



**CODE OF GOOD CORPORATE GOVERNANCE
BANCO POPULAR S. A.**

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INTRODUCTION

Banco Popular S.A. has established specific mechanisms to balance the management of each corporate body and the control of such management to ensure that the decisions adopted in each instance are made for the best interest of the Bank and its shareholders, always keeping in mind the rights of financial consumers and other stakeholders.

The Board of Directors and Senior Management, in compliance with their legal and statutory duties to direct and outline the general Good Corporate Governance policies, have compiled herein normative, regulatory and statutory provisions, as well as specific internal policies and best practices governing the Bank's performance in good corporate governance matters.

The term "Corporate Governance" is understood as the set of policies and principles of business management, administration and monitoring aimed at directing and controlling the management of a legal entity, either individually or as part of an economic group. Corporate Governance provides a framework to establish duties, rights and responsibilities that shall be complied with by the corporate governance bodies of a company for the development of its functions, among which the General Shareholders' Meeting, the Board of Directors, the Legal Representatives and other Administrators, the Statutory Auditor and other control bodies primarily stand out.

CHAPTER ONE

IDENTIFICATION AND SCOPE OF ACTION OF THE COMPANY

1.1 Legal Nature and Corporate Purpose

Banco Popular S.A. is a banking establishment with its principal corporate office in Bogotá, D.C. subject to the supervision and control of the Financial Superintendence of Colombia and incorporated by public deed 5858 of November 3, 1950 of the Notary Public's Office 4 of Bogotá.

Its corporate purpose is to perform the activities, operations and services of a banking establishment within the legal framework set forth by the laws, decrees and other provisions governing these establishments in Colombia.

CHAPTER TWO

VISION AND PURPOSE OF THE BANK

The Bank's vision and purpose upon which the standards of behavior are based, as set forth in this Code of Good Governance, are detailed as follows:

2.1 Vision

Becoming the main Bank of our customers.

2.2 Primary Purpose

The Bank is truly committed to providing financial support and assistance to all its customers in achieving their goals, always with a positive and optimistic spirit, through quality services and products as a result of our experience, as well as to their satisfaction and that of all its shareholders and to the development of the country.

CHAPTER THREE

MANAGEMENT BODIES

3.1. THE GENERAL SHAREHOLDERS' MEETING

The General Shareholders' Meeting is the highest governing body of the Bank. It is composed of the shareholders registered in the "Share Register" book or their representatives or attorneys-in-fact convened in accordance with the provisions of the Bylaws and the law.

The Bank has the Internal Rules of Procedure for the General Shareholders' Meeting, which purpose is to supplement the Bank's Bylaws regarding the notice, functions and development of the General Shareholders' Meetings and other relevant provisions for its proper operation. These Rules are available at the Bank's website, which are included as an integral part of this Code as Annex No. 1.

3.2. BOARD OF DIRECTORS

3.2.1. Purposes and Functions of the Board of Directors

The main purpose of the Board of Directors is to actively participate in the Bank's strategic planning and follow-up, determining the needs for strategic redirection when required, ensuring respect for the rights of all shareholders and security investors in accordance with the parameters established by the market regulatory bodies, the Bylaws and the provisions of this Code.

The work of the Board of Directors, as the highest administrative body, shall be mainly aimed at defining the general policies and the strategic objectives of the Bank, as well as following up on all actions taken to achieve them, always in line with the rights of shareholders and the sustainability and growth of the Bank. It shall also ensure the existence of an appropriate Internal Control System adapted to the Bank and its complexity, consistent with the Bank's Risk Management System, and shall supervise its effectiveness and suitability.

In addition, the Board of Directors shall be responsible for ensuring compliance with the provisions of the Good Governance Code adopted by the Bank.

The Board of Directors shall also promote the best treatment and assistance to shareholders and other stakeholders.

3.2.2 Functions of the Board of Directors

The Board of Directors is the highest administrative body of the Bank responsible for determining the policies of management and development, as well as ensuring that the Chairman, Senior Management and other employees of the Bank comply with and adhere to the aforementioned policies. It is also responsible for the exercise of

all other functions established in the Bank's Bylaws and applicable laws and regulations.

3.2.3 Size, Composition and Operation

The Bank's Board of Directors is governed by the internal rules of procedure intended to complement the Bank's Bylaws, including among other aspects, the operation of such body, the manner in which notices shall be issued, the duties and rights of the Chairman, the Board and other Members, deliberative and decision-making quorums, committees and other relevant provisions, whose text is available at the Bank's website. The Rules of Procedure are in accordance with the provisions of the Bylaws, the Bank's corporate governance documents and the legal provisions in force.

In the exercise of their functions, all Board Members shall be subject to the duties set forth in the Bylaws and the law, particularly reporting any direct or indirect relationships they may have with the Bank, other Board Members, suppliers, customers or any other stakeholder that may lead to potential conflicts of interest or may influence their opinion or vote to the Board of Directors.

In addition, the Chairman of the Bank or his/her delegate shall provide the Board Member appointed for the first time with the necessary information so that he/she can have specific knowledge about the Bank and the sector in which he/she shall develop his/her responsibilities, obligations and attributions together with the Bank's corporate governance guidelines.

3.2.4 Evaluation of the Members of the Board of Directors

The Board of Directors shall perform an annual evaluation of its management and that of its supporting committees, which shall include among other aspects, the attendance of Members at meetings, their active participation in decision-making, their follow-up on the main issues of the Bank, the evaluation of their tasks and their contribution to defining the Bank's strategies and outlook. The Board of Directors shall periodically determine the mechanism to be used for such evaluation supported by possible participation of external advisors. The evaluation process shall also be conducted by the Boards of Directors of the Bank's subsidiaries. In addition, the management of the Board of Directors and the Chairman of the Bank shall be

included in the Management Report which, in accordance with the legal provisions, shall be submitted at the end of each fiscal year to the General Shareholders' Meeting for its approval or rejection.

3.2.5 Director Qualifications

In addition to the legal requirements regarding the composition of the Board of Directors, shareholders shall take into consideration, among other factors, their professional background, profiles, knowledge, experience, leadership, track record in the sectors within the Bank's activities and business, and their availability of time for the fulfillment of these duties.

3.2.6 Principles of Action of the Members of the Board of Directors

With the purpose of maintaining the greatest objectivity, independence and knowledge in decision-making, Board Members shall individually and jointly comply with the following principles:

1. Board Members, once elected and duly appointed before the Financial Superintendence, shall represent all shareholders and therefore, shall not act in the interest of any particular shareholder or group of shareholders.
2. They shall perform their duties in good faith, independently, with due diligence and care, always ensuring that their decisions are in the best interest of the Bank and all shareholders.
3. They shall perform their duties in a professional, comprehensive, competent and independent manner with the dedication of time required to do so. They shall be transparent in their management, striving to have a good knowledge of the risks inherent to the products and services offered by the Bank.
4. They shall evaluate all risks inherent in investment instruments used by the Bank and support the work of supervisory and control bodies.
5. They shall treat all shareholders in an equitable and fair manner in their decisions.
6. They shall perform their duties objectively and independently.

7. They shall actively participate in the meetings of the Board of Directors and their Committees, reviewing and discussing the material for study and analysis submitted at each meeting.
8. They shall avoid any conflicts of interest with the Bank, informing other Board Members of their presence and refraining from participating in the discussions and voting on matters in which they may have any conflict of interest.
9. They shall refrain from authorizing any acts for which they have a conflict of interest or competition with the Bank that may be detrimental to the Bank's interests.

3.2.7 Committees of the Board of Directors

The Bank's Board of Directors shall create and permanently maintain the Committees that are legally required to be established, being optional the creation of other committees as support groups aimed at providing a more detailed analysis of the matters entrusted to the Administration so that the Board of Directors can make any relevant decisions.

For the composition of the Committees, the Board of Directors shall take into consideration, among other aspects, the profiles, knowledge and professional experience of the Members appointed thereto in relation to the subject matter of each Committee and may receive support, on an ad hoc or permanent basis, of Senior Management Members and/or external advisors when deemed necessary. The Presidents of the Support Committees of the Board of Directors must be independent. Aspects related to the operation of the Board of Directors are included in the Rules of Procedure of the Board of Directors, which are an integral part of this Code as Annex No. 2.

3.2.8 Audit Committee

The Board of Directors has an Audit Committee reporting to it, which supports its functions related to the definition and approval of the general strategies and policies of the Bank's Internal Control System, its continuous evaluation and improvement, and ensuring that the preparation, presentation and disclosure of financial

information comply with applicable standards by verifying the existence of necessary controls.

The Committee is composed of three Members appointed by the Board of Directors, the majority of whom shall be independent.

Aspects related to the compose and operation are included in the Committee's Rules of Procedure, which are an integral part of this Code as Annex No. 3 and is published on the Bank's website.

3.2.9 Corporate Governance and Sustainability Committee of the Board of Directors of Banco Popular.

For the assistance of the duties of the Board of Directors in proposing and supervising the Corporate Governance measures adopted by the Bank and monitor the Bank's sustainability matters, the Board of Directors has created a Corporate Governance Committee under that body, which shall not replace the responsibility that corresponds to the Board of Directors in a collective manner.

The Committee shall be composed of three Members appointed by the Board of Directors, one of whom shall be an independent member, and its functions shall those established by the Board of Directors, in accordance with the provisions of Código País, recommendations 18.26 and 18.27 of External Circular 028 of 2014 issued by the Financial Superintendence and those contemplated in the legal provisions in force.

Aspects related to the compose and operation of the Corporate Governance and Sustainability Committee of the Board of Directors of Banco Popular are included in the Committee's Rules of Procedure, which are an integral part of this Code as Annex No. 4. and is published on the Bank's website.

3.2.10 Risk Committee of Banco Popular's Board of Directors

To assist the Board of Directors in fulfilling its responsibilities for consolidated supervision of risk management, the Board has a Risk Committee.

The Committee is composed of three members appointed by the Board of Directors, one of whom must be an independent member. The aspects encompassing the operation of the Risk Committee of the Board of Directors of Banco Popular are detailed in the Committee's Operating Regulations, which are an integral part of this Code as Annex No. 5 and is published on the Bank's website.

CHAPTER FOUR

LEGAL REPRESENTATION

The Bank shall be legally represented by the Chairman, who is appointed by the Board of Directors and shall perform the functions determined by the latter, as well as those set forth in the Bylaws and the legal provisions in force.

The Bank shall have one or more Vice Presidents for the proper operation of the Institution, as well as a Secretary General appointed by the Board of Directors, whose functions, powers, allowances and duties shall be established by the Board of Directors. The Secretary General shall be also Secretary at the General Shareholders' Meeting and the Board of Directors and may also be appointed as Legal Vice President.

Vice Presidents and the Secretary General shall be the Bank's legal representatives, pursuant to the guidelines set forth by the Board of Directors and the Chairman of the Bank.

The Bank's Legal Representatives shall be subject to the regime of conducts, inabilities and incompatibilities provided by law.

CHAPTER FIVE

CONTROL SITUATION

The Bank's majority shareholder is Grupo Aval Acciones y Valores S.A., a company with a controlling position as parent company, which is duly registered in the Commercial Registry of the Chamber of Commerce of Bogotá.

CHAPTER SIX

REMUNERATION POLICIES

6.1. Remuneration Policies for Board Members

The General Shareholders' Meeting shall determine the value of the fees to be paid to Directors for their attendance at the meetings of the Board of Directors and Committees.

6.2. Remuneration Policies for Senior Management

The Bank's remuneration policy for Senior Management Executives shall be in accordance with the best remuneration practices in the labor market, which makes the Bank competitive and ensures the permanence of highly qualified personnel committed to providing guidance to others in the achievement of their corporate and professional objectives.

Wage increases shall be made in accordance with the internal policies established by the General Management, after evaluating the performance of Senior Management Executives.

6.3. Statutory Auditor Remuneration Policies

The Statutory Auditor shall be paid the remuneration fixed by the General Shareholders' Meeting, which shall be determined in accordance with the legal provisions in force for such purpose. The Statutory Auditor shall request the General Shareholders' Meeting to create the positions and determine the remuneration of the employees required for the proper performance of said duties based on the information on the allocations provided for the supply of human and technical resources, in accordance with the provisions of the Bank's Bylaws.

6.4. Remuneration Policies for External Advisors

The Board of Directors and/or its Committees may obtain occasional or permanent support from external advisors when deemed necessary, under the institutional principle of Expert Advisory, without this implying delegation of their members. In such cases, the Board of Directors will determine the scope of such external advisory services to be engaged and will allocate the remuneration of such Advisors, considering the nature of their work.

CHAPTER SEVEN

INTERNAL AND EXTERNAL CONTROL MECHANISMS

Both internal and external control bodies shall be responsible for verifying that the Bank properly performs all activities, all operations comply with the regulations in force and all accounting records are kept in a regular manner. Therefore, these are essential tools for proper management control in the organization¹.

7.1. Internal Control System

In accordance with the provisions of the Financial Superintendency of Colombia, the Internal Control System (ICS) is defined as the set of policies, principles, standards, verification and evaluation procedures and mechanisms set forth by the Board of Directors, the Senior Management and all other Bank employees to provide a reasonable degree of assurance as to the achievement of the defined objectives, in accordance with the rules governing the matter and best practices.

The Bank has an Internal Control System aligned with its risk profile, strategic and business plan, the nature, size and complexity of its activities, as well as the economic environment and markets in which it operates. To achieve these objectives, the Bank establishes the following principles for its Internal Control System:

Self-control: Bank's employees must assess and monitor their work, identify deviations and take corrective actions in the execution and fulfillment of their duties.

Self-regulation: the Bank must develop internal methods, standards and procedures that enable the implementation and improvement of the Internal Control System.

Self-management: The Bank must have the capacity to coordinate, execute, and effectively, efficiently and efficiently evaluate the operation of the Internal Control System.

The Internal Control System identifies components related to the control environment, risk management, control activities, information, following and

¹ Financial Superintendence of Colombia, "Conceptual Paper on Corporate Governance" November 20, 2006.

monitoring, taking into account the elements and governance and control architecture that enable its proper functioning and continuous improvement, based on COSO, through the Bank's three lines of defense which are part of the Internal Control model.

For monitoring by the Board of Directors, Board support committees and Senior Management regarding the operation of the Internal Control System, as well as the achievement of strategic objectives and definition of organizational culture, controls are implemented to detect potential deficiencies such as control weaknesses, errors in financial information, or fraudulent activities. These controls enable necessary corrective actions to be taken.

The Bank's Board of Directors shall be responsible, among others, for defining and approving the general strategies and policies related to the Internal Control System (ICS) based on the recommendations made by the Audit Committee.

In addition, the Bank's Board of Directors shall follow the general guidelines issued by the Bank's parent company on internal control matters, including possible audits requested by the Corporate Comptroller's Office or performed by independent audit firms in order to validate compliance with the Internal Control System and all other systems therein. The cost of these audits shall be paid by the Bank, considering that their purpose is related to its Internal Control System as the Bank shall comply with the guidelines issued by the Financial Superintendence through External Circular 029 of 2014, as well as those regulations that may modify or substitute them.

The Audit Committee shall be responsible, among others, for the evaluation of the Bank's Internal Control System, as well as its continuous improvement.

The Senior Management shall be responsible, among others, for the implementation of the procedures of the Internal Control and Disclosure System, as well as the verification of its effectiveness within the Bank and its adequate operation.

Each and every Bank employee, in the course of their duties, shall be responsible for ensuring compliance with the objectives and policies established by the Bank's Management regarding the Internal Control System.

The Internal Auditor shall be responsible, among others, for evaluating and contributing to further improve the Bank's risk management, internal control and

governance processes. Their audit results shall be disclosed in an accurate, objective, clear, concise, constructive, complete and timely manner.

The Board of Directors and/or the Audit Committee may meet with the Statutory Auditor and/or the Internal Auditor when deemed necessary.

The Bank has a policy for self-assessment, evaluation and reporting of the internal control system.

7.2. The Statutory Auditor

The Bank shall have a Statutory Auditor who may be replaced in the event of absence, whether absolute, temporary or accidental, by an Alternate elected by the General Shareholders' Meeting for a period of one (1) year. The Statutory Auditor shall be freely reelected or removed by the General Shareholders' Meeting.

The General Shareholders' Meeting shall fix their remuneration in accordance with the legal provisions in force for this purpose. Information regarding allocations envisaged for Human and Technical Resources to perform their duties shall be included during the meeting at which the Statutory Auditor is appointed. The Statutory Auditor shall be elected based on an objective and transparent evaluation.

The Statutory Auditor shall not hold any shares either in the Bank or in any of its subsidiaries nor be married, be a relative until the fourth degree of consanguinity or first degree of civil relationship or second degree of affinity, or be a partner of any of the Members of the Board of Directors, the Chairman, the Vice Presidents, the Secretary General, the Compliance, the Security and Operational Risk Officer, the Alternate Compliance Officer or the General Accountant, whose position is incompatible with any other position in the Bank or its subsidiaries.

The Statutory Auditor may be appointed by an accounting or auditing firm, which shall designate a certified public accountant and an alternate to perform the duties of the Statutory Auditor.

The Financial Superintendence shall be responsible for appointing the Statutory Auditor of the Bank. Such appointment shall only be made once the Financial Superintendence has confirmed the status, suitability and experience of the Statutory Auditor elected by the General Shareholders' Meeting.

The Statutory Auditor shall perform the duties set forth in the Bank's Bylaws and the current legal provisions, in addition to those specified by the General Shareholders' Meeting compatible with the foregoing.

The Statutory Auditor shall timely give written notice to the General Shareholders' Meeting, the Board of Directors or the Chairman of the Bank, as the case may be, of any relevant findings detected in the performance of his/her duties.

In the event of any reservations, emphases of matter and/or any other significant remarks or comments made by the Statutory Auditor, submit the conclusions to the Board of Directors with their respective recommendations duly explained and justified. After reviewing the Audit Committee's report, if the Board of Directors does not agree with the Statutory Auditor's approach and upholds its opinion, it shall explain and justify its position to the General Shareholders' Meeting by means of a written report specifying the content and scope of the discrepancy.

CHAPTER EIGHT

SHARES AND SHAREHOLDERS

8.1. Share Classes

All of the Bank's shares are common shares that shall be issued as registered securities or certificates, whether in a single series or class, although preferred shares and non-voting preferential dividend shares may be also issued. Notwithstanding the foregoing, securities may be totally or partially dematerialized upon their deposit in a Central Securities Depository by the Bank or a shareholder for their administration or any other purpose established by the law in accordance with applicable regulations.

Shares issued to the market by the Bank shall be available for consultation by shareholders and potential investors at the Financial Superintendence of Colombia's website (SIMEV module) under the terms established by the latter, the certificate of the Chamber of Commerce and the notes to the financial statements.

8.2. Rights and Fair Treatment of Shareholders

The Bank has implemented mechanisms aimed at ensuring equal rights of shareholders, promoting their recognition and exercise in the Bank's actions and ensuring equitable treatment for minority shareholders.

Each common share shall confer equal rights in the corporate assets and the profits to be distributed, shall grant the right to one vote in the deliberations of the General Shareholders' Meeting, subject to applicable legal limitations, and shall also bestow all other rights recognized by law for this class of shares.

Therefore, all common shares shall confer the same rights and obligations. Acquiring a common share shall imply, by right, adherence to the Bylaws and decisions of the General Shareholders' Meeting.

Dividends shall be paid in cash at the times agreed upon by the General Shareholders' Meeting to whoever is a shareholder at the time each payment is due. Once legal and statutory reserves have been made, the General Shareholders' Meeting shall distribute any remaining dividends among shareholders.

However, dividends may be paid as Company's bonus shares, if so decided by the Meeting with the vote of 80% or more of the shares represented at the respective meeting. In the absence of this majority, such shares shall only be delivered as dividends to the shareholders who so accept.

As provided by law, when a control situation arises, dividends shall only be paid in Bank's bonus shares to the shareholders who so accept.

In the event that operations to be implemented in the Bank would result in capital dilution of minority shareholders (as in the case of a capital increase with a waiver of preferential rights in share subscription, a merger, spin-off or segregation, among others), the Board of Directors shall prepare a report to be submitted to the General Shareholders' Meeting explaining the situation in detail to the shareholders.

Said report shall be available to shareholders prior to the Meeting within the terms established for the exercise of the right of inspection.

In this context, the Bank's shareholders shall have the following rights and obligations:

8.3. Shareholder's Rights

Every holder of common shares shall have the following rights:

1. Participate in the deliberations of the General Shareholders' Meeting and vote thereat.
2. Receive a proportional share pro rata to its shareholding interest of the corporate profits established by the year-end balance sheets, subject to the provisions of the law or the Bylaws, subject to the approval of the General Shareholders' Meeting.
3. Freely negotiate shares unless the Bylaws provide for preemptive rights in favor of the Bank or the shareholders or both.
4. Freely inspect corporate books and papers that are subject to the right of inspection within fifteen working days prior to the General Meeting at which year-end balance sheets are to be examined subject to the law.
5. Receive a proportional share pro rata to its shareholding interest of corporate assets at the time of liquidation and once the Bank's external liabilities have been paid out.
6. Freely express their opinions, obtain information and clarify any queries during the development of the Meetings.
7. Request the Board of Directors to conduct specialized external audits, provided that such request is made by shareholders representing at least five percent of the subscribed capital, which is deemed sufficiently representative. Costs and responsibilities for such audits shall be borne by those shareholders or investors who have requested them.
8. Other rights provided for in the Bank's Bylaws and legal provisions.

8.3.1. Procedure for Specialized Audits

The right to request specialized external audits shall be exercised within the following parameters:

- Under no circumstances shall the violation of either the Bank's rights, information, contracts comprising competitive advantages and, in general, any

documents considered privileged or reserved or those of third parties in accordance with Article 15 of the National Constitution and Article 61 of the Code of Commerce and paragraph 4 of Chapter Nine of Title One of the Basic Legal Circular be allowed under the sole pretext of specialized audits.

- Specialized audits shall not be conducted on industrial secrets or matters protected by the legislation on intellectual property rights.
- In no case shall specialized audits imply an impairment to the autonomy of administrators, according to the legal and statutory powers.
- Specialized audits shall not include the following: (i) methods of operation of the Company's services; (ii) marketing procedures; (iii) potential business of the Company; (iv) ongoing alliances; (v) industrial secrets; (vi) industrial or intellectual property rights; and (vii) commercial strategies. In all cases, all working papers of the auditor performing the specialized audit shall be subject to confidentiality.
- The request to perform specialized audits shall be submitted in writing, indicating in detail the reasons and facts on which the audit is based, the specific matters to be audited, which shall be congruent with the grounds stated, and the duration of the audit. Firms or professionals hired to conduct such audits shall meet, at least, the qualifications of the Statutory Auditor appointed by the General Shareholders' Meeting for the corresponding period.
- Working papers of the special auditor shall be subject to confidentiality.
- The Board of Directors shall have the power to authorize or not the performance of said specialized audit.

Shareholder and investor requests shall be addressed at the Bank's offices. Notwithstanding the foregoing, the Corporate Governance Management shall address these requests in the Shareholder and Investor Service Office.

The Bank has the following procedure for the exercise of this right:

Shareholders and/or investors who meet the requirements outlined above shall submit a written request to that effect to the Company's Legal Representative. The request shall contain at least the following:

1. Evidence of the requestor representing the minimum number of shareholders and/or investors required.
2. Purposes intended with the audit.
3. Statement of the facts or matters on which doubts about the Bank are grounded.
4. Information on the auditor who would conduct the audit.
5. Mechanisms ensuring that the information provided for the audit shall not be disclosed or used for the benefit of third parties or against the Bank, without prejudice to the guarantees of confidentiality and information management required by the Bank.
6. Commitment regarding the disclosure of facts or elements that the audit determines to be relevant to the public and authorities.

Once the request has been submitted, the Bank's Legal Representative shall have fifteen working days from the receipt thereof to verify whether the request complies with the provisions of this Code. If the request is rejected and shareholders or investors insist on the same, the Board of Directors shall be in charge of resolving the request in a definitive manner, for which a term of fifteen working days from the receipt of the new communication shall be given.

The Board of Directors shall establish the form, conditions and dates on which the independent auditor shall conduct the audit in the letter accepting the independent audit. The Legal Representative and the Board of Directors shall take all the necessary measures to prevent the disclosure of, among others, industrial secrets, advantages over competitors, identification of customers and other data that, in their opinion, must be treated as confidential information of the Bank for the proper and regular development of the Bank's operations.

Notwithstanding the foregoing, once the term for shareholders to request information or clarifications has expired, the Bank shall either grant or deny the request and shall respond to them in writing explaining the reasons for its decision. A request may be denied when it is considered:

1. Unreasonable.

2. Unrelevant to the progress or interests of the Bank.
3. Information requested is confidential, including privileged information, industrial secrets and ongoing operations whose success for the Bank depends substantially on the secrecy of their negotiation.
4. Other information whose disclosure would imminently and seriously jeopardize the competitiveness of the Bank.

8.4. Obligations of Shareholders

1. Act in a loyal manner to the Bank, refraining from participating in any action or conduct that particularly jeopardizes the Bank's interests or involves the disclosure of privileged information of the Bank.
2. Refrain from participating in any action or conduct involving conflicts of interest or that may give rise to crimes related to money laundering and the financing of terrorism or when intended to hide any assets derived from such activities.
3. Make full payment of all shares subscribed pursuant to the provisions of the law and the Bylaws.
4. When appointing a special attorney-in-fact to be represented at the Shareholders' Meetings, the Bank shall refrain from granting any blank power of attorney where the name of the representative for the Shareholders' Meeting is not clearly defined or where all legal and statutory requirements are not complied with.
5. Refrain from granting powers of attorney to the Bank's directors and employees to be represented at Shareholders' Meetings, except in cases of legal representation on their behalf.
6. The Bank's administrators who are also shareholders shall not be entitled to vote in any decision aimed at approving the year-end balance sheets and financial statements or liquidation accounting.
7. Refrain from engaging in any actions contrary to the law and the Bank's Bylaws.
8. All other obligations established in the Bylaws and the law.

8.5. Mechanisms to Resolve disputes between Shareholders and the Bank or among Shareholders

Any disputes that may arise between private shareholders and the Bank or among them as a result of the corporate agreement shall be submitted to the decision of arbitrators during the corresponding term, dissolution or liquidation period, waiving their right to assert their claims before the Tribunals pursuant to the arbitration clause agreed upon the Corporate Bylaws.

CHAPTER NINE

FINANCIAL AND NON-FINANCIAL INFORMATION DISCLOSURE

Financial and non-financial information disclosure is the Bank's main mechanism for contacting the market. Such information shall be intended to provide the market with appropriate knowledge about the Bank's progress and situation, providing them with sufficient evidence to make informed decisions (Circular 029 of 2014 issued by the Financial Superintendence).

9.1. Information Requests

The Bank shall provide an office for the assistance of investors. This office shall serve as a liaison between investors and the Bank's governing bodies and shall take the necessary actions to meet the needs and requirements of investors in a timely manner.

Information on this office will be available at the Bank's website.

9.2. Information to the market

The Bank shall disclose to the market, through the Financial Superintendence of Colombia, any information related to it or its securities that would have been taken into account by a prudent and diligent expert when buying, selling or holding the Bank's securities or when exercising the political rights inherent to such securities so that investors can make informed decisions.

The Chairman of the Bank shall appoint a Compliance Agent, who shall be responsible for disclosing any relevant information pursuant to the procedure established by the Financial Superintendence of Colombia.

All information described in Article 5.2.4.1.5 of Decree 2555 of 2010 or any provisions repealing, supplementing or replacing it shall be considered relevant information.

In the event that material findings are identified, these shall be disclosed as Relevant Information in the Notes to the Financial Statements and the Chairman's Report submitted to the General Shareholders' Meeting.

Business relationships with major shareholders shall be conducted based the applicable regulatory limitations and conditions and in any case, within market conditions. These relationships shall be disclosed in the Notes to the Financial Statements.

The aforementioned information is disclosed to the market through the submission of the corresponding reports to the Financial Superintendence. Said information shall be kept in public files at the Superintendence and shall be accessible to the general public in accordance with the mechanisms established by said authority for public access.

Additionally, the Bank has a policy on information and communication, which includes guidelines for managing both external and internal communication of the Bank, which is an integral part of this Code as Annex No. 6.

CHAPTER TEN

CRITERIA APPLICABLE TO SHARE AND SECURITIES TRADES AND THOSE MADE BY DIRECTORS, MANAGERS AND EMPLOYEES USING SHARES AND OTHER SECURITIES ISSUED BY THE BANK

The Bank shall not acquire or hold its own shares unless this acquisition is required to prevent any debt loss previously assumed in good faith. In this case, acquired shares shall be sold within six months as of the date of acquisition.

The Bank's Bylaws establish the general rules applicable to the trading of issued shares.

The Board of Directors shall authorize bond issuance, establish issuance conditions and prepare and approve the placement prospectus and the regulations for bond issuance and placement pursuant to the legal provisions in force.

The Board of Directors shall regulate the issuance and placement of shares in accordance with the decisions made at the General Shareholders' Meeting.

The General Shareholders' Meeting shall be entitled to increase the capital stock at any time by issuing new shares, which shall be offered to shareholders based on the proportion of their contributions at the time of issuance, increasing the par value of existing shares, capitalizing reserves or profits and using the premium revenues obtained from the placement of shares. This provision shall not apply to those reserves that, by their nature or legal provision, are not susceptible to capitalization.

Bank's administrators shall not, either by themselves or through an intermediary, dispose of or acquire shares of the Bank while they are in office, except in the case of transactions unrelated to speculation and upon the prior authorization of the Board of Directors, which shall be granted with the favorable vote of two thirds or more of its Members, excluding that of the requestor.

CHAPTER ELEVEN

PROCEDURES AND MECHANISMS TO PROTECT CONFIDENTIAL CUSTOMER AND BANK INFORMATION

Given the importance and need for information as input and output for business processes and the complexity of network platforms, the Bank shall implement procedures and mechanisms to ensure that the confidential information of its customers and the organization, as well as the data transmitted and processed, are kept secure.

The Bank has implemented an Information Security Manual within the organization containing the principles, policies, guidelines and procedures to protect the confidential information of its customers and the organization.

The Bank has established the following principles to support the Information Security Policies:

1. Information is considered one of the Bank's most important assets and therefore, its use shall be in accordance with business requirements.
2. The confidentiality of business and third-party information shall be ensured, regardless of the source or format used.
3. Business information shall preserve its integrity, regardless of its temporary or permanent location and the way through which it is transmitted.
4. Business information shall be available upon request.
5. Bank's information privacy shall be preserved at all times.

Disclosure of Bank information to persons who either do not belong to the Bank, do not have the proper level or are not authorized to use the information in the event of conversations with customers, suppliers, relatives, visitors, etc. either on Bank premises or public places such as elevators, restaurants, etc., is strictly forbidden.

Under no circumstances may the Bank's payroll, salaries or related information be disclosed to third parties or any unauthorized Bank employee as it is private information.

Correspondence on behalf of others or documents expressly defined as confidential shall not be read or manipulated by unauthorized personnel.

The Bank will comply with requests for information from competent authorities in accordance with applicable regulations.

11.1. Compliance with the Information Security Model

The actions of managers and employees shall be always aimed at minimizing the risks to which the information provided by the Bank for the development of their work is exposed, which requires compliance with the established Information Security

Model based on the principles of confidentiality, integrity, availability and confidentiality of the information.

11.2 Ethical Duties regarding Information Security, Handling of Privileged Information, Bank Reserve and Professional Secrecy

Ethical duties of managers and employees regarding information security, handling of privileged information, banking reserve and professional secrecy can be found in the Bank's Code of Ethics and Conduct, which is an integral part of this Code as Annex No. 7.

CHAPTER TWELVE

CONFLICTS OF INTEREST

12.1. Definition and General Information

Bank's directors, employees and TPIs shall act with absolute honesty, integrity, responsibility and fairness, always striving to protect the Bank's interests. Bank's directors and employees shall have the legal duty to refrain from making any decision or performing any transaction when faced with a conflict of interest.

TPI means Third Party Intermediaries, i.e., any third party other than customers and employees with whom business relations are directly entered into or who represent Grupo Aval and/or any of its subsidiaries. These include third parties involved in obtaining orders and permits, including sales representatives, customs agents, lawyers and consultants, suppliers and distributors, among others.

A conflict of interest is defined as a situation in which any manager, employee or TPI is faced with different conduct scenarios due to opposing or incompatible interests, none of which shall be privileged by reason of their legal or labor obligations. In this regard, a conflict of interest shall be understood as a situation in which direct or indirect personal interests may have an impact on the actions of managers, employees and TPIs in the performance of their duties. Bank's directors and employees shall have the legal duty to refrain from making any decision or performing any transaction when faced with a conflict of interest.

The Bank has implemented a Code of Ethics and Conduct within the organization that incorporates the principles, policies and procedures for the detection, prevention and management of conflicts of interest.

This Code is aimed at guiding the behavior to be followed by the Bank's managers and employees under employment or apprenticeship contracts, as well as by individuals under service contracts, seeking to improve the efficiency and effectiveness of Bank's operations, properly manage the risks to which they are exposed and strictly comply with applicable regulations, among others. It is also their responsibility to be informed of and ensure the correct application of the Code and strictly comply with its provisions.

Situations involving a conflict of interest may not always be obvious or easy to solve. Therefore, all Bank's employees, management and control bodies shall report any situation involving an actual or potential conflict of interest to their immediate supervisor and/or the Ethics and Conduct Committee as soon as it is detected and before making any decision.

In cases where the Bank Chairman may be faced with a potential conflict of interest, he/she shall inform the Bank's Board of Directors.

Whenever a Director (Member of the Board of Directors) considers that a potential conflict of interest may arise in the performance of their duties, he/she shall immediately inform the Board of Directors and abstain from participating in the discussion and decision of the matter causing the conflict of interest in question. This decision shall be made by other Directors.

Abstaining from making a decision shall not be based on a conflict of interest by the Directors or the Chairman.

Depending on their nature, actual or potential situations of conflict of interest may be of a sporadic or permanent type. Sporadic conflicts of interest are understood to be those that arise isolatedly on the occasion of a particular situation or that are not intended to remain over time, while permanent conflicts of interest are understood to be those situations that remain over time. Whenever a situation resulting in an event of a conflict of interest or a potential one is permanent enough to affect the Bank's overall operations, it shall be understood as a cause for mandatory resignation by the affected party as it makes it impossible for the latter to hold the

position unless the situation causing the conflict of interest, classified as permanent, is ended.

12.2. Aspects Covered by the Bank's Code of Ethics and Conduct

- Explicit values and behavioral guidelines as parameters for conflict-of-interest management.
- Mechanisms to prevent the use of privileged or reserved information.
- Anti-Money Laundering and Counter-Terrorism Financing policies implemented by the Bank.
- Mechanisms for managing and reporting of conflicts of interest other than those established by the Aval Financial Holding Company's identification, reporting, management and control of conflicts of interest policy.
- Anti-Fraud and Anti-Corruption Policy.
- Treasury Code of Ethics.
- Measures derived from non-compliance with the Code of Ethics and Conduct.

Failure to comply with the provisions of the Code of Ethics and Conduct shall result in administrative measures and sanctions set forth therein.

12.3. Prevention, Management, Resolution and Reporting of Conflicts of Interest

Prevention, management, resolution and reporting of Conflicts of Interest related to Customers, the Business and the mechanisms for preventing conflicts of interest in transactions with Economic Associates, as well as the guidelines for the conduct of employees involved in treasury operations, are duly established in the Code of Ethics and Conduct, which is an integral part of this Code as Annex No. 7.

12.4. Identification, Reporting, Management and Control of Aval Financial Holding Company's Conflicts of Interest

Additionally, the Bank has implemented the Policy on Identification, Reporting, Management and Control of Conflicts of Interest for the Aval Financial Holding Company, which is aimed to apply to any conflict of interest that arises or may arise during the operations performed by the entities comprising the Aval Financial Holding Company, between the latter and the entities and persons related to the Aval Financial Holding Company and its directors, including operations made with its own resources or those resulting from managing third-party resources, which is an integral part of this Code as Annex No. 8.

CHAPTER THIRTEEN

ANTI-MONEY LAUNDERING AND COUNTER-TERRORISM FINANCING RISK POLICIES

In compliance with the provisions of the Basic Legal Circular issued by the Financial Superintendence, among other regulations, the Bank has integrated policies in the SARLAFT Manual that guide the actions of the Bank's administrators, employees and recipients of this Code, which shall be followed and complied with to prevent the Bank from being used as an instrument to give apparent legality to assets derived from criminal activities (Money Laundering) or channel resources for terrorist activities (Financing of Terrorism). These policies are translated into the Rules of Conduct and Procedures governing the performance of any of the parties in their roles as Bank managers, employees and recipients of this Code.

Said policies are regularly reviewed and updated as part of the natural evolution of the processes, taking into consideration any changes that may occur in the services provided by the Bank and any improvements that may be required to strengthen the management model.

The Bank's Board of Directors and Senior Management are committed and acknowledge that SARLAFT is a tool that guides the actions of its recipients with clear and applicable policies supported by the technological infrastructure required for its effectiveness, which enshrine the duty of the control bodies, the Compliance

Officer and, in general, of all employees to ensure compliance with internal regulations and other provisions.

The Bank requires that those who perform their duties under this Code shall prioritize compliance with the policies and processes established for the control and prevention of money laundering and financing of terrorism over the achievement of any business goals or any other institutional or personal interest, with a view to safeguarding regulatory compliance and the Bank's reputation.

Non-compliance with SARLAFT by its recipients shall result in disciplinary or administrative measures, subject to compliance with the procedures established by law, contracts and regulations.

The Bank also complies with the legal provisions related to SARLAFT and those established in the Organic Statute of the Financial System, the Basic Legal Circular and other regulations amending or supplementing them.

CHAPTER FOURTEEN

ANTI-FRAUD AND ANTI-CORRUPTION POLICY

Fraud and corruption are actions that may considerably affect the image and reputation of the Bank and its subsidiaries, as well as the reliability of managers, employees, investors, shareholders, suppliers, customers and, in general, the business environment. Aware of these consequences, the Bank is fully committed to the highest ethical standards in its interactions with stakeholders, as well as compliance with local laws and regulations and others applicable to the Bank as a securities issuer in the local and international markets.

In response to this commitment, the Bank has an Anti-Fraud and Anti-Corruption Policy as a mechanism to promote coordinated actions to prevent these scourges, foster management transparency, deter misconduct and encourage the commitment of stakeholders against fraud and corruption.

The Bank is strongly committed to a zero-tolerance policy against fraud and corruption in any of their forms, which promotes a culture of combating these crimes

by conducting its business and operations with high ethical standards in compliance with the laws and other regulations in force.

Each manager and employee shall be responsible for applying the criteria defined in the Bank's Anti-Fraud and Anti-Corruption Policy and shall identify and report any fraud and corruption incidents whenever they may occur.

CHAPTER FIFTEEN

FINANCIAL CONSUMER OMBUDSMAN'S OFFICE

The Financial Consumer Ombudsman's Office is an institution oriented to the special protection of financial consumers and as such, shall exercise with autonomy and independence, among others, the duties of receiving and resolving petitions, complaints and claims submitted to the Ombudsman in a timely, objective and free manner, as well as acting as a spokesperson for customers or users before the Bank and providing conciliation between them.

As a Financial Superintendence's supervised entity, the Bank has a main and an alternate Financial Consumer Ombudsman appointed by the General Shareholders' Meeting for a two-year term, extendable for equal periods, who shall be appointed before the Financial Superintendence, for which they shall meet the requirements set forth in the regulations governing this matter. Candidates for the position of main and alternate Financial Consumer Ombudsman shall demonstrate that no conflict of interest exists, as well as any inabilities or incompatibilities that may prevent them from holding their position or compromise their autonomy and independence to perform their duties.

Once in office, the Financial Consumer Ombudsman shall act in accordance with the provisions of chapter 12 of this Code regarding the principles and duties that shall be followed to prevent, detect, manage and resolve any potential conflicts of interest, always with a view to prevail the financial consumer's interests over those of the Bank itself.

Whenever the Financial Consumer Ombudsman considers that a potential conflict of interest may arise in the performance of their duties, he/she shall immediately inform the Bank and abstain from participating in the matter causing the conflict of interest in question. Instead, in order to ensure the effective protection of the rights of the financial consumer, the alternate Ombudsman shall act in this regard.

In addition, ombudsmen shall refrain from engaging in any situation in which the financial consumers' or the Bank's interests may be adversely affected by the existence of personal or family relationships of the Ombudsman, including among others, ties with relatives or family members within the second degree of consanguinity, second degree of affinity or sole civil relationship, spouse, permanent partner or companies or any other investment vehicle in which he/she is a partner or shareholder or is part of the Administration.

Financial Consumer Ombudsmen shall not receive any incentives such as gifts, money or others to benefit the interests of financial consumers or the Bank.

With the purpose of disclosing any possible conflicts of interest in which the main or alternate Financial Consumer Ombudsman may be involved, the Bank has implemented the Conflict of Interest Ombudsmen form, in which, by filling it out annually, the Ombudsmen declare and acknowledge their obligation to understand, comply with and accept the Bank's policies, procedures and mechanisms for the handling, prevention and resolution of conflicts of interest that may arise during their nomination, appointment or performance of their duties.

Information on the Financial Consumer Ombudsman is available at the Bank's website.

CHAPTER SIXTEEN

GOOD GOVERNANCE AND CORPORATE SOCIAL RESPONSIBILITY

Corporate social responsibility is one of the Bank's main lines of action through a permanent commitment to the implementation of special social programs in favor of its employees, the community, the environment and, in general, all stakeholders involved.

CHAPTER SEVENTEEN

CREDIT RATING AGENCIES

The Bank shall be entitled to contract the services of independent credit rating agencies to perform any relevant assessments, inform about the probability of timely payment of the obligations derived from securities issued by the Bank and provide

their opinion about the Bank's capabilities as a market maker, when applicable, pursuant to the legal provisions governing such activity. In addition, each issue of bonds or negotiable instruments made by the Bank shall have a risk and investment rating granted by independent and internationally recognized risk rating agencies.

CHAPTER EIGHTEEN

SUPPLIER RELATIONS

The Bank has a Suppliers Registration process where natural or legal persons holding a contractual relationship with the Bank are registered, including the supplier's resume, experience, expertise and, in general, every relevant aspect to complete the procurement and contracting process.

The Bank shall not contract suppliers that are not registered in the aforementioned registry. Those persons with resources of unknown origin or that do not comply with all information requirements established in the Anti-Money Laundering and Counter-Terrorism Financing Risk Management System (SARLAFT) shall not be included in the Supplier Registration.

In addition, persons who are relatives of the Bank's directors, managers or employees, as well as those entities whose legal representative is any of such persons, shall not be included in the aforementioned registry in accordance with the internal applicable regulations in this matter.

Any employee, director or manager involved in a conflict of interest with respect to a negotiation shall refrain from participating in it and inform his/her immediate supervisor. Should this provision not be complied with, the person shall be subject to applicable actions and sanctions.

Suppliers shall be rated in accordance with the internal provisions. During procurement, criteria such as price, compliance, experience, organization, guarantees and terms shall be assessed to make the final selection decision.

Contracts intended to provide goods and services to the Bank shall be covered by the necessary insurance policies in accordance with internal parameters established for this purpose. These policies shall be issued by insurance companies legally incorporated in Colombia in which the Bank shall appear as the beneficiary. The Bank shall also be entitled to accept global policies held by suppliers to cover any contract-related risks, for which the internal procedure shall be taken into account.

CHAPTER NINETEEN

MECHANISMS FOR SHAREHOLDERS AND INVESTORS TO REQUEST COMPLIANCE WITH THE PROVISIONS OF THE CORPORATE GOVERNANCE CODE

Bank's shareholders and investors shall be entitled to make respectful requests to the Bank at any of its offices, which shall be forwarded to the Investor Service Office, now the Corporate Governance Office, whenever they consider that the provisions of the Code of Good Governance have not been fully complied with, for which the Bank's management shall provide a clear and sufficient response with the utmost diligence and timeliness.

Shareholders and investors shall be entitled to file any complaints or claims before the Statutory Auditor due to non-compliance with the provisions of the Code of Good Governance. To this end, the Bank shall provide a full and timely response to the complaints made by the Statutory Auditor and shall address the comments made by the latter on the matter once the existence of the aforementioned non-compliance is confirmed.

CHAPTER TWENTY

FINAL PROVISIONS

This Code shall be available to any person at the Bank's headquarters or may be accessed by other means.

The Chairman of the Bank shall be entitled to propose any amendments and updates to the Code of Corporate Governance. The Board of Directors shall be in charge of approving any updates or modifications to the Code or approving new Corporate Governance Codes.