

## BANCO POPULAR S.A.

### INTERNAL RULES OF PROCEDURE OF THE BOARD OF DIRECTORS

Without prejudice to the legal and statutory regulations, the Board of Directors of Banco Popular has voluntarily adopted the following guidelines aimed at having better Good Governance practices within the Bank.

These Rules of Procedure are intended to determine the principles of action of the Board of Directors and the Support Committees created by the Bank's Board of Directors, as well as the basic rules of their organization and operation and the standards of conduct of their members, all aimed at achieving greater effectiveness and control in their management and representation of the Bank's interests.

#### ARTICLE 1 – COMPOSITION:

The Board of Directors shall be composed of nine (9) Members, who are appointed by the General Shareholders' Meeting for a period of one year and shall be indefinitely re-elected.

The absence of a Board Member for more than three months shall result in the vacancy of the position of Director.

The Secretary of the Board of Directors shall be the General Secretary of the Bank.

Members of the Board of Directors elected by the General Shareholders' Meeting shall provide the necessary information and documents to make the possession request before the Financial Superintendence of Colombia within the terms and conditions established for such purpose by the controlling entity.

**PARAGRAPH:** According to their origin, the different members of the Board of Directors shall be classified as follows:

i. **Independent Board Members:** Board Members who comply with the applicable legal and regulatory requirements are considered Independent.

Additional requirements shall also include that they have not worked for a firm that has performed internal or external auditing for the Bank over the last three years and that they are not related to any of the members of the Board of Directors by marriage, common-law marriage or kinship within the second degree of consanguinity, affinity or first degree of civil relationship.

ii. **Non-Independent Board Members:** Board Members who do not comply with the applicable legal and regulatory requirements are considered Non-Independent. These Board members may also be classified as follows:

- **Executive Members:** Non-Independent Members who are legal representatives or members of the Senior Management of the Bank.

- **Patrimonial Members:** Non-Independent Members who are Shareholders of the Bank or who have been expressly nominated by a Shareholder or group of Shareholders to join the Board of Directors.

A minimum of twenty-five percent (25%) of the members of the Board of Directors shall be Independent Members. The percentage of Independent Members may be increased, taking into account, among others, that their number is equivalent to the free float.

The composition of the Board of Directors shall be determined in accordance with the applicable legal provisions and the policies and procedures established by the Bank's Shareholders.

Whenever a Board Member is appointed for the first time, the Bank Chairman or his delegate shall provide him/her 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.

For purposes of the foregoing, the Bank's Senior Management shall provide an induction process for the new members of the Board of Directors. The induction of the new members of the Board of Directors will include, among other aspects, the presentation of the Bank's structure, the strategic and business plan, financial matters, the risk management model and the operation of the different corporate governance bodies. Likewise, the Corporate Governance and Sustainability Committee of the Board of Directors will define the training and induction needs of the Board of Directors, regarding updating on issues that are related to the powers of the Board of Directors, or in cases where It is necessary to make decisions on matters with a high technical component.

After a member of the Board of Directors has been appointed, the Bank's General Secretary shall proceed to register him/her as such before the Chamber of Commerce of Bogotá.

## **ARTICLE 2 - CHAIRMAN OF THE BOARD:**

The Board of Directors shall be chaired by the Director appointed as its Chairman by the members of the Board of Directors.

Some of the duties of the Chairman of the Board are as follows:

1. Annually evaluate and prepare the annual work plan of the Board of Directors together with the Chairman of the Bank and the Secretary of the Board of Directors, determining the minimum number of ordinary meetings and their estimated duration to submit it to the consideration of the members of the Board of Directors.
2. Ensure that the meetings are convened in accordance with the terms set forth in the legal provisions and the Bylaws.
3. Evaluate the agenda of the meetings proposed by the Chairman of the Bank and when deemed appropriate, propose the inclusion of additional items in the agenda.
4. Promote the provision of timely and sufficient information to Board Members through the Secretary of the Board.
5. Chair meetings and manage discussions.
6. Ensure that the Board of Directors efficiently sets and implements the strategic direction of the Bank.
7. Promote the Bank's governance actions by liaising between Shareholders and the Board of Directors or the Board of Directors and Senior Management when necessary.
8. Follow up on matters resolved by the Board of Directors or any assignments entrusted as required.

9. Monitor the participation of the Members of the Board of Directors.

10. Any other duties established by the law, the Bylaws, these Rules of Procedure and other Bank's Corporate Governance documents.

**PARAGRAPH:** As a consequence of the scope of the specific duties defined by the Board of Directors that may require a greater dedication of time, if so approved by the General Shareholders' Meeting, the Chairman of the Board of Directors may have a different remuneration with respect to other Directors.

### **ARTICLE 3 – MEETINGS:**

The Board of Directors shall regularly meet at the Bank's Head Office but may also meet in any other city where there is a Branch or Office of the Bank at the discretion of the Board of Directors. Ordinary meetings shall be held at least once a month and extraordinary meetings upon request of the Chairman of the Board or the Chairman of the Bank or at the request of two or more Board Members or the Statutory Auditor. The Chairman of the Bank, the Secretary General, the Vice Presidents, Bank's Comptroller, other Employees of the Bank and the Statutory Auditor may be summoned to these meetings with the right to speak without a vote.

**PARAGRAPH 1:** The Board of Directors may also validly deliberate and decide on matters by means of the mechanisms set forth in Law 222 of 1995 and any amending, supplementing or regulating rules.

**PARAGRAPH 2:** The Board of Directors may meet without the presence of Senior Management, when it deems necessary.

### **ARTICLE 4 - NOTICE OF MEETINGS:**

For each calendar year, the schedule of regular meetings of the Board of Directors shall be agreed upon in advance, for which purpose periodicity, time and date of each meeting shall be indicated and may be modified exceptionally when so required.

The Secretary of the Board shall confirm the call for ordinary meetings at least one calendar day prior to the date of the respective meeting and for extraordinary meetings at least on the same day of the meeting. The notice shall be sent via electronic means or telephone, either to the e-mail addresses and/or telephone numbers registered with the Secretary General by each member of the Board of Directors.

### **ARTICLE 5 – QUORUM:**

The Board of Directors may validly deliberate with the presence of five of its Members, who shall have one vote each and their decisions shall be adopted with the favorable vote of the absolute majority of the Board Members present. In the event of a tie vote on two occasions, the matter to be voted upon shall be deemed rejected.

### **ARTICLE 6 - DECISIONS AND MINUTES:**

All actions and decisions made by the Board of Directors shall be recorded in minutes to be signed by those who have acted as the Chairman and Secretary of the respective meeting. Minutes shall be numbered successively indicating the day, month and year of their issue and shall be under the custody of the Secretary General.

Minutes shall be approved at the following meeting. Therefore, the Board Members shall be informed of the minutes beforehand for their approval. If necessary, the Board may delegate two or more members present to review and approve the minutes.

Some minutes items or even the entire minutes may also be approved at the same meeting, in which case the Secretary shall be responsible for submitting the respective final text for consideration of the members present, requiring a separate time to prepare them.

#### **ARTICLE 7 - SECRETARY OF THE BOARD:**

The Secretary of the Board of Directors shall be responsible for the Secretary General of the Bank and shall have the following duties:

1. Assist the Chairman of the Bank and the Chairman of the Board of Directors in the preparation of the annual Board of Directors' meeting plan.
2. Ensure that the meetings of the Board of Directors are called in accordance with the annual plan or its amendments under the terms set forth in the legal provisions and the Bylaws.
3. Assist the Chairman of the Bank and the Chairman of the Board of Directors in the preparation of the Board of Directors' meeting agenda, ensuring the proper presentation of the matters included therein.
4. Make relevant material available to the Board Members to be discussed at the respective meetings. Provided that such material has been supplied with sufficient notice, the Secretary shall send the material related to the respective meeting to the members of the Board of Directors within five calendar days prior to each meeting.
5. Verify that a deliberating and decision-making quorum is present at each meeting.
6. Prepare the minutes of the Board of Directors meetings, which shall be submitted to the consideration and approval of said body for their incorporation in the minute book after having verified that such minutes duly reflect the course of the meetings.
7. Attest to the resolutions and decisions made by the Board of Directors.
8. Duly keep the documentation received in the performance of his/her duties and ensure compliance with the formal legality of the actions of the Board of Directors by making sure that these actions are in accordance with the provisions of the Bylaws, these Rules and other Bank's corporate governance documents.
9. Any other duties established by the law, the Bylaws, these Rules of Procedure and other Bank's Corporate Governance documents.

In the absence of the Secretary General of the Bank, the Board of Directors may appoint an ad hoc secretary.

#### **ARTICLE 8 - REGIME OF CONDUCT, INABILITIES AND INCOMPATIBILITIES:**

The Members of the Board of Directors shall be subject to the Regime of Conduct, Inabilities and Incompatibilities set forth in Decree 663 of 1993 and other modifying or amending regulations.

The Directors shall inform the Board of Directors of any direct or indirect relationships they may have among themselves or with the Bank, suppliers, clients or any interest group from which conflicts of interest may arise or which may influence their opinion or vote.

The members of the Board of Directors shall disclose any conflicts of interest in which they may be involved and refrain from participating in discussions and decisions related to such matters.

#### **ARTICLE 9 – DUTIES:**

The Board of Directors shall be responsible for the following duties:

1. Develop the Bank's general policy, plans and programs, control the general functioning of the organization and check compliance with corporate policies.
2. Design the Bank's main policies for General Administration and enforce their compliance.
3. Approve the Bank's administrative structure at the Vice Presidency and internal, external or mixed Committees levels, as deemed convenient, pursuant to the proposals made by the Bank Chairman.
4. Appoint and remove the Bank Chairman, Vice Presidents, Secretary General, Compliance, Security and Risk Officer and his/her Alternate, and establish their remuneration.
5. Appoint and remove the Bank's Comptroller, as well as determine their duties in accordance with the recommendations and proposals made by the Board of Directors' Audit Committee in this regard. 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.
6. Establish special, permanent or temporary Committees to advise the Bank Chairman and grant approval and authorization for actions that by their nature or amount are within the competence of the Board of Directors.
7. Submit the accounts, inventory and Year-End Balance Sheet along with the corresponding Profit and Loss Statement and the Profit-Sharing Plan to the General Shareholders' Meeting at the ordinary meeting.
8. Submit to the General Shareholders' Meeting at its ordinary meeting in association with the Chairman of the Bank, the Balance Sheet for the fiscal year accompanied by the documents referred to in Article 446 of the Code of Commerce and the report on the Bank's performance and any reforms, innovations and expansions deemed convenient for the better development of the corporate purpose. This report may be the same as that of the Chairman of the Bank if the Board of Directors decides to accept and adhere to it or a different or complementary one.
9. Propose any statutory reforms deemed appropriate to the General Shareholders' Meeting.
10. Evaluate whether it is convenient to include one or more items in the agenda of the ordinary meeting of the General Shareholders' Meeting, which shall be requested within five calendar 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, the item may be included in the agenda of the Meeting, for which purpose the Financial Superintendence shall be informed and a supplement to the agenda shall be published on the Bank's website at least fifteen calendar days prior to the meeting. Should the request not be approved, the Board of Directors shall give written reasons for its rejection.

11. Set regulations for the Bank's internal organization and operation.
12. Approve the creation or suppression of any bank branches in the country and abroad in compliance with all legal requirements.
13. Authorize domestic or foreign loans and bond issuance and approve the issuance and placement regulations and their respective prospectus, all in accordance with the legal provisions in force.
14. Comply with and enforce compliance with the decisions of the General Shareholders' Meeting and its own decisions and serve as a permanent advisory body to the Chairman of the Bank.
15. Delegate those duties required for the proper operation of the Bank and which, by their nature, may be delegated to the Bank Chairman.
16. Authorize the Bank Chairman in general terms, determine the amount of the acts, contracts and transactions that the latter shall be entitled to perform without prior consultation with the Board of Directors and empower him to permanently or temporarily delegate the duties established by the Board of Directors to one or more of the Bank's officers or employees.
17. Authorize the Bank Chairman to dispose of real estate and encumber the Bank's assets up to the amounts set by the Board of Directors.
18. Decide whether disputes with individuals other than Shareholders arising in the course of business shall be submitted to arbitration or settled and authorize the Bank Chairman to enter into such acts and contracts.
19. Review, approve and regularly follow up on the Bank's strategic plan, business plan, management objectives and annual budget.
20. Authorize the Bank's capital investments made in the entities authorized by law within the limits established.
21. Examine, when deemed appropriate, the Bank's accounting books, documents and cash, either by itself or through a committee of its own.
22. Establish its own rules of procedure.
23. Decide on vacations and leaves of the Bank Chairman.
24. Grant foreign commissions to Directors and other Bank employees.
25. Regulate share issuance and placement in accordance with the decisions made at the General Shareholders' Meeting.
26. Construe and resolve upon the applicability of the statutory provisions in case of any doubt, prior consultation with the Financial Superintendence, as the case may be, which shall be reported at the following General Shareholders' Meeting.

27. Implement specific measures for corporate governance, conduct and information so as to ensure compliance with the rights of those who invest in the Bank's shares or securities, as well as for the proper administration of corporate affairs and public knowledge of its management.
28. Ensure due compliance with the rights of all Shareholders and Investors in accordance with the rules established by the market regulatory bodies.
29. Implement specific mechanisms aimed at preventing, managing and disclosing conflicts of interest that may arise between Shareholders, Directors, Managers, Controlling Shareholders and Minority Shareholders.
30. Update or modify the Code of Good Governance, which shall contain the rules, policies and mechanisms required by law, rules of procedure, the General Shareholders' Meeting, the Board of Directors, the Bylaws and, in general, the best practices of Good Corporate Governance.
31. Study and approve policies on the Internal Control System related to human, financial and accounting resources, information and communication, as well as evaluations and self-assessments of internal control. Likewise, after review by the Audit Committee, study and approve the Code of Ethics and Conduct, policy for generating and submitting reports on the Internal Control System, information security policy, strategic technology plan, and the Audit Statute.
32. Authorize or not specialized audits requested by a number of Shareholders or Investors representing at least five percent of the subscribed capital. Costs and responsibility for such audits shall be borne by those Shareholders or Investors who have requested them.
33. Authorize donations to be made by the Bank, acting within the authorizations granted for such purpose by the General Shareholders' Meeting.
34. Approve the procedure for regulating the relationship between Shareholders, the Bank, the Board of Directors and Senior Management. The office responsible for attending Shareholders shall be entrusted to address any needs and requirements made by Shareholders in a timely manner through the channels established by the Bank.
35. Prepare a report to the Shareholders' Meeting whenever operations to be implemented in the Bank may result in capital dilution.
36. The Bank 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.
37. Ensure the existence of an appropriate internal control system and monitor its operation, consistent with the risk management in force, which allows the achievement of strategic objectives, as well as the identification and evaluation of any changes that may occur a significant impact on the Bank's internal control, and the definition of actions that correspond as a result of the evaluations carried out. 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 audits requested by the Corporate Comptroller's Office or performed by independent audit firms to validate compliance with the Internal Control System and all other aspects therein.

38. Present to the General Meeting of Shareholders, at its ordinary meeting, a report regarding the operation and evaluation of the Internal Control System, during the immediately preceding period.
39. Request from Senior Management all the information it deems necessary for the development and performance of its functions.
40. Monitor the Bank's risk management, in accordance with the risk management model approved by the Board of Directors.
41. Address all other responsibilities that the legal regulations and/or the Financial Superintendence and other control bodies may assign to it in a general or particular manner.

**PARAGRAPH:** The Board of Directors may delegate to the Audit Committee the monitoring of the effectiveness and adequacy of the Internal Control System while remaining responsible for it.

#### **ARTICLE 10 – EVALUATION:**

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 any possible participation of external advisors.

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 disapproval.

#### **ARTICLE 11 - BOARD COMMITTEES:**

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.

The Committees shall be entitled to receive support on an ad hoc or permanent basis from Senior Management with experience in the matters within its competence and/or from external advisors when deemed necessary, by virtue of the corporate principle of Expert Advice in accordance with the provisions of the Code of Good Governance, provided that this shall not be construed as a delegation of its responsibilities or those of its members. In such case, it shall determine the functions and scope of each Committee and the scope of the external advisors to be hired.

The Secretaries of the Committees shall submit the minutes of their meetings to the Secretary of the Board of Directors, who shall then submit them to the Board of Directors for consideration.

For the composition of the Committees, the Board of Directors shall take into consideration, among other factors, the profiles, knowledge and professional experience of the Members appointed thereto in relation to the subject matter of each Committee.

The Board of Directors will establish the rules on the formation and operation of its support committees, through internal operating regulations approved by the Board of Directors.

## **ARTICLE 12 - 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 and shall treat all Shareholders equally and fairly in their decisions.
2. They shall independently perform their duties in good faith 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 perform their duties objectively and independently.
6. 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.
7. They shall avoid any conflicts of interest with the Bank, informing other Board Members of such conflicts and refraining from voting on matters subject to such conflicts.
8. 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.

**PARAGRAPH:** All information submitted and disclosed to Board Members for developing their activities shall only be used solely to fulfill the purpose for which it was submitted and such information shall be treated as confidential so as to preserve the Bank's interests. Directors shall be strictly confidential with all information received in their capacity as such, regardless of its importance, and shall not disclose it to third parties. Whenever required to make use of such information for any purpose other than that indicated herein, they shall request authorization from the Board of Directors for such purpose.

## **ARTICLE 13 – REMUNERATION:**

The General Shareholders' Meeting shall determine the value of the fees of the members of the Board of Directors for Board and Committee meetings.

#### **ARTICLE 14 - INTERPRETATION OF THE RULES OF PROCEDURE:**

These Rules are supplementary to the provisions of the Bylaws, the Code of Good Governance and other Corporate Governance documents of the Bank related to the operation of the Board of Directors and other legal provisions governing the Board of Directors that are applicable to the Bank.

The Board of Directors is responsible for resolving any doubts or differences arising from the application or interpretation of these Rules, in accordance with the principles and recommendations on corporate governance matters adopted by the Bank.

#### **ARTICLE 15 - APPROVAL, EFFECTIVENESS AND DISCLOSURE OF THE RULES OF PROCEDURE:**

These Internal Rules of Procedure of the Board of Directors and any subsequent amendments shall be approved by this body and shall come into effect as of their approval.

The disclosure of these Rules shall be made through the Bank's website so that Shareholders, Investors, Employees and, in general, the Bank's Stakeholders may obtain information about them.