representatives, at least once a year, and in special assemblies as often as the Company's circumstances require.

Grupo SURA's Assembly has its rules for the General Shareholders Assembly which regulate the most significant aspects of that body and the meeting thereof, such as makeup, notification to convene, representation, duties of the Assembly, development and minutes of the meeting, intended to guarantee the shareholders' political rights, acting according to the law, the bylaws, and this Code. The assemblies of Suramericana and SURA Asset Management, also have their sets of Rules.

## **CHAPTER 2: BOARD OF DIRECTORS**

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Grupo SURA's Board of Directors is the Company's administrative body elected by the General Shareholders Assembly. The Board consists of seven (7) principal members ("Directors")<sup>2</sup>, at least 25% of which should be independent. The appointment of an independent member may not exceed ten (10) consecutive years. The Board of Directors is a professional deliberation body that guarantees the rights of all shareholders. The Board's duties, responsibilities and powers have to do with the Parent Company's strategy, the supervision of key issues for its development and sustainability, and control of its business and governance. The Colombian Code of commerce, the statutory provisions the Board of Director's internal rules, and this Code of Good Governance are the framework for the Board of Directors' actions.

Furthermore, the Companies have a Board of Directors or equivalent body whose duties, responsibilities and powers have to do with each entity's strategy, the supervision of key issues for its development and sustainability, and the control of its business and governance, and are regulated by specific documents applicable to each Company.

### **2.1. INTERNAL RULES OF THE BOARD OF DIRECTORS**

~~The Boards of Directors of Grupo SURA, Suramericana and SURA Asset Management have sets of internal rules that control the following aspects:~~

- Organization and operation of the Board of Directors, including its composition, definition of independent members, criteria to be taken into consideration by the General Shareholders Assembly for electing Directors, profile of the members of the Board of Directors, procedures that the shareholders must follow when submitting and evaluating candidates to the Board of Directors, mechanics of the meetings of the Board of Directors, and criteria for compensation and defining the costs of the Board of Directors.;

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<sup>2</sup> Grupo SURA has decided it is bylaws and not to appoint alternate members to the Board of Directors.

- General duties, rights, duties and responsibilities of the Board of Directors, including those that cannot be delegated to other administrative bodies of the Company, and are divided into those that have to do with the Company's governance and ethics, those related to Senior Management (President and Vice Presidents of the Company), those that pertain to the business itself, and those that refer to the Company's architecture and risk control;
- Election and duties of the chairperson of the Board of Directors;
- Definition and duties of the secretary of the Board of Directors; and
- Regular evaluation of the Board of Directors, including the mechanisms for self-evaluation and outside evaluation by independent consultants.

The rules of the Board of Directors are mandatory for Directors and is set communicated to the shareholders in public at large through the respective entity's webpage.

Grupo SURA's Board of Directors makes sure that the Companies' Boards of Directors are subjected to a performance review.

## **2.2. Committees of the Board of Directors**

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The Board of Directors has specialized Committees that operate as a study in support bodies in certain topics. The Committees are not independent from the Board of Directors, and their duties are defined in their internal rules.

Currently, Grupo SURA's Board of Directors has the following Committees:

- a. Auditing and finance Committee;
- b. Risk Committee;
- c. Corporate governance Committee; and
- d. Appointments and compensation Committee

The Board of Directors of Suramericana and SURA Asset Management shall have at least the same Committees as Grupo SURA.

Each Committee's internal rules are approved by the Board of Directors and are available to the public on the respective entity's webpage. Those sets of rules regulate the following aspects:

- Makeup and compensation of the Committee;
- Frequency and mechanics of the meetings;
- Responsibilities of the Committee; and
- Preparation and filing of the minutes of the proceedings.

## **2.3. GENERAL POLICY FOR ELECTION, COMPENSATION, AND SUCCESSION OF THE BOARD OF DIRECTORS**

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Grupo SURA, Suramericana and Sura Asset Management have a general policy for the election, compensation, and succession of the Board of Directors. The policy's objective is to determine the parameters to ensure that the individuals appointed to hold the position of members of the Board of Directors are the most capable and are properly compensated compared to other comparable Companies at the local and international level. The policies have been approved by the General Shareholders Assembly and are available to the public in the respective entity's webpage.

### **2.3.1 DIRECTORS' LIMITATIONS AND CONFLICT OF INTEREST**

Either the corporate governance Committee or the ethics Committee, as appropriate, shall evaluate the participation in the Board of Directors of those members that might have any kind of conflict of interest such as: being related to suppliers, competitors or clients of any of the Companies that produce revenue exceeding twenty per cent (20%) of the total revenue for any of the Companies; being a party in any litigation against the Companies; or being in a position to gain significant benefits from a decision made by any of the Board of Directors.

For that activity, Grupo SURA, Suramericana and SURA Asset Management have a policy for knowing, managing, and resolving any conflict of interest that might affect the members of the Board of Directors in other administrators of the Company, whether direct or indirect, through the related parties.

### **2.3.2 RETIREMENT AGE**

Directors must relinquish their position when they turn 72 years old. For that, the Director shall submit his or her resignation during the next ordinary meeting of the shareholders Assembly after they turn 72.

## **2.4. THE BOARD OF DIRECTORS OF THE PARENT COMPANY AND ITS ROLE VIS-À-VIS GRUPO EMPRESARIAL SUR A**

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Notwithstanding the autonomy of the governing bodies of the corporations that are part of Grupo Empresarial SUR A, the duties of the Board of Directors of Grupo SUR A, the Parent Company of the Grupo Empresarial, have a group approach and are carried out through general policies, guidelines, or requests for information that consider the balance between the interests of Grupo SUR A and those of the affiliate is aware that Companies as well as those of the conglomerate as a whole.

## **CHAPTER 3: ADMINISTRATION AND REPRESENTATION BODIES OF THE COMPANY**

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### **3.1. CRITERIA AND PROCEDURES FOR APPOINTMENT AND RESPONSIBILITIES OF SENIOR MANAGEMENT AND THE INTERNAL AUDITOR.**

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The Board of Directors responsible for appointing the President of each Company in the Vice Presidents (“Senior Management”), Secretary-General, and internal auditor, set their compensation, defined their duties, and remove them as necessary.

Selection and appointment to take into consideration objective criteria, including human and technical qualities that ensure the proper performance of their duties, and ongoing leadership to achieve the organizational objectives while following the corporate principles and applicable rules.

The Companies, when selecting personnel, must hire, retain, and develop people who internalize, share, and commit to the corporate vision, mission, and principles, according to the organization’s strategic direction. Also, the Companies should attract people with a high level of potential for development, who can learn and face the changes in learning opportunities that the activities of each Company offer.

## **3.2. LEGAL REPRESENTATION, PRESIDENT AND VICE PRESIDENTS.**

### **3.2.1 LEGAL REPRESENTATION**

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The legal representation and management of Grupo SURA, Suramericana and SURA Asset Management's corporate business shall be multiple and will be simultaneously the responsibility of the President and one or more Vice Presidents (those on whom legal representation is vested). They may act jointly or independently according to the terms defined by each Company's bylaws. The President and Vice President shall be appointed by the Board of Directors for terms of one (1) year and may be reelected indefinitely or removed at any time. All Company employees, with the exception of the internal auditor, will be subordinated to the President in the performance of their duties.

The President and Vice Presidents who have the legal representation I am far to celebrate or assign all acts or contracts included in the corporate objective, or that are simply preparatory, accessory, or complementary to achieve the goals of the Company, and those that are directly related to the existence and operation of the Company, with no limitations except those established in the bylaws when they involve operations is vested previously authorized by the Board of Directors or the General Shareholders Assembly.

The President and the Vice Presidents with legal representation are given special powers to settle, commit, and arbitrate the Company business, file legal actions and all recourses that are appropriate according to the law, receive, substitute, acquire, give, and renew obligations and credits, give or receive assets as payment, appoint judicial or extrajudicial attorneys, and delegate on them mandates and substitutions with the limitations derived from the by-laws.

### **3.2.2 RESPONSIBILITIES**

The details of the duties of Grupo SURA, Suramericana and SURA Asset Management's Presidents are set forth in the corporate bylaws, a document that is available to the public in each Company's webpage.

### **3.2.3 QUALITIES OR CONDITIONS TO BE PRESIDENT OR VICE PRESIDENT**

Senior Management selection shall be on the basis of leadership, recognized background, experience, honesty, and outstanding moral, personal, and professional qualities. These individuals should be visionaries, capable of facilitating innovation and producing organizational changes; they must be results oriented, skilled at making decisions, and have the ability to influence and inspire teams. They must be people of integrity, reliable, and with a high level of social sensitivity.

The general policies for selection and succession of Senior Management are published by Grupo SURA, Suramericana and Sura Asset Management in their webpages.

### **3.2.4 COMPENSATION**

Senior Management's compensation is set by the Board of Directors at each Company and shall be aligned with the long-term strategy in each Company, and the interests of the shareholders.

General compensation policies are published by Grupo SURA, Suramericana and Sura Asset Management in their webpages.

### **3.2.5 RETIREMENT AGE**

The President of Grupo SURA, may hold this position until he or she turns 65. To that effect, he or she shall submit the resignation during the next meeting of the Board of Directors after his 65<sup>th</sup> birthday.

For management levels (I and II) at the Companies, the retirement age shall be 62, which may be extended in exceptional cases, at the sole discretion of the respective Board of Directors, after receiving the approval from Grupo SURA, for up to three (3) but without exceeding in any event the age of 65. This provision shall apply to level II of Grupo SURA, with the respective approval from the Board of Directors.

Having access to a pension from the Social Security system shall not be incompatible with the position of President of the Corporation.

### **3.3. PRESIDENTIAL COMMITTEE**

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The Presidential Committee for Grupo SURA, Suramericana and SURA Asset Management, consists of the President, the Presidents for each Company, and any other individuals invited by the President.

The Presidential Committee's responsibilities include:

- Preparing the annual strategic plan for the Company and controlling that the plan is developed and followed. The plan must include follow-up in the various Company areas, according to the guidelines established in the corporate strategies for each year. The plan must be submitted every year to the Board of Directors of each Company for consideration and approval.
- Advise the President in the implementation of different projects, according to the area being managed by each Committee member.
- The find the criteria to evaluate and prioritize the projects included in the strategic plan.
- Guarantee the publication and ensure the appropriation of the corporate strategy by the employees.

### **3.4. SECRETARY-GENERAL**

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Grupo SURA, Suramericana AND SURA Asset Management shall have a Secretary-General, nominated by the President after the appropriate report from the Committee in charge of appointments and compensation, and appointed by the Board of Directors. The duties of the Secretary-General are defined by the rules for the Board of Directors.

The Secretary-General is the person responsible for everything related to the Company's shareholders.

The Secretary-General provides the Board of Directors and its members advise and guidelines on their responsibilities, according to legal provisions and Company rules. The Secretary-General is also charged with ensuring that the Board of Directors receives the information required to make decisions.

# **CHAPTER 4:**

## **TRANSPARENCY IN INFORMATION AND RELATIONS WITH STAKEHOLDERS**

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This chapter regulates the mechanisms established by the conglomerate to disclose financial and nonfinancial information, and to handle relations with the various participating stakeholders.

Stakeholders shall be defined on the basis of recognition of individuals or legal entities, sectors, and institutions with which each of the Companies has the most interaction in the pursuit of his corporate goals.

To strengthen relations with the stakeholders of Grupo SURA, Suramericana and SURA Asset Management, and to encourage the proper Conduct of business, contribute to sustainable growth of the environment, and consolidates the corporate reputation, these entities have adopted certain policies to manage reputation: stakeholder relations, and brand management.

### **4.1 INFORMATION MECHANISMS**

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The Parent Company's administration will work so the information received by shareholders and other investors is complete, accurate, and timely. The Parent Company has the following information mechanisms:

#### **4.1.1. INFORMATION ABOUT PERFORMANCE:**

This information is prepared and presented according to the legal requirements and established accounting standards. Shareholders receive information, among other things, on the following topics:

- a) The business objectives that the administration has set for itself for the period.
- b) The opportunities, risks, and difficulties faced during the Company's activities, including information about the conglomerate, its development, its competitive environment, and its projects.
- c) The activities of the main bodies, areas, and operations of the Parent Company
- d) Any relevant findings by the External Auditor, which must be included in the opinion given to the shareholders during the general Assembly, so the

shareholders and other investors can have the information they need to make their decisions.

- e) Any ongoing legal processes or those that have been adjudicated during the period.
- f) The balance sheet for the end of the period, together with the reports and proposed profit distribution and other details and special information required by law, after being studied, analyzed and approved by the Board of Directors. This information shall be presented by the co Parent Company's legal representative to the General Shareholders Assembly during its annual ordinary meeting. The report shall include a description of the main risks related to the Company's activities, according to current regulations.
- g) The annual corporate governance report, statutory and legal reports about the operations and main activities carried out by the Board of Directors and the presidency, and the report on social, environmental issues, and other topics pertaining to the Company's sustainability.
- h) Up-to-date information about financial statements, portfolio composition, and general information of interest for shareholders and potential investors.
- i) The Parent Company will report, through its webpage, the general policies applicable to the compensation assigned to members of the Board of Directors and Senior Management.

#### **4.1.2 INFORMATION ABOUT THE ASSEMBLY:**

The current mechanism is detailed in the rules of the General Shareholders Assembly and in the corporate bylaws for Grupo SURA, which are available for consultation in the Company's webpage.

#### **4.1.3 RELEVANT INFORMATION:**

The Parent Company, as an issuer listed in the stock exchange, will comply strictly with the obligation to inform on the issues believed to be relevant or which it is obligated to report to the market according to the regulations of the Colombian financial superintendence (Superintendencia Financiera de Colombia). In addition, the Company will make available to local authorities in each country where it is present through investments, to the stock exchanges, the securities rating firms, and their shareholders and investors, the information that is relevant for each of them according to the law.

In addition, the Parent Company shall publish in its webpage the types of shares issued, the number of shares of each kind, and those that remain in reserve.

Whenever in the opinion of Grupo SURA the reply to an investor might give him or her an advantage, the remaining investors shall have immediate access to the reply under the same economic conditions and through the disclosure mechanisms established by the Corporation.

#### **4.1.4 PUBLICATION OF THE RIGHTS AND OBLIGATIONS OF SHAREHOLDERS AND INVESTORS, AND ATTENTION MECHANISMS.**

The rights and obligations of Grupo SURA's shareholders investments shall be broadly publicized through the media available to the Parent Company, including the corporate webpage ([www.gruposura.com.co](http://www.gruposura.com.co)); social networks, mobile apps for tablets and mobile devices, and shareholders' service lines from Fiduciaria Bancolombia, which manages Grupo SURA's shares (018000 521555).

Grupo SURA has a Secretary-General through which shareholders, investors and the public can get information. That office shall also process shareholders' complaints and concerns.

In addition, an investor relations office that guides institutional investors and market intermediaries about the Parent Company's most relevant public information.

Grupo SURA's Secretary-General and the Investors Relations are located at o Calle 49 # 63 - 146, 8<sup>th</sup> and 9<sup>th</sup> floors in Medellín – Colombia, telephone (+57 4 4938636), and may be contacted through the following email: [gruposura@gruposura.com.co](mailto:gruposura@gruposura.com.co).

#### **4.1.5. CORPORATE WEBPAGE.**

Grupo SURA, Suramericana AND SURA Asset Management underscore the vital importance of their corporate webpages as the appropriate media through which the Company disclose information to their stakeholders, with data, results, information about corporate governance, relations with investors, and sustainability among other topics, those interacting with their stakeholders and the public at large and providing responsiveness and transparency in access to their financial and nonfinancial information.

#### **4.1.6 ANNUAL CORPORATE GOVERNANCE REPORT:**

The Boards of Directors of Grupo SURA, Suramericana and SURA Asset Management, shall prepare an annual corporate governance report for their shareholders, investors, and various stakeholders, to be presented by the administration at the end of each period. This report must reflect the operation and the changes that the Company's governance has undergone during the period and shall follow the guidelines established by the law.

## **CHAPTER 5: CONTROL ARCHITECTURE**

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Grupo SURA, as Parent Company of Grupo Empresarial SURA, encourages the existence of a control architecture having a consolidated scope and, in this respect, assigns responsibilities with respect to the policies and guidelines on the topic at the business group level, and defines clearly reporting lines that allow a consolidated vision of the risks to which they are exposed and the adoption of the appropriate control measures.

In addition to the policies or procedures defined by the Companies to regulate and manage their own internal control systems, Grupo Empresarial SURA has a control architecture that gives it Companies a set of policies, procedures, and mechanisms that provide a reasonable level of security as they follow their strategy to achieve the following objectives:

- i. Improve the efficiency and effectiveness of the operations.
- ii. Prevent and mitigate fraud.
- iii. Carry out an appropriate risk management.
- iv. Increase the reliability and timeliness of information.
- v. Comply with applicable regulations and norms.

All employees of the Companies participate in internal control by applying principles such as self-control, self-regulation, and self-management; and by developing the five components described below:

## 5.1. CONTROL ENVIRONMENT

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The Board of Directors and Senior Management of the Companies are responsible for promoting a risk and control culture within each organization, defining roles and responsibilities with respect to risk management, internal control and evaluation, establishing clear reporting lines, and taking into consideration the risks derived from the strategic definition of the Companies and their business processes, to carry out proper follow-up, evaluation and management.

## 5.2. RISK MANAGEMENT

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Grupo SURA defines a framework for action that determined the guidelines in mechanisms to articulate risk management inside the business groups and ensure the achievement of its strategic objectives.

The Boards of Directors and Senior Management of the Companies are responsible for administering their own risk management system which is implemented by taking into consideration the size, complexity of the businesses and processes, the geographic diversification, and the nature of the risks that each Company faces, monitoring for consistency and feedback with the organizational strategy. In addition, each Company guarantees the existence of clear reporting mechanisms to the Parent Company.

## 5.3. CONTROL ACTIVITIES

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Every employee of the Company's is responsible for managing the risks derived from their duties and creates the appropriate controlled mechanisms. This requires that the following principles be applied as they perform their activities:

- i Self-control - Ability to evaluate and control the work, detect deviations, and implement corrective measures to perform their duties, and improve their tasks and responsibilities.

- ii. Self-regulation - ability to apply methods, norms and procedures that enable the performance, implementation, and improvement of the ICS within the framework of the applicable legal provisions.
- iii. Self-management - the organization's ability to interpret, coordinate, implement, and evaluate, effectively, and efficiently its own operations.

## **5.4. INFORMATION AND COMMUNICATION**

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Each area in the Company identifies, captures, and exchanges the necessary information to fulfill the internal control responsibilities that support achieving the objectives.

This must be quality and homogeneous information (taking into consideration issues such as: contents, timeliness, accuracy, and accessibility) and must be communicated to the entire organization and the stakeholders.

## **5.5. MONITORING THE CONTROL ARCHITECTURE**

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Grupo Empresarial SURA encourages checking for the proper operation and of the components of the control architecture inside each Company.

The performance of internal control is checked by continuous monitoring activities, i.e., management and supervision activities. Also, through independent evaluations carried out by internal audits and external audits (statutory and external audits) to monitor the risks and the efficacy of the procedures.

### **5.5.1. INTERNAL AUDIT**

Each internal audit function in Grupo SURA, Suramericana and Sura Asset Management, has an internal audit statute, approved by the Auditing Committee or the entity that acts as such, which expressly defines the autonomy and independence to perform their duties, and the scope of the assurance and consulting. The affiliates work together with Grupo SURA's Auditing on overarching topics to find homogeneous Auditing practices through the business group (Grupo Empresarial).

## **5.5.2 EXTERNAL AUDITING**

The Companies have an independent External Auditor, a status that must be stated in the respective annual Auditing report. The auditor's duties, qualities, inabilities, incompatibilities, and other issues, are regulated by the corporate bylaws and, in matters not covered by the bylaws, by the framework policy for appointing the External Auditor.

# **CHAPTER 6: MANAGING CONFLICTS OF INTEREST**

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While carrying out the Companies' activities, and in the actions of their administrators, that management, and employees, there is the possibility of conflicts of interest.

Conflict of interest consistent the situation according to which a shareholder, a member of the Board of Directors, a member of Senior Management, or any other Company employee, because of his or her activity, faces different Conduct alternatives vis-à-vis his or her individual interest in those of the Company, which turn not to be incompatible because of legal or contractual obligations.

Directors and Senior Management at Grupo SURA, Suramericana and SURA Asset Management shall always avoid conflicts of interest with the Companies. To that effect, they must report to the respective Board of Directors the direct or indirect relationships they have among them, with the Companies, suppliers, clients, or any other stakeholder from which conflicts of interest might arise or that might influence their opinions or votes.

## **6.1. RULES OF BEHAVIOR FOR THE COMPANY, ITS DIRECTORS, ADMINISTRATORS, AND EMPLOYEES**

The Companies, their Directors, administrators, and employees have the obligation of trying to resolve any possible conflicts of interest that might arise between stakeholders. For this reason, every shareholder, Board member,

member of Senior Management, administrator and employee of the Company shall:

- a. Avoid participating in activities or managing businesses that are contrary to the interests of Grupo Sura or the Companies, or that can prevent total dedication or fulfillment of their duties and responsibilities.
- b. Abstain from establishing Companies, businesses or services that compete with the Company, or being part, employees, or administrators thereof.
- c. Abstain from doing personal family business in the Company, such as purchasing, selling, or renting Company property or equipment, participation or ownership in Companies that have intend to do business with the Company.
- d. Avoid authorizing or rejecting any deal based on feelings of friendship or enmity or abusing their position to obtain benefits for themselves or for third parties.
- e. Do not enter into contracts or dispose on behalf of the Company with the spouse, permanent companion, or relatives within the 4<sup>th</sup> degree of consanguinity, 2<sup>nd</sup> degree of affinity or first civil degree.

Should a conflict of interest arise, it must be disclosed according to the procedure approved by the Board of Directors for that purpose.

## **6.2. ECONOMIC RELATIONS BETWEEN THE COMPANY AND ITS SHAREHOLDERS, DIRECTORS, MAIN EXECUTIVES, AND ADMINISTRATORS.**

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Every transaction that takes place between the Companies and their shareholders, Directors, main executives and administrators, must be carried out at arm's length, with absolute transparency, fairness and impartiality, without any type of preference or exception to benefit them, even when it does not damage the Company image or the interests of other shareholders, and always maintaining absolute clarity when making any type of operation.

With respect to operations between Companies, such appraisers must be carried out at arm's length, with absolute transparency, fairness, and impartiality, unless there is a reasonable and well-placed justification for an exception. This shall not apply for operations that did not involve providing a service or disposing of assets between the parties; i.e., activities of cooperation, synergies, or joint developments between Companies, to promote efficiency and unity of purpose and direction for Grupo Empresarial SURA.

### **6.3. CONFLICTS OF INTEREST BETWEEN COMPANIES IN GRUPO EMPRESARIAL SURA**

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Any transaction carried out between Companies of Grupo Empresarial SURA, must follow the guidelines established in the framework policy for operations between related parties.

Notwithstanding the above, if in the normal process all of operations between Companies there arise conflicts of interest between the Companies, the procedure indicated below shall be followed.

Conflict of interest is defined, for the purposes of this item, as a situation in which one of the Companies that as part of Grupo Empresarial SURA has an actual or potential interest that is contrary and incompatible, economically, or otherwise, with the interest of the Parent Company, another Company that is part of Grupo Empresarial, or the conglomerate as a whole.

When this type of conflict arises, first the parties shall attempt to resolve the situation directly between the areas of the Companies involved, with the participation of the Vice Presidents or Presidents of the Companies, as appropriate. If no agreement is reached, the conflict will be submitted for analysis and resolution to the Auditing Committee of Grupo Sura's Board of Directors.

Notwithstanding the above, when the conflict of interest between the Companies leads to disagreements or conflicts between individuals, such will be resolved according to the provisions of the Code of Conduct, or this Code.

## **6.4. TRADING SHARES BY THE PARENT COMPANY'S DIRECTORS AND ADMINISTRATORS**

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It behooves the Board of Directors of Grupo SURA, authorized Senior Management and members of the Board of Directors of the Company, in the cases and with the requirements established by law, to transfer or purchase shares in the Parent Company. In any event, the individuals who hold those positions are forbidden from purchasing or selling shares for speculation.

## **6.5. HANDLING CONFLICTS**

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In the ordinary course of the activities of the Companies and of their shareholders, administrators, employees, and even third parties, possibility of conflicts arising between them. A conflict consists of a lack of agreement, opposing ideas, or disputes.

### **6.5.1. CONFLICTS BETWEEN SHAREHOLDERS AND ADMINISTRATORS**

Any conflicts that arise between shareholders and administrators, Directors, and members of Senior Management, or between the latter and the Company, shall be submitted for consideration and decision by the Board of Directors' corporate governance Committee. In any event, the Director involved shall abstain from participating in the discussion and decision about the issue that caused the conflict.

### **6.5.2. DIFFERENCES BETWEEN EMPLOYEES THAT ARE NOT ADMINISTRATORS, DIRECTORS, OR MEMBERS OF SENIOR MANAGEMENT**

When an employee or an officer of the Companies, other than an administrator or member of Senior Management or the Board of Directors is face to the conflict while performing his or her duties in the Companies, he or she shall report that situation, immediately and in writing, to his or her hierarchical superior who bring they should to the Presidential Committee or the Committee that is assigned to this function in each Company, so that

the situation can be resolved. The Presidential Committee's decision shall be recorded in a document signed by all its members.

If the Committee believes that the situation of possible conflict should be reported to the Board of Directors, the issue will be escalated to the Board to take the appropriate decision.

### **6.5.3. DIFFERENCES BETWEEN EMPLOYEES, ADMINISTRATORS, DIRECTORS, MEMBERS OF SENIOR MANAGEMENT, AND THIRD PARTIES**

Any conflicts between Directors, members of Senior Management, shareholders and employees of the Company's, and suppliers, competitors, clients, and people external to the Company, shall be brought for consideration in decision to the ethics Committee, as provided by the Company's Code of Conduct.

### **6.5.4. CONFLICTS BETWEEN THE COMPANIES AND THEIR EMPLOYEES**

Any differences that arise between the Companies and their employees shall be resolved according to the internal work rules of each Company, the law, and the work contract. In addition, the Company shall apply the disciplinary procedure established in current labor regulations.

### **6.5.5. CONFLICT BETWEEN SHAREHOLDERS AND THE COMPANY AND AMONG SHAREHOLDERS THEMSELVES**

Notwithstanding the provisions established by the Companies' bylaws or in shareholder agreements that apply specifically to any one of them, any conflict between shareholders and the Companies, or among their shareholders themselves, because of their status as such, at any time, shall be brought for resolution to an arbitration court whose venue shall be the city of Medellin. This court will decide at law and shall consist of three (3) Colombian citizens. Arbitrators shall be appointed as established by the applicable law, which shall also govern the procedure to be followed by the court unless there are special provisions for the particular case. However, when there is no agreement between the parties to appoint all or some of the arbitrators, it shall be up to the Arbitration and Conciliation Center of the Medellin Chamber of Commerce which

shall select the arbitrators from a list of at least 10 candidates agreed by the parties. The secretary of the arbitration court shall be appointed by the arbitrators after the court has been selected.

## **6.6. MECHANISMS TO REQUIRE THE COMPANY TO COMPLY WITH THE PROVISIONS OF THE CODE OF GOOD GOVERNANCE**

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The President and the Vice Presidents of the Companies shall ensure compliance with the bylaws, legal requirements, and provisions of the General Shareholders Assembly and the Board of Directors. They are also the main parties responsible for ensuring compliance with the provisions of the business group's Code of Good Governance and of the attachments that refer to each Company.

Stakeholders may petition the respective Company when they believe that the provisions of the Code of Good Governance have not been complied with, and the Administration of the Companies, through the Secretary-General, or the channel made available for that purpose, shall provide a clear and sufficient answer to the petitioner as diligently and quickly as possible.

The Parent Company's shareholders and investors may file complaints and claims with the External Auditor for failure to comply with the provisions of the Code of Good Governance. The Company shall respond quickly to any requirement submitted by the External Auditor as a result of those claims or complains, and shall heed the External Auditor's recommendations on the topic after the alleged noncompliance has been verified.

## **6.7. CRITERIA TO SELECT SUPPLIERS OF GOODS AND SERVICES**

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The Companies have their policy for suppliers which define the criteria for selection and hiring to ensure that the corporate principles are applied to those processes and to the management of relationships with the suppliers. To that effect, a standard procedure has been established which must

be followed by all Companies employees every time they wish to make a purchase of goods or services.

## **CHAPTER 7: OTHER PROVISIONS**

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### **7.1. CONNECTION WITH THE CENTRAL SECURITIES DEPOSITORY**

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The Parent Company is connected online with a centralized securities depository to which the Company has delegated the management of the shareholders registry.

### **7.2. EXTENSIVE INTERPRETATION**

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The rights, guarantees, and other provisions contained in this Code in favor of the shareholders shall apply, to the extent possible, to investors in the Companies.

### **7.3. PUBLICATION**

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The Companies' Senior Management will report to the market and the stakeholders the existence and contents of this Code. To that end, the Parent Company shall house through the relevant information mechanisms of the Colombian financial superintendence (Superintendencia Financiera de Colombia), any amendments, changes, or additions hereto.

In addition, the text of this Code shall be available at the Companies' Secretary-General and in their webpage.

# ATTACHMENTS

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- Attachments about the Companies