



IMPLEMENTATION REPORT OF BEST CORPORATE PRACTICES 2021

Recommendations	Response	Comments	Implementation Date	Modification Date
1.1. The Company provides equal treatment to all shareholders who, within the same class of shares, are under the same conditions, without implying that some shareholders can access privileged information compared to others.	YES	Banco Popular provides equal treatment for all shareholders. Shareholders exercise their voting and ownership rights in accordance with their shareholding. A section on Shareholders' Rights and Equal Treatment is provided in Chapter 8 of the Bank's Code of Good Governance entitled "Shares and Shareholders".	2001-11-01	2017-12-18
1.2. The Board of Directors has approved a specific procedure outlining the company's practices for dealing with shareholders under different conditions, for example, access to information, resolution of requests for information, communication channels, ways of interaction between shareholders and the company, its Board of Directors and other Administrators.	YES	Banco Popular provides equal treatment for all shareholders. Shareholders exercise their voting and ownership rights in accordance with their shareholding. A section on Shareholders' Rights and Equal Treatment is provided in Chapter 8 of the Bank's Code of Good Governance entitled "Shares and Shareholders".	2001-11-01	2017-12-18
2.1. The company's website provides the public with clear, accurate and complete information on the classes of shares issued by the company, the number of shares issued for each class and the number of reserved shares, as well as the rights and obligations inherent to each class of shares.	YES	This information is available on the Bank's website "www.bancopopular.com.co"	2008-01-29	2019-03-22
3.1. For transactions that may result in capital dilution affecting minority shareholders (for example, capital increase with waiver of preemptive rights in share subscription, merger, spin-off or split, among others), the Company provides a detailed explanation to the shareholders through a previous report from the Board of Directors and the opinion, on transaction terms, of an independent external advisor of recognized creditworthiness (fairness opinion) appointed by the Board of Directors. These reports are made available to shareholders prior to the Meeting within the terms established for the exercise of the right of inspection.	YES	The Rules of Procedure of the Board of Directors establishes that this body is responsible for "preparing a report to the Shareholders' Meeting whenever operations to be implemented in the Bank may result in capital dilution".	2015-12-17	
4.1. The company has a corporate website in Spanish and English with a Corporate Governance or Shareholder and Investor Relations link or equivalent, including financial and non-financial information in the terms proposed in recommendations 32.3 and 33.3, which in no case may include company confidential information or any information related to industrial secrets or that whose disclosure could be used against the company.	NO	The information required for this measure is available on the Bank's website in Spanish, including some aspects covered in recommendations 32.3 and 33.3.		
4.2. The company has mechanisms of permanent access and use directed exclusively to shareholders, such as a dedicated shareholder access link on its website or a Shareholder and Investor Relations office, periodic briefing sessions, among others, for them to share their opinions or raise any concerns or suggestions regarding the company's performance or those related to their status as shareholders.	YES	The Bank's offices receive requests from shareholders and investors, being the Corporate Governance Management Office the department designated to deal with this type of requests.	2009-09-21	2017-12-18
4.3. The company organizes quarterly results disclosure meetings for shareholders and market analysts, which may be held in person or remotely (conference call, videoconference, etc.)	NO	The Bank's financial information is available on the Bank's website and the Financial Superintendence's website.		
4.4. The company holds or takes part in fixed income presentations, events or forums, mainly for debt instrument investors and market analysts to provide updates on issuer's business indicators, liability management, financial policy, ratings, issuer's performance on covenants, etc.	NO	Occasionally, whenever bond offerings issued by the Bank are made, the Bank also takes part in some presentations referred to in this recommendation.		



IMPLEMENTATION REPORT OF BEST CORPORATE PRACTICES 2021

Recommendations	Response	Comments	Implementation Date	Modification Date
4.5. The Company's Bylaws provide that a shareholder or group of shareholders representing at least five percent (5%) of the capital may request a specialized audit on matters other than those audited by the Company's Statutory Auditor. The company may determine a percentage lower than five percent (5%) depending on its capital structure.	YES	The Bank's Bylaws and the Corporate Governance Code in Section 8.3 of Chapter Eight entitled "Shares and Shareholders" provide the rights of shareholders to request specialized external audits to the Board of Directors by shareholders or investors representing at least 5% of the subscribed capital, a percentage considered representative for this activity.	2009-09-05	2017-12-18
4.6. For exercising this right, the company has a written detailed procedure as specified in recommendation 4.6.	YES	The procedure is described in Chapter 8 of the Corporate Governance Code.	2017-12-18	
5.1. The members of the Board of Directors and Senior Management have expressly accepted in their agreements or contracts that from the time they are informed of the presentation of a takeover or any other relevant operations such as mergers or spin-offs, there shall be periods during which they undertake to refrain from negotiating any company shares either directly or indirectly through an intermediary.	YES	Board members signed this document, as well as Senior Management members.	2017-12-04	2021-04-12
6.1. Without prejudice to the independence of each individual company comprising the financial holding company, as well as the responsibilities of its management bodies, there is in place an organizational structure of the financial holding company for the three (3) levels of governance - shareholders' meeting, Board of Directors and Senior Management - that defines the key individual bodies and positions, as well as their relationships, which is public, clear and transparent, provides clear lines of responsibility and communication and facilitates effective strategic orientation, supervision, control and management of the financial holding company.	YES	The Board of Directors approved the "Reference Framework for Grupo AVAL's Institutional Relationships", which addresses the matters referred to in this measure in relation to the Bank's controlling entity.	2015-11-23	2021-07-23
6.2. The parent company and its most important subsidiaries have defined a framework of reference for institutional relations by entering into an open agreement approved by the Board of Directors of each of these companies, which regulates the matters referred to in recommendation 6.2.	YES	As indicated in the above response, the Board of Directors approved the " Reference Framework for Grupo AVAL's Institutional Relationships" document, which addresses the matters referred to in this measure.	2015-11-23	2021-07-23
7.1. Except for those disputes arising among shareholders or between shareholders and the corporation or its Board of Directors, which by express legal attribution must necessarily be settled before ordinary courts, the Company's Bylaws include mechanisms for the resolution of disputes such as direct agreement, amicable composition, conciliation or arbitration.	YES	Dispute resolution mechanisms are included in the Bylaws and the Corporate Governance Code.	1997-01-13	2017-09-26
8.1. In addition to other duties attributed to the General Shareholders' Meeting by the legal framework, the Bylaws expressly include the duties of the General Shareholders' Meeting as referred to in recommendation 8.1, emphasizing their exclusive and non-delegable nature.	YES	The Bank's Bylaws include the duties of the Shareholders' Meeting as referred to in recommendation 8.1.	26/11/2021	
9.1. The company has Rules of Procedure for the General Shareholders' Meeting that regulate all matters pertaining thereto from the notice to the preparation of the information to be received by shareholders, their attendance, execution and exercise of their legal rights to ensure that they are fully informed of all the rules governing the sessions of the General Shareholders' Meeting.	YES	The General Shareholders' Meeting has already implemented its Rules of Procedure.	2015-11-06	



IMPLEMENTATION REPORT OF BEST CORPORATE PRACTICES 2021

Recommendations	Response	Comments	Implementation Date	Modification Date
10.1. To facilitate the exercise of the shareholders' right to information, the Bylaws establish that the ordinary General Shareholders' Meeting shall be summoned no less than thirty (30) common days in advance and extraordinary meetings shall be summoned no less than fifteen (15) common days in advance. The foregoing without prejudice to the legal terms established for corporate reorganizations (e.g. mergers, spin-offs or transformations).	NO	The Bank complies with all legal terms established for the call of Meetings. The terms proposed in this recommendation are considered to be broad and prevent compliance with readiness and promptness required for the resolution of urgent matters, especially in Extraordinary Shareholders' Meetings.		
10.2. In addition to the traditional and mandatory channels established in the legal framework, the company provides for the maximum dissemination and publicity of the call via electronic media, such as the corporate website, alert messages via individualized emails and, if deemed appropriate, via social networks.	YES	The call for the General Meeting is available on the Bank's website and the Financial Superintendence's website as relevant information.	2018-02-27	2020-03-19
10.3. To ensure greater transparency in the decision-making process during the General Shareholders' Meeting, in addition to the Agenda of the meeting with the detailed items to be discussed, the Company has foreseen that together with the notice of the meeting, or at least fifteen (15) common days prior to the meeting, any draft agreements for each item on the Agenda submitted by the Board of Directors to the General Shareholders' Meeting shall be made available to shareholders.	NO	The Bank complies with the legal provisions on the shareholders' Right of Inspection, which is also regulated by the Code of Good Governance.		
10.4. Spin-offs may only be considered and approved by the General Shareholders' Meeting when this item has been expressly included in the notice of the respective meeting.	YES	The provisions of this recommendation are implemented in the Rules of Procedure of the General Shareholders' Meeting.	2015-11-06	
10.5. The Agenda proposed by the Board of Directors accurately contains a detailed list of the topics to be discussed, ensuring that important topics are not hidden or masked under vague, generic, overly general or broad terms such as "others" or "proposals and miscellaneous".	YES	The provisions of this recommendation are implemented in the Rules of Procedure of the General Shareholders' Meeting.	2015-11-06	
10.6. For amendments to the Bylaws, each Article or group of Articles that are substantially independent shall be voted on separately. In any case, each Article shall be voted separately if any shareholder or group of shareholders representing at least five percent (5%) of the capital stock so requests at the Meeting, a right that is made known to the shareholders in advance.	YES	The provisions of this recommendation are implemented in the Rules of Procedure of the General Shareholders' Meeting.	2015-11-06	
10.7. Without prejudice to the provisions of Article 182 of the Code of Commerce, in order to strengthen and guarantee the shareholders' right of inspection and information prior to the General Shareholders' Meeting, the Bylaws recognize the right of shareholders, regardless of their shareholding size, to propose the inclusion of one or more items to be discussed in the Agenda of the General Shareholders' Meeting within a reasonable limit, provided that the request for the new items is substantiated. Shareholders' requests must be made within five (5) common days following the publication of the notice of the meeting.	YES	The Bylaws establish that any shareholder, regardless of the number of shares held, has the right to propose matters that are not included in the notice of meeting at the General Shareholders' Meetings, for which purpose a procedure is established in the Internal Rules of Procedure of the General Shareholders' Meeting. The above shall be without prejudice to compliance with the provisions of Articles 182 and 425 of the Code of Commerce.	26/11/2021	



IMPLEMENTATION REPORT OF BEST CORPORATE PRACTICES 2021

Recommendations	Response	Comments	Implementation Date	Modification Date
10.8. If the request is rejected by the Board of Directors, the latter is required to respond in writing to those requests supported by at least five percent (5%) of the capital stock or a lower percentage established by the company based on the degree of ownership concentration, explaining the reasons for its decision and informing the shareholders of their right to present their proposals at the Meeting in accordance with Article 182 of the aforementioned Code of Commerce.	YES	Section 9 of Article 9 of the Rules of Procedure of the Bank's Board of Directors establishes, among the functions of this body, the evaluation of the suitability for including one or more items in the agenda of the General Shareholders' Meeting, requested within five (5) common days following the publication of the notice of the meeting by a shareholder or group of shareholders representing at least 5% of the capital stock. If deemed convenient, shareholders may submit it to the consideration of the General Shareholders' Meeting and publish it on the Bank's website. Should the request not be approved, the Board of Directors shall give written reasons for its rejection.	2020-12-17	
10.9. In the event that the Board of Directors accepts the request, once the shareholders' time to propose items in accordance with the above recommendations has expired, a supplement to the notice of the General Shareholders' Meeting is published at least fifteen (15) common days prior to the meeting.	NO	Considering the recommendations 10.1 and 10.7. 10.10		
Within the period indicated in item 10.7, shareholders may also submit new Agreement Proposals on matters already previously included in the Agenda in a substantiated manner. For these requests, the Board of Directors acts in a similar manner to that provided for in items 10.8 and 10.9 above.	YES	The Bylaws establish that any shareholder, regardless of the number of shares held, has the right to submit proposals for approval at the General Shareholders' Meetings for its consideration, for which purpose a procedure is established in the Internal Rules of Procedure of the General Shareholders' Meeting. The above shall be without prejudice to compliance with the provisions of Articles 182 and 425 of the Code of Commerce.	26/11/2021	
10.11. The company agrees to use electronic communication, mainly through the corporate website with exclusive access to shareholders, to provide them with the documents and information associated with each of the items on the Agenda of the meeting.	YES	The Bylaws establish that the Bank may use other electronic or digital channels, if deemed convenient, to answer any questions that shareholders deem necessary regarding the matters included in the Agenda, as well as the documentation and information provided by the company or that of public knowledge. In addition, the Bank publishes available information related to the General Shareholders' Meeting on its website, in the Shareholder and Investor Relations section. For Shareholders' Meetings held in 2021, all notices, agendas, documents containing instructions related to registration, connection, progress of the meeting and participation, as well as the form and instructions for power of attorney, were duly made available.	26/11/2021	
10.12. The Bylaws recognize the right of shareholders to request any information or clarifications they deem appropriate in advance, either through traditional channels and/or, where appropriate, new technologies, or submit in writing any questions they deem necessary regarding the items on the Agenda, any documentation received or any public information provided by the company. Based on the date fixed by the company for calling the General Shareholders' Meeting, the company determines the timeframe within which shareholders may exercise this right.	YES	The Bank's Bylaws recognize the term to exercise the right to inspect corporate books and papers within 15 business days prior to the General Meeting to examine year-end balance sheets by any shareholder, regardless of the number of shares held. In addition, the right to submit any questions in writing as deemed necessary, in compliance with the provisions of recommendation 10.7.	26/11/2021	



IMPLEMENTATION REPORT OF BEST CORPORATE PRACTICES 2021

Recommendations	Response	Comments	Implementation Date	Modification Date
<p>10.13. The company has foreseen that any requested information may be denied if, in accordance with internal procedures, it could be qualified as: i) unreasonable; ii) irrelevant to know the progress or interests of the company; iii) confidential, which includes privileged information in the securities market, industrial secrets, ongoing operations whose success for the company depends substantially on the secrecy of their negotiation; and iv) others whose disclosure would put the company's competitiveness in imminent and serious danger.</p>	YES	<p>These aspects are included in the Company's Code of Good Governance. Information requested by shareholders is provided as long as it complies with the legal requirements and the provisions of the Company's Code of Good Governance.</p>	2017-12-18	
<p>10.14. When a response provided to a shareholder may put them at an advantage, the company provides access to this response to other shareholders at the same time and under the same conditions, in accordance with the mechanisms established for this purpose.</p>	YES	<p>The Bank complies with disclosure mechanisms for shareholders and investors within the regulation of periodic and relevant information disclosure established in Decree 2555 of 2010 and other related regulations, among others, the one related to the exercise of the inherent legal rights of investors and/or shareholders, which is published in the Bank's website. If such information is deemed to be relevant in relation to this recommendation, it shall be made known to the general market, so that other shareholders and investors may have access to it. It is worth noting that the Bank also strives for greater transparency, respect and equal treatment of all shareholders to ensure their active participation, in accordance with Article 1 of the Rules of Procedure of the General Shareholders' Meeting. In addition, the Code of Good Governance establishes that the Bank has 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. In addition, the Bank has policies for the disclosure of financial and non-financial information to provide the market with appropriate knowledge about the Bank's progress and situation, providing them with sufficient evidence to make informed decisions</p>	2017-12-18	
<p>11.1. Notwithstanding the provisions of Article 185 of the Code of Commerce, External Circular 24 of 2010 and any amending, supplementing or replacing regulations, the company does not restrict shareholders' right to be represented at the General Shareholders' Meeting, being entitled to delegate their vote to any person, whether or not he/she is a shareholder.</p>	YES	<p>The Bank has implemented a procedure prior to each Meeting to verify the legality of powers of attorney and ensure that they are not granted to the Bank's administrators and employees, which is in accordance with the provisions of the Basic Legal Circular - Circular 029 of 2014 issued by the Financial Superintendence, except in those cases when they are the legal representatives of the respective companies. Additionally, shareholder representation before the Bank was included in the Code of Good Governance, which is part of the Rules of Procedure of the General Shareholders' Meeting.</p>	2002-02-27	2019-03-06
<p>11.2. The company minimizes the use of delegations of blank votes without voting instructions by actively promoting the use of a standard form of letter of representation sent to shareholders by the company or published on its website. The form includes the Agenda items and relevant Agreement Proposals selected in accordance with the aforementioned procedure, which will be submitted to shareholders for their consideration so that if they deem it appropriate, they may inform, in each case, their vote to their proxyholder.</p>	YES	<p>The proxy form and voting instructions suggested by the Bank include the provisions of the recommendation and are available on the Bank's website.</p>	2019-12-17	



IMPLEMENTATION REPORT OF BEST CORPORATE PRACTICES 2021

Recommendations	Response	Comments	Implementation Date	Modification Date
12.1. Aiming to revitalize the role of the General Shareholders' Meeting in shaping the corporate willingness to make it a much more participatory body, the company's Meeting Rules of Procedure require that Board members and, in particular, the Chairmen of the Board Committees, as well as the Chairman of the company, attend meetings to respond to shareholders' concerns.	YES	The Management Report submitted to the General Shareholders' Meeting is prepared by the Management and accepted by the Board of Directors. In addition, the Bank's Senior Management is also present at the Meeting, who, if required, have the knowledge and information to answer any shareholders' concerns. The Rules of Procedure of the General Shareholders' Meeting have established the presence of the Chairmen of the Board of Directors' Committees, whose absence does not impede the development of the Meeting.	2015-11-06	
13.1. The Bylaws expressly establish the duties that may not be delegated to Senior Management, among which are those set forth in recommendation 13.1.	NO	Several items mentioned in the recommendation are covered by the Entity's Bylaws and Rules of Procedure of the Board of Directors.		
13.2. Without prejudice to the autonomy of the governing bodies of the Subsidiaries, when the company acts as the parent company of a Holding Company, the functions of the Board of Directors have a group approach and are developed through general policies, guidelines or requests for information that respect the balance between the interests of the parent company and its subsidiaries, as well as those of the Holding Company in general.	YES	The Bank complies with all legal provisions and internal regulations on the matter. Additionally, the Bank implemented jointly with its parent company the document named: "Reference Framework for Grupo AVAL's Institutional Relationships"	2015-11-23	2021-07-23
14.1. The Board of Directors has approved the internal rules of procedure governing its organization and operation, as well as the duties and responsibilities of its members, Chairman and Secretary of the Board of Directors, including their duties and rights. These rules are available to all shareholders and are binding on the members of the Board of Directors.	YES	The Board of Directors has its internal rules of procedure under the terms proposed by this recommendation, which are available for consultation on Banco Popular's website.	2010-01-18	2020-12-17
15.1. The company has statutorily decided not to appoint any Alternate Members of the Board of Directors.	NO	Banco Popular's Board of Directors is composed of 5 principal members with their respective alternates. Additionally, both principal and alternate directors are invited to these meetings, attending indistinctly.		
16.1. On the premise that once elected, all members of the Board of Directors act in the best interest of the company, within a framework of maximum transparency, the company identifies the origin of the different members of the Board of Directors in accordance with the structure defined in recommendation 16.1.	YES	The Rules of Procedure of the Board of Directors include the provisions set forth in this recommendation. Additionally, Banco Popular's Board of Directors complies with all independence requirements, in accordance with legal provisions.	2015-12-17	
16.2. The company has a procedure implemented through the Appointments and Remuneration Committee or any other committee that may fulfill these functions, which ensures that the Board of Directors, through its own dynamics and annual evaluation conclusions, can achieve the objectives set forth in recommendation 16.2.	YES	The Bank adopted the Appointment and Remuneration Policy of the Board of Directors, considered in this recommendation.	2019-12-20	
16.3. The professional profiles identified as required are reported by the Board of Directors to shareholders so that all stakeholders, mainly controlling shareholders, significant shareholders, families, shareholder groups and institutional shareholders, if any, and the Board of Directors itself, are prepared to identify the most suitable candidates.	YES	The Bank adopted the Appointment and Remuneration Policy of the Board of Directors considered in this recommendation.	2019-12-20	



IMPLEMENTATION REPORT OF BEST CORPORATE PRACTICES 2021

Recommendations	Response	Comments	Implementation Date	Modification Date
16.4. The company considers that the sole evaluation of the resumes by shareholders is insufficient to determine the suitability of candidates, for which reason it has an internal procedure to evaluate any legal incompatibilities and disqualifications and the suitability of the candidate to meet the needs of the Board of Directors through the evaluation of a set of criteria that must meet both functional and personal profiles of the candidates and the verification of compliance with certain objective requirements to be a member of the Board of Directors and other additional requirements to be an Independent Member.	YES	The Bank adopted the Appointment and Remuneration Policy of the Board of Directors considered in this recommendation.	2019-12-20	
16.5. In addition to the independence requirements set forth in Law 964 of 2005, the company has voluntarily adopted a more rigorous definition of independence than that set forth in the aforementioned law. This definition has been adopted as a reference framework through the Rules of Procedure of the Board of Directors, and includes, among other requirements to be evaluated, any relationship or ties of any nature of the candidate for Independent Member with controlling or significant shareholders and their Related Parties, both domestic and foreign, and requires a double statement of independence: (i) from the candidate before the company, shareholders and members of Senior Management, evidenced through a Letter of Acceptance and, (ii) from the Board of Directors with respect to the candidate's independence.	NO	The Bank complies with the requirements set forth in Law 964 of 2005 regarding independent members.		
16.6. The company, through its internal regulations, considers that the Board of Directors, through its Chairman together with the support of the Appointments and Remuneration Committee or whoever fulfills its functions, is the most appropriate body to centralize and coordinate the process of composition of the Board of Directors prior to the General Meeting. Thus, shareholders who, based on their shareholding, aspire to be part of the Board of Directors, can be aware of the needs of the Board of Directors and make their aspirations known, negotiate shareholder balances and allocation among the different member categories, present their candidates and agree that their suitability must be evaluated by the Appointments and Remuneration Committee prior to the vote at the General Shareholders' Meeting.	YES	The Bank adopted the Appointment and Remuneration Policy, which includes the provisions of the recommendation.	2019-12-20	
16.7. The Rules of Procedure of the Board of Directors establish that the evaluation of the suitability of the candidates is an activity to be carried out prior to the General Shareholders' Meeting, to ensure that shareholders have sufficient information (personal qualities, suitability, background, experience, integrity, etc.) on the candidates proposed to be members of the Board of Directors in advance for an adequate evaluation.	YES	The Bank adopted the Appointment and Remuneration Policy, which includes the provisions of the recommendation.	2019-12-20	
17.1. The Rules of Procedure of the Board of Directors establish that Independent and Patrimonial Members are always a majority compared to Executive Members, the number of which, in the event of joining the Board of Directors, should be the minimum necessary to meet the needs of information and coordination between the Board of Directors and the Senior Management of the company.	YES	Apart from being included in the Board of Directors Regulations, the Bank's Board of Directors has not historically included Executive Members in its composition. Coordination between Senior Management and the Board of Directors, as well as the information required by the Directors, is timely and efficient.	2015-12-15	2016-12-19



IMPLEMENTATION REPORT OF BEST CORPORATE PRACTICES 2021

Recommendations	Response	Comments	Implementation Date	Modification Date
17.2. Based on the minimum percentage of 25% for Independent Members established in Law 964 of 2005, the company evaluates and voluntarily adjusts the number of Independent Members upwards, taking into account, among others, that the number of independent members is in relation to the Free Float.	YES	The Bank complies with the percentage established in current legislation and the Board of Directors Regulations establishes the increase of Independent Members, taking into account, among other aspects, the Free Floating's shareholding. The Board of Directors is currently comprised of Independent Members, in a number that is higher than the Free Floating's shareholding.	2016-12-19	
18.1. The duties of the Chairman of the Board of Directors are set forth in the Bylaws and his main responsibilities are set forth in recommendation 18.1.	YES	The Board of Directors Regulations include the matters referred to in this recommendation.	2015-12-17	2016-12-19
18.2. The company's internal regulations provide for the possibility that the Chairman of the Board of Directors may be treated differently from the other members, both in terms of their duties and remuneration, as a result of the scope of their specific duties and their greater dedication of time.	NO	In the Bank, the Chairman of the Board of Directors complies with the respective functions and obligations required for the performance thereof, dedicating additional time than that required for meetings, without any differential treatment in his/her remuneration.		
18.3. The Bylaws establish the rules for the appointment of the Secretary of the Board of Directors, among which the most important are those indicated in recommendation 18.3.	YES	According to the Bank's Bylaws, the Board of Directors is responsible for appointing, among others, the Secretary General of the Bank. It also establishes that the Secretary General shall be appointed by the Board of Directors with the functions, powers and duties assigned by the said body. The Secretary General shall also be the Secretary of the General Shareholders' Meeting and the Board of Directors. The Secretary shall also perform legal representation duties within the terms set forth by the Bank's Board of Directors and the Chairman and shall also be appointed as Legal Vice-President. The main activities of the Secretary of the Board of Directors are listed in the Board of Directors Regulations.	2019-07-19	
18.4. The Board of Directors Regulations establish the duties of the Secretary, including those referred to in recommendation 18.4.	YES	The duties referred to in this measure are regulated by the Board of Directors Regulations.	2015-12-17	
18.5. The Board of Directors has created an Appointments and Remuneration Committee.	NO	The Board of Directors has not deemed it necessary. The Bylaws and the Board of Directors Regulations provide for the creation of Committees.		
18.6. The Board of Directors has created a Risk Committee.	YES	The Board of Directors approved the creation of the Risk Committee to ensure the identification, measurement, control and consolidated monitoring of those risks to which both the Bank and its subsidiaries are currently exposed, as part of a global and consolidated vision aimed at promoting institutional prevention-oriented culture.	2021-12-06	
18.7. The Board of Directors has created a Corporate Governance Committee.	YES	The Board of Directors has created a Corporate Governance Committee.	2020-12-17	2021-12-06
18.8. If the company has considered unnecessary to create all of these Committees, their functions have been distributed among the existing ones or have been assumed by the Board of Directors in full.	NO	The duties are effectively assumed by the Board of Directors as a whole.		
18.9. Each Committee of the Board of Directors has its own Internal Rules of Procedure that regulate the details of its composition, the matters and functions on which the Committee must work and its functioning, paying special attention to the communication channels between the Committees and the Board of Directors and, in the case of the Holding Companies, the mechanisms of relationship and coordination between the Committees of the Board of Directors of the Parent Company and those of the Subsidiaries, if any.	YES	The Board of Directors approved the composition and functionality of its Support Committees and periodic reports to the Board of Directors are prepared, including any aspects addressed, their decisions and recommendations, if applicable.	1998-02-13	2021-12-06



IMPLEMENTATION REPORT OF BEST CORPORATE PRACTICES 2021

Recommendations	Response	Comments	Implementation Date	Modification Date
18.10. The Committees of the Board of Directors are composed exclusively of Independent or Patrimonial Members with a minimum of three (3) members and chaired by an Independent Member. In the case of the Appointments and Remuneration Committee, Independent Members are always a majority.	YES	This recommendation is included in the Company's Code of Good Governance.	2014-04-28	2020-12-17
18.11. The Committees of the Board of Directors may obtain support, on an ad hoc or permanent basis, from Senior Management members experienced in the matters within their competence and/or from external experts.	YES	The Board of Directors and its Committees are supported in their work by Senior Management and have the possibility of hiring expert advice on various matters as currently established in the Board of Directors Regulations.	2015-12-17	2020-12-17
18.12. For the composition of its Committees, the Board of Directors takes into consideration the profiles, knowledge and professional experience of the members in relation to the subject matter of each Committee.	YES	The Rules of Procedure of the Board of Directors include the provisions set forth in this recommendation.	2015-12-17	
18.13. Committee meetings are recorded in minutes, a copy of which is sent to all the members of the Board of Directors of the Company. If the Committees hold delegated decision-making powers, the minutes comply with the requirements of Articles 189 and 431 of the Code of Commerce.	YES	The Rules of Procedure of the Board of Directors include the provisions set forth in this recommendation.	1998-05-29	2015-12-18
18.14. In the case of Holding Companies, unless the applicable legal or regulatory framework requires their creation, the internal regulations provide that the Subsidiary Boards of Directors may choose not to create specific Committees for the treatment of certain matters, which tasks are to be assumed by the Committees of the Board of Directors of the Parent Company, without this implying a transfer of the responsibility of the Boards of Directors of the Subsidiaries to the Parent Company.	NO	Subsidiaries autonomously manage their committees and Board of Directors. However, subsidiaries report to the Board of Directors and the Bank's Audit Committee on their activities.		
18.15. The main task of the Audit Committee is to assist the Board of Directors in its supervisory duties through the evaluation of the accounting procedures, the relations with the Statutory Auditor and, in general, the review of the Bank's Control Architecture, including the audit of the risk management system implemented by the Bank.	YES	These aspects are included in the Audit Committee Rules of Procedure.	2015-12-18	
18.16. The members of the Audit Committee are sufficiently experienced in accounting, financial and other related matters to provide a rigorous opinion on the matters within the Committee's competence so as to understand their scope and complexity.	YES	Its members have the skills, knowledge and competencies required to perform their activities with professionalism and suitability, both in terms of their professional education and work experience. Members of the Audit Committee were appointed by the Board of Directors on the dates specified.	2014-04-28	2019-07-19
18.17. At the request of the Chairman of the Meeting, the Chairman of the Audit Committee reports on specific aspects of the Committee's work such as the analysis of the scope and content of the Statutory Auditor's Report to the General Shareholders' Meeting.	YES	The Management Report submitted by the Board of Directors and the Chairman of the Bank includes detailed information on the work performed by the Audit Committee during the fiscal year, which is disclosed to shareholders at each Meeting.	2001-10-01	2021-03-19
18.18. The Internal Rules of Procedure of the Audit Committee assigns the duties set forth in recommendation 18.18.	YES	The Rules of Procedure of the Audit Committee include the provisions mentioned in this recommendation.	2015-12-18	2020-12-17



IMPLEMENTATION REPORT OF BEST CORPORATE PRACTICES 2021

Recommendations	Response	Comments	Implementation Date	Modification Date
18.19. The main objective of the Appointments and Remuneration Committee is to support the Board of Directors in its decision-making or advisory functions related to the appointment and remuneration of the members of the Board of Directors and Senior Management and monitor compliance with the rules of Corporate Governance, periodically reviewing compliance, recommendations and principles (whenever this function is not expressly attributed to another committee of the company).	NO	The Bank has not established an Appointments and Remuneration Committee. The Bylaws establish the appointment of the Legal Representatives, Chief Compliance Officer and Alternate Compliance Officer, as well as their assignments, as a function of the Board of Directors.		
18.20. Some members of the Appointments and Remuneration Committee have sufficient expertise in strategy, human resources (recruitment and selection, hiring, training, personnel administration or management), salary policy and related matters to understand their scope and complexity in the company.	NO	The Bank has not established an Appointments and Remuneration Committee. The Bylaws establish the appointment of the Legal Representatives, Chief Compliance Officer and Alternate Compliance Officer, as well as their assignments, as a function of the Board of Directors.		
18.21. At the request of the Chairman of the Meeting, the Chairman of the Appointment and Remuneration Committee may report on specific aspects of the Committee's work such as the monitoring of the remuneration policies of the Board of Directors and Senior Management to the General Shareholders' Meeting.	NO	The Bank has not established an Appointments and Remuneration Committee. Notwithstanding the foregoing, the General Shareholders' Meeting is the body responsible for fixing the fees of Board Members, as well as for sharing the remuneration policies of the Senior Management through different channels, such as the management report. The Bylaws establish the bodies responsible for fixing this remuneration.		
18.22. The Internal Rules of Procedure of the appointment Committee assigns the duties set forth in recommendation 18.22.	NO	The Bank has not created the aforementioned committee. Notwithstanding the foregoing, the Board of Directors submits a report on the activities carried out during the respective fiscal year and the General Shareholders' Meeting determines the appointment and assignment of Board Members, a function assigned by Law and the Bank's Bylaws.		
18.23. The main purpose of the Risk Committee is to assist the Board of Directors in fulfilling its monitoring responsibilities related to risk management.	YES	The Board of Directors approved the creation of the Risk Committee to ensure the identification, measurement, control and consolidated monitoring of those risks to which both the Bank and its subsidiaries are currently exposed, as part of a global and consolidated vision aimed at promoting institutional prevention-oriented culture.	2021-12-06	
18.24. At the request of the Chairman of the Meeting, the Chairman of the Risk Committee may report on specific aspects of the Committee's work to the General Shareholders' Meeting.	YES	The Internal Rules of Operation of the General Shareholders' Meeting provide that the Chairman of the Company and the Chairmen of the Board of Directors' Committees shall attend the General Shareholders' Meeting to answer any questions that shareholders may raise in connection with matters under their responsibility or report on specific aspects of their work, when so requested by the Chairman of the Meeting as deemed relevant. Should any of these be unable to attend, other members of the Board of Directors, relevant Committee or Senior Management members, as the case may be, shall answer the questions raised on the matters entrusted to such management bodies, in such a way that in no event their absence(s) shall be an impediment for the Meeting to be held.	2021-12-06	
18.25. Subject to the adjustments required to differentiate between financial and real sector companies and notwithstanding the functions assigned to this committee by the applicable regulations, the Internal Rules of the Risk Committee assign the functions set forth in recommendation 18.25 to this committee.	NO	The Board of Directors has approved the creation of the Risk Committee.		



IMPLEMENTATION REPORT OF BEST CORPORATE PRACTICES 2021

Recommendations	Response	Comments	Implementation Date	Modification Date
18.26. The main mission of the Corporate Governance Committee is to assist the Board of Directors in proposing and supervising the Corporate Governance measures adopted by the company.	YES	The Corporate Governance Committee complies with the provisions of this recommendation.	2020-12-17	
18.27. The Internal Rules of Procedure of the Corporate Governance Committee assigns the duties set forth in recommendation 18.27.	YES	The Board of Directors approved the Internal Rules of Operation of the Governance Committee in accordance with recommendation 18.27.	2021-12-06	
19.1 The Chairman of the Board of Directors together with the Secretary and the Chairman prepare a work plan of the Board of Directors for the period under evaluation, a tool for determining the reasonable number of regular meetings per year and their estimated duration.	YES	In accordance with the Regulations of the Board of Directors, the Chairman of this body evaluates and prepares an annual work plan including the aspects mentioned in this recommendation together with the Bank's President and the Secretary of the Board of Directors.	2016-12-19	
19.2. Except for supervised entities, which are required to hold at least one (1) meeting per month, the Board of Directors of the company holds between eight (8) and twelve (12) ordinary meetings per year.	YES	A minimum of one meeting per month is established in the Bylaws and the Law. The Bank usually holds 4 meetings per month and sometimes it exceeds this number.	2014-07-10	
19.3. The Board of Directors has one (1) or two (2) meetings per year focusing on the definition and monitoring of the company's strategy.	YES	The Board of Directors regularly defines and follows up on the Bank's strategy.	1997-01-13	
19.4. The Board of Directors approves a specific calendar of regular meetings, provided that extraordinary meetings may be held as often as necessary.	YES	The Bank operates in this manner as provided for in the Board of Directors' Regulations.	1997-01-13	2021-12-16
19.5. Together with the notice of the meeting with at least five (5) common days' notice, the members of the Board of Directors shall be provided with the documents or information related to each item on the Agenda, so that its members may actively participate and make decisions in a reasoned manner.	NO	The notice is sent 5 days in advance and documents are submitted based on the assessment made by the administration at the request of the Directors according to the nature, complexity and assessment of the matter. Some items, due to their nature, are not required to be sent in advance since their decisions depend on the experience and knowledge of the Members of the Board of Directors. Additionally, when presenting the items to the Board of Directors, supporting documentation and explanations that the Directors may need are provided so as to make appropriate decisions.		
19.6. The Chairman and the Secretary of the Board of Directors are the ultimate responsible for ensuring that members receive sufficient information in advance and that the information is relevant so that the set of documents submitted (Board of Directors' dashboard) must be of high quality rather than quantity.	YES	The Board of Directors Regulations provide that the Chairman of the Board shall ensure timely and sufficient information is made available to the Members of the Board of Directors through the Secretary, provided that the respective material is at their disposal.	2016-12-19	
19.7. The ultimate responsibility for the preparation of the Agenda of the Board of Directors' meetings lies with the Chairman of the Board of Directors rather than with the Chairman of the company, which is structured based on certain parameters to ensure a logical order for the presentation of matters and discussions.	YES	According to the needs of the business, the Chairman of the Bank proposes and agrees the agenda with the Chairman of the Board of Directors together with the Secretary of the Board of Directors based on the initially structured annual work plan and prepares the Agenda of the meetings following a logical order in the presentation of matters and discussions. Notwithstanding the above, the Members of the Board of Directors propose the incorporation of items in the Agenda deemed relevant to be dealt with. The Rules of Procedure of the Board of Directors provide for this recommendation.	2016-12-19	
19.8. The company discloses the attendance of members at meetings of the Board of Directors and its Committees in the Annual Corporate Governance Report and the corporate website.	YES	The annual Corporate Governance report includes the information referred to in this recommendation.	2019-07-19	2021-03-19



IMPLEMENTATION REPORT OF BEST CORPORATE PRACTICES 2021

Recommendations	Response	Comments	Implementation Date	Modification Date
19.9. On an annual basis, the Board of Directors evaluates the effectiveness of its work as a collegiate body, its Committees and individual members, including peer evaluation, as well as the reasonability of its internal rules and the dedication and performance of its members, proposing, if necessary, any modifications to its organization and operation as deemed appropriate. In the case of Holding Companies, the Board of Directors of the parent company requires the evaluation to be also carried out in the Subsidiaries Boards of Directors.	YES	The Rules of Procedure of the Board of Directors include the provisions set forth in this recommendation.	2016-12-19	
19.10. The Board of Directors alternates the internal self-evaluation with external evaluation performed by independent consultants.	YES	The Rules of Procedure of the Board of Directors include the provisions set forth in this recommendation.	2016-12-19	
20.1. The Rules and Regulations of the Board of Directors supplement the provisions of the regulatory framework in relation to the duties and rights of the members of the Board of Directors.	YES	The Rules of Procedure of the Board of Directors include the provisions set forth in this recommendation.	2010-01-18	2015-12-17
20.2. The Rules of Procedure of the Board of Directors explain the understanding of the company regarding the duties of the members of the Board of Directors referred to in recommendation 20.2.	YES	The Rules of Procedure of the Board of Directors include the provisions set forth in this recommendation.	2010-01-18	2015-12-17
20.3. The Rules of Procedure of the Board of Directors provide the content of the rights of the members of the Board of Directors established in recommendation 20.3.	YES	The Rules of Procedure of the Board of Directors include the provisions set forth in this recommendation.	2010-01-18	2015-12-17
21.1. The company has a policy and procedure defined and formalized in the internal rules for the knowledge, management and resolution of conflict-of-interest situations, whether direct or indirect through Related Parties, which may affect the members of the Board of Directors and other Administrators.	YES	The Bank includes it in the Code of Ethics and Conduct, the Code of Good Governance and the Policy for the Identification, Communication, Management and Control of Conflicts of Interest of the Aval Financial Holding Company.	2008-06-09	2021-07-23
21.2. The procedure for managing conflicts of interest distinguishes between sporadic and permanent conflicts of interest. In the case of a sporadic conflict of interest, it establishes the rules and steps to be followed, which should be relatively easy to manage and hard to avoid for the affected party. In the case of permanent conflicts of interest, the procedure establishes that if the situation affects the company's operations as a whole, it must be understood as a cause for mandatory resignation on the affected party, making it impossible for him/her to hold the position.	YES	Section 12.1 of Chapter 12 - Conflicts of Interest of the Code of Good Governance establishes that based on their nature, any conflict or potential conflict of interest may be of a sporadic or permanent nature, and the procedure applicable in each case.	2020-12-17	
21.3. The members of the Board of Directors, Legal Representatives, members of Senior Management and other Administrators of the corporation periodically inform the Board of Directors of the relationships, direct or indirect, that they maintain among themselves, or with other entities or structures belonging to the Conglomerate of which the issuer is a part, or with the issuer, or with suppliers, or with clients or with any other Interest Group, from which situations of conflict of interest could arise or influence the direction of their opinion or vote, thus building a "map of Related Parties" of the Directors.	YES	The Members of the Board of Directors and Senior Management express their actions in the event of a conflict of interest, and periodically report the relationships that may generate possible conflicts of interest.	2018-12-17	2021-06-10
21.4. Situations of relevant conflict of interest, understood as those that would oblige the affected party to abstain from a meeting and/or vote, in which the members of the Board of Directors and other Administrators find themselves, are included in the public information published annually by the Company on its website.	YES	The Corporate Governance report published annually on the Bank's website includes information related to relevant conflict of interest situations.	2020-06-08	



IMPLEMENTATION REPORT OF BEST CORPORATE PRACTICES 2021

Recommendations	Response	Comments	Implementation Date	Modification Date
21.5. For these purposes, the definition of Related Party applied by the Company is consistent with International Accounting Standard No. 24 (IAS 24).	YES	The Bank discloses in the Notes to the Financial Statements the definition of related parties, which is consistent with IAS 24.	2017-01-01	
22.1. The company has a policy that defines the specific procedure for the valuation, approval and disclosure of transactions with Related Parties, including outstanding balances and relationships between them, except for those transactions that have a specific regulation.	YES	The chapter on related parties included in the Accounting Policy provides the necessary guidelines and directives for the identification of related parties, their transactions, balances, commitments and the information to be disclosed. Additionally, the Institutional Relations Framework regulates intra-group operations, and there is a policy for the identification, communication, management and control of conflicts of interest of the Aval Financial Holding Company.	2010-10-25	2021-07-23
22.2. The company's policy on transactions with related parties addresses the aspects covered by recommendation 22.2.	YES	The Bank incorporated in its Institutional Relations Framework the aspects on operations with related parties addressed in recommendation 22.2.	2021-07-23	
22.3 The policy foresees that recurring related-party transactions typical of the ordinary course of business carried out under adhesion contracts, or general framework contracts, whose conditions are perfectly standardized, are applied on a massive scale, and are carried out at market prices, generally set by whoever acts as supplier of the good or service in question, and whose individual amount is not relevant for the company, do not require the express authorization of the Board of Directors.	YES	The chapter on related parties included in the Accounting Policy provides the necessary guidelines and directives for the identification of related parties, their transactions, balances, commitments and the information to be disclosed. In addition, the Institutional Relations Framework regulates guidelines for intra-group operations, common businesses and services and mechanisms to resolve possible conflicts of interest; likewise, there is a policy for the identification, communication, management and control of conflicts of interest of the Aval Financial Holding Company.	2015-11-23	2021-07-23
23.1. The company has a remuneration policy for the Board of Directors, approved by the General Shareholders' Meeting and reviewed each year, which identifies all the components of remuneration that can be effectively paid. These components may be fixed or variable. They may include fixed fees for being a member of the Board of Directors, fees for attending meetings of the Board and/or its Committees and other emoluments of any kind accrued during the year, whatever their cause, in cash or in kind, as well as the obligations incurred by the company in terms of pensions or payment of life insurance premiums, or other concepts, with respect to both former and current members, as well as those insurance premiums for civil liability (D&O policies) contracted by the company in favor of the members of the Board of Directors.	YES	The Bank has a Board of Directors Appointment and Remuneration Policy. The fees of the Board of Directors and the Audit Committee correspond to a fixed amount for attending each meeting and do not include additional emoluments.	2019-12-20	
23.2. If the company adopts remuneration systems through the recognition of a variable component linked to the good performance of the company in the medium and long term, the remuneration policy incorporates limits on the amount that can be distributed by the Board of Directors and, if the variable component is related to the company's profits or other management indicators at the end of the period under evaluation, it must take into account any qualifications in the Statutory Auditor's report that could reduce the results for the period.	YES	The Bank has an Appointment and Remuneration Policy for the Board of Directors, which identifies the remuneration components of such body. The referred policy does not contemplate variable components.	2019-12-20	
23.3. Patrimonial and Independent Members of the Board of Directors are expressly excluded from compensation systems that incorporate stock options or variable compensation linked to the absolute variation of the share price.	YES	The Bank has an Appointment and Remuneration Policy for the Board of Directors, which identifies the remuneration components of such body. The referred policy does not contemplate variable components.	2019-12-20	



IMPLEMENTATION REPORT OF BEST CORPORATE PRACTICES 2021

Recommendations	Response	Comments	Implementation Date	Modification Date
23.4. For each period evaluated, within the framework of the remuneration policy, the General Shareholders' Meeting approves a maximum cost of the Board of Directors for all approved remuneration components.	YES	In compliance with the parameters that regulate the remuneration of the Members of the Board of Directors, the General Board of Directors, the Assembly approves a fixed fee for participation in the meeting.	1997-01-13	2019-12-20
23.5. The total effective cost of the Board of Directors during the period under evaluation, which includes all compensation fees paid to the members of the Board of Directors as well as expense reimbursement, is made available to shareholders and published on the Company's website, with the level of disaggregation and detail approved by the Board of Directors.	YES	Shareholders know and approve the total remuneration cost of the Board of Directors, which is limited to the multiple of the fees approved per session by the number of annual meetings. In accordance with Article 446 of the Code of Commerce, fees paid to the Board of Directors are reported to the Shareholders' Meeting and are included in the financial statements as part of the Administrative Expenses item. Additionally, in accordance with the Board of Directors' Appointment and Remuneration Policy, there are no compensation items other than the value of the fees paid for attendance to the Board of Directors' meetings.	2019-12-20	
24.1. The corporate governance model establishes an effective separation between the management or governance of the corporation (represented by the Board of Directors) and the ordinary course of business (conducted by Senior Management under the leadership of the Chairman of the company).	YES	The provisions of this measure are in accordance with the Bank's Bylaws.	1997-01-13	
24.2. In general, the Board of Directors' policy is based on delegating the ordinary course of business to the Senior Management team, concentrating its activity on the general functions of strategy, supervision, governance and control.	YES	The provisions of this measure are in accordance with the Bank's Bylaws.	1997-01-13	
24.3. As a general rule, the members of Senior Management are identified, evaluated and appointed directly by the Chairman of the company since they are direct collaborators of the Chairman. Alternatively, the company may choose to have the members of Senior Management appointed by the Board of Directors at the proposal of the Chairman of the company. Regardless of who makes the final appointment, candidates for key executive positions in the company are known and evaluated by the Appointments and Remuneration Committee of the Board of Directors, which shall issue its opinion.	YES	The Bylaws provide that the Senior Management is appointed by the Board of Directors in plenary session and taking into account the performance of the employees holding these positions and the reports submitted is evaluated by the Senior Management.	1997-01-13	
24.4. The company has a clear policy of delegation of functions approved by the Board of Directors and/or a scheme of powers that allows knowing the level of empowerment of the Chairman of the company and the other members of Senior Management.	YES	The provisions of this measure are in accordance with the Bank's Bylaws.	1997-01-13	
24.5. The Board of Directors, through the Appointments and Remuneration Committee, or whoever fulfills its functions, annually leads the performance evaluation of the Chairman of the company and knows the evaluations of the other members of Senior Management.	YES	The Appointments and Remuneration Committee has not been implemented yet. However, the evaluation of Senior Management is carried out by the Chairman, the Board of Directors and the General Shareholders' Meeting.	1997-01-13	
24.6. The company has a remuneration policy for the Chairman of the company and other members of Senior Management, approved by the Board of Directors, which identifies all the remuneration items that can be effectively met, subject to the fulfillment of long-term objectives and risk levels.	NO	The Board of Directors evaluates the resumes of the Chairman and other members of Senior Management and determines the corresponding remuneration, taking into account the responsibilities of the position. These aspects are regulated by the Code of Good Governance.		
24.7. If the remuneration of the Chairman of the company includes a fixed and a variable component, the technical design and method of calculation prevents the variable component from exceeding the maximum limit established by the Board of Directors.	YES	The Chairman's compensation only has a fixed component, therefore the Bank complies with the main point of this recommendation.	2014-06-10	



IMPLEMENTATION REPORT OF BEST CORPORATE PRACTICES 2021

Recommendations	Response	Comments	Implementation Date	Modification Date
25.1. The Board of Directors is ultimately responsible for the existence of a solid control environment within the company, adapted to its nature, size, complexity and risks, so that it complies with the requirements indicated in recommendation 25.1.	YES	Aspects mentioned in this recommendation were added in the amendment to the Board of Directors Regulations.	2016-12-19	
25.2. In the case of the Holding Companies, the Board of Directors of the Parent Company shall promote the existence of a Control Architecture with a consolidated, formal scope, covering all the Subsidiaries, establishing responsibilities regarding the policies and guidelines on this matter at the Business Group level and defining clear reporting lines aimed at providing a consolidated view of the risks to which the Business Group is exposed and the adoption of control measures.	YES	The Board of Directors approved the "Reference Framework for Grupo AVAL's Institutional Relationships", which addresses the matters referred to in this measure in relation to the Bank's controlling entity.	2015-11-23	2021-07-23
26.1. The company's risk management objectives are those set out in recommendation 26.1.	YES	The Rules of Procedure of the Board of Directors include the provisions set forth in this recommendation.	2016-12-19	
26.2. The company has a risk map, considered a tool for identifying and monitoring the financial and non-financial risks to which the company is exposed.	YES	The Bank has a Process Risk Matrix that identifies the main financial and non-financial risks affecting its activities and establishes the applicable controls for the management of such risks. Under the self-control principle, relevant areas prepare their own risk and control matrices and their compliance and effectiveness is evaluated and reported to the Audit Committee. The above is in accordance with the provisions of External Circular 029 of 2014 issued by the Superintendence of Finance.	2009-09-21	2015-12-18
26.3. The Board of Directors is responsible for defining a risk management policy, as well as setting maximum exposure limits for each identified risk.	YES	The Bank complies with the risk management systems, in which the aspects indicated in this measure are addressed. Additionally, whenever applicable and deemed necessary, the Bank, as parent company of other companies, through its Board of Directors, develops its functions through general policies, guidelines or requests for information, seeking a balance between the interests of the Bank and those of its subsidiaries, as a whole. Notwithstanding the foregoing, the autonomy of the governing bodies of the Bank's subsidiaries and the responsibility of the members of its senior management and administrators with respect to the ordinary course of their business. The above is in accordance with the provisions of External Circular 029 of 2014 issued by the Superintendence of Finance.	2001-09-21	2017-12-18
26.4. The Board of Directors knows and periodically monitors the company's effective exposure to the maximum risk limits defined and proposes corrective and follow-up actions in case of deviations.	YES	The Bank complies with the risk management systems, in which the aspects indicated in this measure are addressed. The Audit Committee is periodically informed about the Bank's risk situation, the events presented, their level of impact and criticality, thus facilitating, when required, the proposal of corrective actions or the issuance of instructions to Senior Management for the remediation or improvement of processes. The Audit Committee also issues reports to the Board of Directors.	1998-12-11	2017-12-18
26.5. Under the risk management policy, the Senior Management is responsible for processes and risk management, i.e. identifying, assessing, measuring, controlling, monitoring and reporting risks, defining methodologies, and ensuring that risk management is consistent with the strategy, the defined risk policy and the approved cap limits.	YES	The Bank complies with the risk management systems, in which the aspects indicated in this measure are addressed.	2009-09-20	



IMPLEMENTATION REPORT OF BEST CORPORATE PRACTICES 2021

Recommendations	Response	Comments	Implementation Date	Modification Date
26.6. The company has a risk delegation policy, approved by the Board of Directors, which establishes the risk limits that can be managed directly by each level in the company.	YES	The Bank complies with the risk management systems, in which the aspects indicated in this measure are addressed. The Board of Directors is responsible for approving the main risk management policies and the Senior Management adopts specific mechanisms to ensure the implementation of adequate internal control systems.	2009-09-21	
26.7. In Holding Companies, risk management should be carried out at a consolidated level in such a way that it contributes to the cohesion and control of the companies comprising the holding company.	YES	As a parent company, the Bank provides general guidelines, among others, on risk matters and monitors the situation of its subsidiaries in relation to such risks, without prejudice to the duty of these entities to implement their own processes and set limits and other specific conditions in accordance with their own characteristics and governance. Although each entity is independently managed, they must report to the Bank.	2009-10-05	
26.8. If the company has a complex and diverse structure of businesses and operations, the position of Chief Risk Officer (CRO) is available at the level of the Holding Company in the case of companies involved in situations of control and/or business group.	YES	Grupo Aval Acciones y Valores S.A., a financial holding company, has a Corporate Risk Vice-Presidency, with competence at the level of the AVAL financial holding company. Additionally, the general structure of Banco Popular has an Integral Risk Management, with competence also at the level of the Bank's subsidiaries.	2020-07-07	
27.1. The Board of Directors is responsible for ensuring the existence of an adequate internal control system, adapted to the company and its complexity and consistent with the risk management in force.	YES	The Bank complies with the aspects indicated in this recommendation. The Board of Directors is responsible for ensuring an adequate internal control system under the conditions provided for in this recommendation. In addition, the Audit Committee's functions include supporting the Board of Directors in making decisions regarding internal control and its improvement, supervising the internal control structure in order to establish whether the procedures designed reasonably protect the company's assets, and constantly evaluating the procedures established to determine the adequacy of internal control. This recommendation was established in compliance with the provisions issued by the SFC. The Board of Directors Regulations also address the aspects of this recommendation.	2016-12-19	
27.2. The Board of Directors is responsible for supervising the effectiveness and adequacy of the internal control system, which may be delegated to the Audit Committee, without the Board losing its supervisory responsibility.	YES	The Board of Directors is responsible for supervising the adequate internal control system under the conditions provided for in this recommendation. Additionally, the Audit Committee's functions include supporting the Board of Directors in its supervisory role by evaluating accounting procedures and generally reviewing the control architecture. The above is included in the Regulations of the Board of Directors and the Audit Committee in compliance with the provisions of the Basic Legal Circular - Circular 014 of 2009 issued by the SFC.	2009-05-19	2016-12-19
27.3. The company applies and requires the principle of self-control, understood as the "ability of the people involved in the different processes to consider control as an inherent part of their responsibilities, fields of action and decision making".	YES	The Bank currently operates in this way, in accordance with the regulations of the SFC, which was regulated within the Bank in the SARO Manual.	2009-05-19	2017-12-18
28.1. Risk culture, philosophy and policies, as well as approved exposure limits, are communicated downwards and horizontally in the company, so that the whole organization considers risks and control activities in its activity.	YES	The Bank currently operates in this way, in accordance with the regulations of the SFC, which was regulated within the Bank in the SARO Manual.	2009-05-19	2017-12-18



IMPLEMENTATION REPORT OF BEST CORPORATE PRACTICES 2021

Recommendations	Response	Comments	Implementation Date	Modification Date
28.2. The company has a mechanism for reporting information upwards (to the Board of Directors and Senior Management), which is truthful, understandable and complete, so as to support and enable informed decision making and risk management and control.	YES	The Bank has a mechanism for reporting information to Senior Management and the Audit Committee, through reports that are submitted to the Audit Committee, which acts as a support Committee for the Board in supervising compliance with internal control, allowing said Committee to evaluate and, when required, give instructions on the work carried out for risk and control management. The Senior Management also issues reports to the Board of Directors. All this is recorded in minutes and annexes of the indicated bodies.	2014-09-30	
28.3. The company's communication and information reporting mechanism allows: i. Senior Management to involve the company as a whole by highlighting its responsibility for risk management and the definition of controls, and ii. Company personnel to understand their role in risk management and the identification of controls, as well as their individual contribution in relation to the work of others.	YES	All the Bank's employees participate in the identification of risks and their control, which has been approved by Senior Management, who is responsible for the definition of policies and the design of the structure of the internal control system. Communications are made by means of Internal Bulletins and for some risks there are also virtual trainings.	2014-09-30	2017-12-18
28.4. Internal whistleblower hotlines are available for employees to anonymously report illegal or unethical behavior or behavior that may contravene the company's risk management and control culture. A report on these reports is made to the company's Board of Directors.	YES	This is how the Bank operates. The Audit Committee submits the minutes of the corresponding reports to the Board of Directors. The mechanisms are included in the current ABAC Policy.	2015-12-18	
29.1. The Board of Directors, through the Audit Committee, is responsible for supervising the effectiveness of the different components of the Control Architecture.	YES	In accordance with the Audit Committee Regulations, the Committee's function is to monitor the entity's internal control structure to determine whether the procedures designed reasonably protect the company's assets; to constantly evaluate the procedures established to determine the adequacy of internal control and to discuss risk management policies with Management. The Audit Committee supervises the internal control of the entity, especially by evaluating the work of the Comptroller's Office, analyzing and approving its annual work plan and following up on its periodic reports on internal control. It also supervises the independence and objectivity of the Comptroller's Office.	2009-08-10	
29.2. Monitoring work in the company, aimed at providing assurance on the effectiveness of the Control Architecture, mainly involves the internal audit in collaboration with the Statutory Auditor in matters within its competence and in particular with regard to the financial information generated by the company.	YES	The Audit Committee Regulations consider the interaction of the Comptroller's Office with the Statutory Auditor's Office, to ensure the effectiveness of the control architecture in matters within its competence, as established in the Internal Operating Regulations of the Audit Committee.	2015-12-18	
29.3. The internal audit function of the company has an Internal Audit Charter, approved by the Audit Committee, which expressly states the scope of its functions in this matter, which should include the topics indicated in recommendation 29.3.	YES	The Bank's Internal Audit Charter includes the functions referred to in this recommendation.	2017-03-24	2019-09-12



IMPLEMENTATION REPORT OF BEST CORPORATE PRACTICES 2021

Recommendations	Response	Comments	Implementation Date	Modification Date
29.4. The person in charge of internal auditing maintains a relationship of professional independence with respect to the Senior Management of the company or Conglomerate that hires him/her, through his/her exclusive functional dependence on the Audit Committee.	YES	The Bank's Comptrollership has the necessary independence to achieve the objective development of its evaluations and the issuance of its reports and opinions; for such purpose, the Comptroller Manager must report functionally to the Audit Committee and to the Corporate Comptrollership of the AVAL Group and administratively to the Chairman. In addition, the independence and objectivity of the Comptroller's Office in relation to the activities it performs is evaluated by the Audit Committee in order to verify the absence of limitations that prevent its adequate performance and to verify whether the scope of its work satisfies the control needs of the Entity.	2009-09-29	2015-12-18
29.5. The Board of Directors, at the proposal of the Audit Committee, is responsible for the appointment and removal of the person in charge of internal auditing in the Company, and the market is informed of his removal or resignation.	YES	The Bank's Bylaws state that the Board of Directors is responsible for appointing and removing the person in charge of the Bank's Comptroller's Office, as well as for establishing his/her assignments, in accordance with the recommendations and proposals submitted by the Audit Committee of the Board of Directors. Whenever the Bank's Comptroller is appointed or removed, this shall be disclosed to the stock market on the Bank's website and his/her allowances may be delegated by the Board of Directors to the Bank Chairman.	2021-11-26	
29.6. The Statutory Auditor of the company or Conglomerate maintains a clear independence with respect to them, a quality that must be declared in the respective audit report.	YES	The Audit Committee is responsible for ensuring the independence of the Statutory Auditor. Regular statements of independence of the Statutory Auditor are received and procedures are in place both in the Statutory Auditor's firm and in the Bank to verify that the professional services rendered by such firm do not affect its independence as Statutory Auditor of the Bank. In addition, the Statutory Auditor confirms in his audit opinions on the financial statements that his examination is carried out in accordance with Generally Accepted Auditing Standards in Colombia, which include the independence that must characterize the performance of his duties.	2005-05-19	
29.7. If the company acts as Parent Company of a holding company, the Statutory Auditor is the same for all the companies, including off-shore companies.	YES	The Bank and its subsidiaries are audited by the same Statutory Auditor. The Statutory Auditor is appointed at the General Shareholders' Meeting. The Bank has no off-shore companies.	2016-03-30	
29.8. The Company has a policy for the appointment of the Statutory Auditor, approved by the Board of Directors and disclosed to the Shareholders, which includes the provisions set forth in recommendation 29.8.	YES	The Good Governance Code, approved by the Bank's Board of Directors and published on its website, establishes the criteria for the appointment of the Statutory Auditor, which includes the provisions set forth in this recommendation.	2009-09-21	2019-03-22
29.9. In order to avoid an excessive link between the company and the Statutory Auditor's firm and/or its teams and to maintain its independence, the company establishes a maximum hiring term that ranges between five (5) and ten (10) years. In the case of the Statutory Auditor, a natural person not linked to a firm, the maximum hiring term is five (5) years.	YES	The professional services contract signed between Banco Popular and KPMG S.A.S., contemplates the rotation of the persons who exercise the position of Statutory Auditor every five years, additionally it establishes the commitment that the person who has been rotated by the Bank may not resume the audit until two years after.	2019-03-29	
29.10. Within the maximum contracting term, the company promotes the rotation of the partner of the Statutory Auditor firm assigned to the company and its work teams halfway through the period, at the end of which the rotation of the firm is mandatory.	NO	The Bank has not considered the implementation of this recommendation.		



IMPLEMENTATION REPORT OF BEST CORPORATE PRACTICES 2021

Recommendations	Response	Comments	Implementation Date	Modification Date
29.11. In addition to the current prohibition of not contracting with the Statutory Auditor for professional services other than those of the financial audit itself and other functions recognized in the current regulations, the company extends this limitation to persons or entities related to the Statutory Auditor's firm, among which are included the companies of its group, as well as companies in which there is a broad coincidence of partners and/or administrators with those of the Statutory Auditor's firm.	YES	During the annual reporting period, the Bank's statutory audit firm did not render to the Bank, nor to its subsidiaries, any professional auditing services additional or different to the statutory audit professional services contract, as stated in the certification issued for such purpose by the statutory audit firm.	2020-06-05	7/1/2022
29.12. In its public information, the company discloses the total amount of the contract with the Statutory Auditor as well as the proportion that the fees paid by the company represent in relation to the total income of the firm related to its statutory audit activity.	YES	The Bank, with the prior authorization of the Statutory Auditor, discloses to the general public the total amount of the contract by means of a certification published on the Bank's website.	2019-03-11	2021-05-07
30.1. The Board of Directors has approved a disclosure policy, which identifies, at a minimum, the information covered by the recommendation.	YES	The Bank has guidelines for the handling of financial and non-financial information, as well as procedures, mechanisms and persons responsible for the development of the information disclosure policy, which are defined in the Code of Good Governance and the Code of Ethics. Quality, veracity and sufficiency of the content to be disclosed is verified by one or more areas of the Bank, as appropriate (e.g. Financial, Legal and Accounting). In addition, the Bank complies with the provisions of Decree 2555 of 2010, on the disclosure of periodic and relevant information, and other regulations on the matter.	2017-12-18	
30.2. In the case of Holding Companies, the disclosure to third parties of information is comprehensive and transversal, referring to the group of companies, allowing external third parties to form a well-founded opinion on the reality, organization, complexity, activity, size and governance model of the Holding Company.	YES	The controlling company Grupo Aval Acciones y Valores S.A. periodically discloses the consolidated financial situation of its subsidiaries. In addition, the disclosure of non-financial information is made in an integral and transversal manner in accordance with the criteria established under local regulations. The information of the subsidiaries is transmitted by them; however, the Bank publishes on its web page and on the SFC's web page the consolidated financial statements with their corresponding notes as relevant information.	2008-01-29	2021-03-19
31.1. In the event of any qualifications in the Statutory Auditor's report, these and the actions that the company proposes to take to remedy the situation will be the subject of a pronouncement by the Chairman of the Audit Committee to the shareholders meeting at the General Shareholders' Meeting.	YES	The Chairman of the Bank and some legal representatives are present at the Meetings. Additionally, the Internal Operating Regulations of the General Shareholders' Meeting provide for the presence of the Chairmen of the Committees of the Board of Directors at the meetings of the Meeting to answer questions that the shareholders may ask in relation to the matters under their responsibility.	2015-11-06	
31.2. When, in view of the qualifications and/or paragraphs of emphasis of the Statutory Auditor, the Board of Directors considers that it should maintain its criterion, this position is adequately explained and justified in a written report to the General Meeting, specifying the content and scope of the discrepancy.	YES	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.	2020-12-17	



IMPLEMENTATION REPORT OF BEST CORPORATE PRACTICES 2021

Recommendations	Response	Comments	Implementation Date	Modification Date
31.3 Transactions with or between Related Parties, including transactions between companies of the Group that, by means of objective parameters such as volume of the transaction, percentage of assets, sales or other indicators, are qualified as material by the company, are included in detail in the public financial information, as well as the mention of off-shore transactions.	YES	The Bank has complied with the provisions of IAS 24 since its implementation for the preparation of the financial statements and its disclosure notes regarding the operations indicated in the recommendation. This information is included in the notes to the financial statements.	2019-03-22	2021-03-19
32.1. Within the framework of the information disclosure policy, the Board of Directors (or the Audit Committee) adopts the necessary measures to ensure that all financial and non-financial information on the company required by current legislation is transmitted to the financial and capital markets, in addition to all information considered relevant for investors and clients.	YES	The Bank discloses to the market, through the Superintendency of Finance, any situation related to it or its securities issues 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, in accordance with the provisions of the Bank's Code of Good Governance and Decree 2555 of 2010 on relevant information. The Bank, through its website, has a link in the Shareholder and Investor Relations section, through which all relevant information related to the company is provided.	2017-12-18	2020-06-08
32.2. The company's website is organized in a user-friendly manner, so that it is easy for the user to access the information associated or related to Corporate Governance.	YES	The Bank's website complies with this recommendation. The respective information is organized in the link "Shareholder and Investor Relations".	2009-09-21	2020-06-08
32.3. The company's website includes at least the links referred to in recommendation 32.3.	YES	The Bank's website includes substantially the topics proposed by Recommendation 32.3 and is organized in a simple way that allows its users to access the information, especially that related to the link "Shareholder and Investor Relations".	2020-06-08	
32.4. Materials used by society in general to communicate information to the markets are documents that can be printed, downloaded and shared.	YES	Materials are not subject to transmission, however, in the event that such documents are required, they can be printed, downloaded and shared. The Bank publishes the Financial Statements and other attachments to them on its website.	2008-01-29	
32.5. If the company is a large and complex enterprise, it publishes annually on its website an explanatory report on the organization, methods and procedures of the Control Architecture implemented with the objective of providing correct and secure financial and non-financial information, safeguarding the entity's assets and the efficiency and security of its operations. Control Architecture information is complemented with a risk management report.	NO	The Bank is not considered to be a large and complex company. However, the Management Report, published in the Bank's web page and in the Superintendence of Finance as Relevant Information, includes aspects of those indicated in this recommendation.		
33.1. The company prepares an annual Corporate Governance report, whose content is under the responsibility of the Board of Directors after reviewing and receiving a favorable report from the Audit Committee, which is submitted together with the rest of the year-end documents.	YES	The Annual Corporate Governance Report is presented to the Audit Committee and the Board of Directors. It is also presented to the Shareholders' Meeting and published in the Bank's and the Financial Superintendency's web page as Relevant Information. Additionally, an overview of Corporate Governance is included in the Notes to the Financial Statements.	2016-03-14	2021-03-25
33.2. The Company's Annual Corporate Governance Report is not a mere transcription of the Corporate Governance rules included in the Bylaws, internal regulations, codes of good governance or other corporate documents. It is not intended to describe the company's governance model, but rather to explain the reality of how the company operates and the relevant	YES	The Corporate Governance report presented by the Board of Directors explains the reality of the Bank's operation and the relevant changes during the fiscal year. The Bank published the Corporate Governance Report on its website.	2016-03-14	2021-03-25



IMPLEMENTATION REPORT OF BEST CORPORATE PRACTICES 2021

Recommendations	Response	Comments	Implementation Date	Modification Date
<p>33.3. The Company's Annual Corporate Governance Report contains information at the end of the year describing the manner in which the Corporate Governance recommendations adopted by the Company were complied with during the year and the main changes that occurred.</p> <p>The structure of the company's Annual Corporate Governance Report is aligned with the scheme contemplated in recommendation 33.3.</p>	YES	The Bank's Corporate Governance Report, which is published annually, includes the aspects referred to in this recommendation.	2019-07-19	2021-03-25