

## INDEX

<b>1. GENERAL ASPECTS</b>	<b>4</b>
1.1 DISCLOSURE	4
<b>2. POLICIES</b>	<b>4</b>
<b>3. REQUIREMENTS FOR THE GOVERNANCE OF BANCÓLDEX</b>	<b>5</b>
3.1 MECHANISMS FOR THE SELF-EVALUATION OF THE ACTIVITIES OF THE MANAGERS, SENIOR EXECUTIVES AND DIRECTORS	5
<b>3.1.1 MECHANISMS ADOPTED BY BANCÓLDEX</b>	<b>5</b>
3.1.1.1 Board of Directors	6
3.1.1.2 Audit Committee	6
3.1.1.3 Statutory auditing	7
3.1.1.4 External	assessment
3.1.2 Responsibilities of directors and managers (regulated by the Board of Directors)	7
3.2 PREVENTION, MANAGEMENT AND DISCLOSURE OF CONFLICTS OF INTEREST	8
3.2.1 Prevention, management and disclosure of conflicts of interest between shareholders and managers, directors and employees of the Bank	9
3.2.2 Prevention, management and disclosure of conflicts of interest between majority and minority shareholders	9
3.2.3 Responsibilities of the directors and managers (regulated by the Board of Directors)	10
3.2.3.1 Infractions by managers, directors and investors	11
3.3 IDENTIFICATION AND DISCLOSURE OF THE BANK'S PRINCIPAL RISKS	11
3.4 ELECTION OF THE STATUTORY AUDITOR BY THE GENERAL ASSEMBLY OF SHAREHOLDERS	12
3.5 PUBLISHING OF THE RELEVANT FINDINGS MADE BY THE STATUTORY AUDITOR	12
3.6 SPECIALIZED AUDITS OF THE BANK	13
3.7 IMPLEMENTATION OF SUITABLE INTERNAL CONTROL SYSTEMS	13
<b>3.7.1 Specialized Audits (regulated by the Board of Directors)</b>	<b>14</b>
3.8 CONVENING THE GENERAL ASSEMBLY OF SHAREHOLDERS	14

3.9	FAIR TREATMENT OF ALL SHAREHOLDERS AND OTHER INVESTORS	15
3.10	COMPLAINTS OF SHAREHOLDERS AND OTHER INVESTORS	15
<b>4.</b>	<b>REQUIREMENTS FOR THE DISCLOSURE OF THE BANK'S GOVERNANCE MECHANISMS</b>	<b>16</b>
4.1	CRITERIA AND PROCEDURES FOR THE SELECTION, COMPOSITION, FUNCTIONS, RESPONSIBILITIES AND INDEPENDENCE OF THE BOARD OF DIRECTORS	16
4.1.1	<b>Criteria, selection procedures, composition and independence of the Board of Directors of Bancóldex</b>	16
4.1.2	<b>Functions and responsibilities of the Board of Directors</b>	17
4.1.3	<b>Remuneration policy for members of the Board of Directors</b>	20
4.2	CRITERIA AND PROCEDURES FOR THE APPOINTMENT AND RESPONSIBILITIES OF THE LEGAL REPRESENTATIVES AND SENIOR EXECUTIVES	20
4.2.1	<b>Criteria and procedure for the selection of Directors</b>	20
4.2.2	<b>Responsibility of the legal representatives</b>	21
4.2.2.1	<b>President</b>	21
4.2.2.2	<b>Commercial Vice President</b>	21
4.2.2.3	<b>Financial Vice President</b>	21
4.2.2.4	<b>Operations Vice President</b>	21
4.2.2.5	<b>Administrative Vice President</b>	21
4.2.3	<b>Responsibilities of other senior executives</b>	22
4.2.3.1	<b>Comptroller</b>	22
4.2.3.2	<b>General Secretary</b>	22
4.2.3.3	<b>Planning and Risk Manager</b>	22
4.3	PRINCIPAL REAL OWNERS OF THE SHARES THAT MAKE UP THE COMPANY	23
4.4	CRITERIA APPLICABLE TO THE ECONOMIC RELATIONS BETWEEN THE BANK AND ITS MAJORITY SHAREHOLDERS	23
4.5	CRITERIA APPLICABLE TO THE TRADES THAT THE DIRECTORS, ADMINISTRATORS AND EMPLOYEES MAKE WITH THE SHARES AND OTHER STOCK ISSUED BY THE BANK	24
4.6	CRITERIA FOR SELECTING THE PRINCIPAL SUPPLIERS OF THE BANK'S SUPPLIES OR RAW MATERIALS	24
4.6.1	<b>Policies for hiring</b>	24
4.6.1.1	<b>Policies for procuring goods and services</b>	25
4.6.1.2	<b>Policies for fund providers</b>	25
4.7	CRITERIA FOR THE OBJECTIVE SELECTION, RENUMERATION AND INDEPENDENCE OF THE BANK'S STATUTORY AUDITOR	26

**GOOD GOVERNANCE CODE**

- 4.8 CRITERIA, POLICIES AND PROCEDURES APPLICABLE TO THE TRANSPARENCY OF THE INFORMATION GIVEN TO SHAREHOLDERS, OTHER INVESTORS, THE MARKET AND THE PUBLIC IN GENERAL \_\_\_\_\_26
- 4.9 INTERNAL STANDARDS ON ETHICS, SANCTIONS AND CONFLICT RESOLUTION \_\_\_\_\_27
- 4.10 PROGRAMS TO DISSEMINATE THE RIGHTS AND RESPONSIBILITIES OF SHAREHOLDERS AND OTHER INVESTORS \_\_\_\_\_27

## 1. GENERAL ASPECTS

Taking into consideration Resolution No. 0275 (May 23, 2001), issued by the Superintendence of Securities (now known as the Financial Superintendence), this Good Governance Code considers the specific measures to be taken by the Bank in terms of its governance, conduct and communication, with the aim of not only guaranteeing respect for the rights of the investors in Bancóldex that are mentioned in the legal and regulatory standards, but also ensuring the suitable administration of its affairs and public awareness of its management.

This code establishes the requirements so that pension funds invest their resources in the securities that Bancóldex issues.

### 1.1 Disclosure

The Bank's Good Governance Code will be permanently available to investors.

Bancóldex will announce, in a national newspaper, the adoption of the Good Governance Code and any amendment, change or addition to it, and will, during the first five (5) days of each month, indicate to the public how they can read it.

## 2. POLICIES

- Bancóldex will keep a duly updated copy of the Good Governance Code in the General Secretariat of the Bank so that shareholders and investors can consult it.
- All employees of Bancóldex will know the content of the Good Governance Code and how it should be applied.
- Each department will be responsible for reporting any modification that they make to the information that should be published from this Code to the Office of the Comptroller of the Bank, as well as any information that requires the content to be modified, so that it can be correspondingly updated.

### 3. REQUIREMENTS FOR THE GOVERNANCE OF BANCÓLDEX

Bancóldex, with the intention that pension funds invest in the securities it issues, has adopted the following mechanisms in its statutes. These mechanisms are necessary to ensure respect for the rights of the investors in Bancóldex that are indicated in the legal and regulatory standards:

#### 3.1 Mechanisms for the self-evaluation of the activities of the administrators, senior executives and directors

- The Board of Directors, prior to the meeting of the Ordinary General Assembly of Shareholders of the Bank, will evaluate the President's yearly report and will determine the result of the management
- The Board of Directors may adopt the annual report made by the President in order to present it during the Ordinary General Assembly of Shareholders
- The Board of Directors shall establish mechanisms to self-evaluate their own management, as well as evaluating the management and senior executives, in accordance with the vision, mission and objectives of the Bank
- The Board of Directors shall consider the reports made by the Statutory Auditor which evaluate the management of the Company
- The management of the Bank will design the way to evaluate the management of each of the internal departments
- The Statutory Auditor shall include, as part of his judgement, a reference to the adaptation of the work of the managers to the statutes and to the orders or instructions of the General Assembly of Shareholders

#### 3.1.1 Mechanisms adopted by Bancóldex

The Foreign Trade Bank of Colombia (Bancóldex) has the following mechanisms for the evaluation and control of the activities of the managers, senior executives and directors:

### **3.1.1.1 Board of Directors**

This is the body charged with communicating the general instructions on how the Bank should be managed and ensuring its decisions and those which come from the General Assembly of Shareholders are properly complied with, adopting the necessary measures that allow it to evaluate the activities of the managers and other executives.

The Board of Directors, prior to the meeting of the Ordinary General Assembly of Shareholders of the Bank, will evaluate the President's yearly report and will determine the result of the management.

The Board of Directors may adopt the annual report made by the President in order to present it during the Ordinary General Assembly of Shareholders.

The Board of Directors shall establish mechanisms to self-evaluate their own management and evaluate the management and senior executives, in accordance with the vision, mission and objectives of the Bank.

The Board of Directors shall consider the reports made by the Statutory Auditor which evaluate the management of the Company.

### **3.1.1.2 Audit Committee**

The Bancóldex audit committee supports the Board of Directors in the supervision of the internal control system, seeking to properly carry out the corporate purpose.

The committee supervises the Bank's internal control structure, in order to be able to establish if the planned procedures reasonably protect the assets of the company and if there are controls to verify that the transactions are being suitably authorized and registered.

Likewise, it safeguards the transparency of the financial information of the Bank and ensures it will be disclosed suitably.

The fruits of this labor are presented to the General Assembly of Shareholders at the end of the financial year.

### **3.1.1.3 Statutory Auditing**

The General Assembly of Shareholders elects a Statutory Auditor and an alternate for a period of two (2) years. The Statutory Auditor can be re-elected indefinitely and may be removed at any time.

Statutory auditing fulfills the functions that have been statutorily and legally assigned to it in accordance with the standards set out in the Second Book, Section I, Chapter VIII of the Code of Commerce.

The auditing is structured to give confidence that the management is subject to legal and statutory standards, and that they will behave correctly to ensure the accuracy of the financial statements.

### **3.1.1.4 External Assessment**

When Bancóldex contracts the services of external assessment companies, the opinions issued about the financial situation of the Bank will be specially considered by the Board of Directors as part of the evaluation of the activities of its managers, senior executives and directors.

### **3.1.2 Responsibilities of the directors and managers (regulated by the Board of Directors)**

1. The members of the Board of Directors and those who act as legal representatives of the Bank and who, as part of their job description, take decisions will, regarding these decisions, be subject to the obligations that the law attributes to managers and will respond as such to the Bank, its shareholders, the other investors indicated in the legal and regulatory standards, and third parties.
2. The managers of the bank must work not only within the framework of the Law, but also under the principle of good faith and in the interest of the company, with the exception of the following actions:

**GOOD GOVERNANCE CODE**

- a) Grant, in contravention to legal provisions, credits or discounts to shareholders or persons related to them, in conditions that may put at risk the solvency or liquidity of the Bank.
  - b) Illegally concentrate credit in such a way that non-compliance of a debtor or a group of inter-related debtors puts the solvency or liquidity of the Bank at risk.
  - c) Use or facilitate private savings resources for operations aimed at acquiring control of other companies for speculative reasons or in conditions that are substantially different to normal market conditions.
  - d) Invest sums in other companies that are not authorized by the law and which enable the control of their operations.
  - e) Enable or encourage any practice whose primary effect is to enable tax evasion
  - f) Refuse to give information that, according to legal and regulatory standards, the public should have access to in order to clearly understand the likelihood that the Bank will meet its commitments.
  - g) Break any of the legal standards for limits on investments, concentrations of risks and credits, and security in the management of the business.
3. The Board of Directors will evaluate the administration of the management and the senior executives, through reports that they will present the management and vice presidents of the Bank every week, following the parameters defined by the Internal Comptroller's Office. These reports shall contain a detailed summary of the function, operations and management carried out in each department and the results obtained in each financial period
  4. The Board of Directors will analyze and weigh up the actions carried out by the managers and directors, in accordance with the performance of each department and will submit a report, which will be presented to the General Assembly of Shareholders together with the President's annual report, thereby determining the result of the management.

***Additional Note:*** The weighting system that will be used will be subject to the Bank's vision, mission and objectives.

### **3.2 Prevention, management and disclosure of conflicts of interest**



In accordance with **ARTICLE 50** – Functions: The following are responsibilities of the Board of Directors:

“... 21. Regulate the concrete mechanisms that prevent, manage and disclose the conflicts of interest that may occur between shareholders and directors, managers or senior executives, and between majority and minority shareholders”.

### **3.2.1 Prevention, management and disclosure of conflicts of interest between shareholders and managers, directors and employees of the Bank**

- The management of Bancóldex will avoid all circumstances that generate conflicts of interest between shareholders and managers, directors and employees of the Bank.
- Managers may not, themselves or through an intermediary, dispose or acquire shares in the Bank while they are working for the Bank, except in the case of transactions that are not speculative and with the authorization of the Board of Directors. This shall be granted by the favorable vote of two thirds of its members excluding the person wishing to make the transaction, or by the general assembly by the favorable vote of the ordinary majority as set out by the statutes, excluding the person wishing to make the transaction. Likewise, managers and directors may not carry out actions different to their own while they are working for the Bank, except in cases of legal representation.
- Bancóldex may not make any active credit operations with any natural or legal person who comes to acquire or possess a stake equal to or greater than ten per cent (10%) of its equity. This prohibition will continue for a period of one (1) year from the date on which the stake is acquired.
- The management of Bancóldex shall ensure that when granting credit to shareholders, the individual credit limits set out in the legal provisions are complied with.
- When a situation that generates conflicts of interest between shareholders and managers, directors and employees of the Bank arises, the Board of Directors will evaluate it and, if appropriate, will ask the legal representative to call a meeting of the General Assembly of Shareholders within the following calendar month so that

the case can be settled by the highest corporate body. In any case, the mechanisms set out in the Statutes of the Bank will be accepted as mechanisms for conflict resolution.

- The management shall ensure that the manuals which explain the procedures for the prevention, management and disclosure of conflicts of interest are circulated to shareholders.

### **3.2.2 Prevention, management and disclosure of conflicts of interest between majority and minority shareholders:**

- The management of Bancóldex will avoid all circumstances that generate conflicts of interest between majority and minority shareholders.
- The management will aim to guarantee the right of all shareholders to inspect the books and other documents indicated in the legal provisions during the periods set out there.
- When a situation that generates conflicts of interest between majority and minority shareholders arises, the Board of Directors will evaluate it and, if appropriate, will ask the legal representative to call a meeting of the General Assembly of Shareholders within the following calendar month so that the case can be settled by the highest corporate body. In any case, the mechanisms set out in the Statutes of the Bank will be accepted as mechanisms for conflict resolution.

When conflicts that arise as a result of decisions made by the General Assembly of Shareholders, the decisions must be scrutinized by the majority and minority shareholders whenever they have been taken in compliance with legal requirements.

### **3.2.3 Responsibilities of the directors and managers (regulated by the Board of Directors)**

1. The Bank's management, as well as its managers, must avoid all circumstances that can generate conflicts of interest between shareholders and directors, managers or senior employees and between majority and

minority shareholders.

2. The Board of Directors will ensure that the legal provisions that are issued to regulate the prevention and disclosure of conflicts of interest are strictly observed.
3. The Board of Directors will be the authority responsible for determining the existence of conflicts of interest, managing them as indicated in the legal provisions and their sound judgement, and disclosing them when appropriate.

### **3.2.3.1 Infractions by managers, directors and investors**

The following will be considered infractions if committed by managers, directors and investors:

1. Failure to comply with insider information rules, or misusing or disclosing information that is subject to secrecy.
2. Failure to comply with the provisions on conflicts of interest and other responsibilities imposed by the Bank, including the professional duties of those providing services in matters deemed relevant to Bancóldex, or failure to comply with their duties or obligations to the market, shareholders or the investors mentioned in the legal and regulatory standards, especially the duties and obligations towards minority shareholders, or those to whom they bestow responsibilities, or those who manage securities or collective portfolios in their name.
3. Not disclosing truthfully, timely, completely, sufficiently and diligently any information that could affect the decisions of the shareholders in the respective assembly, or that due to its importance could affect the placing of securities, their price on the market or the decision of the investors named in the legal and regulatory standards to sell or buy these securities, or not to do so.

### 3.3 Identification and disclosure of the Bank's principal risks

In compliance with **ARTICLE 50 – Functions**: The following are responsibilities of the Board of Directors:

“[...] 5. Present to the General Assembly for their approval the end of year balances with their respective annexes, as well as the reports and other documents required by law. Likewise, at the same time, the Board will identify and disclose the principle risks of the company to the shareholders and other investors mentioned in the legal and regulatory standards”.

### 3.4 Election of the statutory auditor by the General Assembly of Shareholders

In accordance with **ARTICLE 57 – Statutory Auditor**: “[...] The Company will have a Statutory Auditor and an alternate for a period of two (2) years. They can be re-elected indefinitely and may be removed at any time.

**Additional Note.** The management of the Company will make available to the General Assembly of Shareholders at least three (3) proposals from accountancy firms or accountants specialized in statutory auditing. The accountants or firms must have proven experience in other organizations in the finance sector and must not be the subject of any sanction from the control and oversight agencies, or from the Central Board of Accountants. These offers must include the scope of the accounting management, its costs and methodology”.

### 3.5 Publishing of the relevant findings made by the Statutory Auditor

In accordance with **ARTICLE 59 - Functions**: “[...] The following are responsibilities of the Statutory Auditor:

**Additional Note.** The management of the Company will ensure that the reports of the Statutory Auditor that contain relevant findings are available to the investors mentioned in the legal and regulatory standards”.

Furthermore, in accordance with **ARTICLE 68 – Inspection of books by shareholders**

and other documents by investors:

“[...] The investors mentioned in the legal and regulatory standards will be able to read the reports issued by the Statutory Auditor that contain relevant findings about the Company, as well as the minutes of the Audit Committee of the Board of Directors in the sections related to the internal control system.

### 3.6 Specialized audits of the Bank

In accordance with the Additional Note of **ARTICLE 68**:

“[...] The shareholders and other investors mentioned in the legal and regulatory standards will be able to organize, at their own cost and under their responsibility, specialized audits of the Company, contracting for this purpose renowned companies with experience in other organizations in the finance sector. These audits can only be related to specific issues, cannot be related to issues that involve commercial or banking secrecy, and the Company, the auditors and the interested shareholder or investor must sign confidentiality agreements prior to the audit, under the terms established by the Board of Directors”.

### 3.7 Implementation of suitable internal control systems

According to **ARTICLE 68** – Inspection of books by shareholders and other documents by the investors mentioned in the legal and regulatory standards:

“[...] The Board of Directors will establish mechanisms that guarantee the investors mentioned in the legal and regulatory standards access to the documents which publish the relevant findings, monitor the internal control of the Company and ensure the implementation of adequate internal control systems.

The Board of Directors added the following clause as one of the functions of the Audit Committee, whose regulations were adopted on 03 March, 1998 (Act no. 93):

“10. Make available to shareholders and other investors mentioned in the legal and regulatory standards the sections that are relevant to them, contain the relevant findings

and are related to compliance with the Internal Control System.”

### **3.7.1 Specialized Audits (regulated by the Board of Directors)**

1. The shareholders and investors mentioned in the legal and regulatory standards will have access to the documents which report the relevant findings that affect the internal control system.
2. The shareholders and investors mentioned in the legal and regulatory standards may only exercise their right to inspect Bancóldex’s books and papers in offices of the management in the Company’s head office. In no case shall this right be extended to documents that are the subject of commercial or banking secrecy.

Any disputes arising from the right to inspection will be resolved by the relevant inspection, oversight or control agency, which in the case of Bancóldex will be the Banking Superintendency (now known as the Financial Superintendency).

3. No copies will be issued of documents that are not of a public nature.
4. Procedure:
  - The shareholders and investors mentioned in the legal and regulatory standards of pension funds will have access to this information if they have made a written request addressed to the General Secretary of the Bank (Investor Relations Office) at least five (5) working days previously. They may consult this information in the Office of the Bank’s General Secretary during public opening hours.
  - Signing of a confidentiality agreement under the conditions established by Bancóldex.

### **3.8 Convening the General Assembly of Shareholders**

In compliance with **ARTICLE 38** – Types of meetings:

“[...] Meetings of the General Assembly of Shareholders may be ordinary or extraordinary. Ordinary meetings will be held within the first three (3) months of each year at the Company’s head office. The day, time and place will be indicated in the call to meeting. Extraordinary meetings will be convened by the Board of Directors, the legal representative of the Company or the Statutory Auditor. Additionally, any of the above bodies must call the Assembly of Shareholders to extraordinary meetings when this is requested by a number of shareholders who together represent at least a quarter of the share capital. Nevertheless, the Assembly can meet without prior invitation and at any location when all the share capital is represented.

**1<sup>st</sup> ADDITIONAL NOTE.** If the ordinary Assembly is not convened opportunely, it will meet in its own right on the first working day of April at 10.00 am in the office of the head office in which the management of the Company works.

**2<sup>nd</sup> ADDITIONAL NOTE.** In cases anticipated by law, the Banking Superintendency can also order the Assembly to be convened. The legal representative of the company may convene the Assembly if he/she receives an express request from minority shareholders which, in his/her judgement, justifies the need for said meeting.

### 3.9 Fair treatment of all shareholders and other investors

In accordance with **ARTICLE 10** – Rights of shareholders and investors:

“[...] Shares grant their holders all rights inherent to the title of shareholder in accordance with the law and these statutes.

The Company will ensure that shareholders and investors mentioned in the legal and regulatory standards receive fair treatment, in accordance with their nature and the terms established by law.”

### 3.10 Complaints of shareholders and other investors

In accordance with **ARTICLE 50** - Functions: The following are responsibilities of the Board of Directors:

“[...] 22. Know of the complaints of the shareholders and other investors mentioned in the legal and regulatory standards that relate to compliance with the provisions of the Good Governance Code.”

#### **4. Requirements for the disclosure of the Bank’s governance mechanisms**

Bancóldex, as an organization that expects pension funds to invest in the securities it issues, will inform the market of the following aspects of its governance practices:

##### **4.1 Criteria and selection procedures, composition, functions, responsibilities and independence of the Board of Directors**

##### **4.1.1 Criteria, selection procedures, composition and independence of the Board of Directors of Bancóldex**

In accordance with **ARTICLE 46** of the Statutes of the Bank – Confirmation: [...] The Board of Directors will be constituted as follows:

- a) The Minister of Foreign Trade and an alternate indicated by him/her, assuming that the Nation - Ministry of Foreign Trade - has registered contributions in the equity of the Company;
- b) The Minister of Finance and Public Credit and an alternate indicated by him/her, assuming the Nation - Ministry of Finance and Public Credit - has registered contributions in the equity of the Company;
- c) The legal representative of the trust, which is referred to in article 283 of Decree 663 (1993), with an alternate indicated by him/her, assuming the trust fund has registered contributions not lower than fifteen percent (15 %) of the ordinary shares subscribed to the Company. When this contribution is less than the indicated amount, this member of the Board of Directors will be appointed by the General Assembly of Shareholders;



**GOOD GOVERNANCE CODE**

- d) A representative of the private sector, with an alternate indicated by him/her, appointed by the President of the Republic;
- e) A representative of the private sector, with an alternate indicated by him/her, chosen by the association of exporters who are registered as such with the Ministry of Foreign Trade.

**ADDITIONAL NOTE 1.** When the stake of private individual shareholders is over five percent (5%) of the shares subscribed but doesn't exceed twenty-five percent (25%), the member of the Board and alternate referred to in section d) of this article will be chosen by the Assembly, by absolute majority, whenever this majority includes the same proportion of the shares belonging to private individuals.

**ADDITIONAL NOTE 2.** When the stake of private individual shareholders is over twenty-five percent (25%) of the shares subscribed, the members of the Board referred to in sections d) and e) of this article will be chosen by the Assembly.”

#### **4.1.2 Functions and responsibilities of the Board of Directors**

In accordance with **ARTICLE 50**: The following are functions of the Board of Directors:

1. Comply and enforce their decisions and those of the General Assembly of Shareholders, and communicate instructions, guidelines and orders as may be necessary;
2. Appoint the President and Vice Presidents, setting their remuneration, and remove them freely; and appoint the employees who will be expressly deemed to be legal representatives. Likewise, appoint alternates for the President during his/her temporary or accidental absences;
3. Approve the plan of activities and the Company's budget, and the relevant criteria that will be evaluated;
4. Adopt the Company's credit policies and delegate their administration; approve the rediscount policies for the financial institutions supervised by the Banking Superintendence (now known as the Financial Superintendence);

**GOOD GOVERNANCE CODE**

5. Submit the end of year balance sheets with their respective annexes for consideration and approval by the General Assembly, as well as the reports and other documents required by law. Likewise, and at the same time, the Board will identify and disclose the principal risks of the company to the shareholders and other investors;
6. Approve the profit distribution project drawn up by the President of the Company that is to be presented to the General Assembly;
7. Draw up the rules for subscription of shares held in reserve, in accordance with the provisions of these statutes;
8. Regulate the placing of bonds based on what, in accordance with the law, the Assembly determines;
9. Authorize the establishment of affiliates and subsidiaries to carry out activities included in the Company's corporate purpose, as well as acquiring and disposing of shares and rights in these companies:
10. Assign legal representation of the Company to the employees that are expressly appointed;
11. Designate the distribution of responsibilities of the different management bodies of the Company for the execution of contracts and the implementation of acts corresponding to the ordinary course of business;
12. Approve an organizational chart of the Company which includes the executive level and the staff remuneration policy;
13. Delegate, to the President or any of the Vice Presidents, the functions that are not specifically assigned to them by law;
14. Authorize the opening of branches or agencies in or outside the country, subject to approval from the Banking Superintendence (now known as the Financial Superintendence);

**GOOD GOVERNANCE CODE**

15. Establish the temporary or permanent committees that it deems appropriate, with the participation of its members and employees of the company;
16. To interpret these statutes in consultation with the Banking Superintendence (now known as the Financial Superintendence) whenever they are doubtful;
17. To summon the Assembly to its regular meeting, when the legal representative does not do so in a timely manner, or to extraordinary meetings, whenever they deem it appropriate;
18. To examine, when they consider it appropriate, the books, documents and goods in the possession of the Company, without prejudice to the the powers of the Statutory Auditor;
19. To dictate and reform their own regulations, as well as establishing mechanisms for their self-evaluation;
20. To serve as an advisory body to the President of the company;
21. To regulate the concrete mechanisms for the prevention, management and disclosure of conflicts of interest that may arise between shareholders and directors, managers or senior employees, and between majority and minority shareholders;
22. To know of the complaints of the shareholders and other investors mentioned in the laws and regulations, in relation to compliance with the provisions of the good governance code;
23. To make the decisions that do not correspond to the Assembly or another body of the Company.

**FIRST ADDITIONAL NOTE.** The Board of Directors is a collegial body and, as such, none of its members may jeopardize the Company when they act as a private individual.

**SECOND ADDITIONAL NOTE.** The Board of Directors will adopt the following mechanisms for the self-evaluation of the activities of the managers, senior executives and directors:

- Prior to the meeting of the Ordinary General Assembly of Shareholders of the Bank, the Board of Directors will evaluate the President's annual report and determine the outcome of the management
- The Board of Directors may adopt the President's annual report in order to present it together at the Ordinary General Assembly of Shareholders
- The Board of Directors shall establish mechanisms for the self-evaluation of their own management and the evaluation of the management and its senior executives, in accordance with the vision, mission and objectives of the Bank
- The Board of Directors shall study the reports submitted by the Statutory Auditor which evaluate the management of the Organization

#### **4.1.3 Remuneration policies for members of the Board of Directors**

"In accordance with the corporate statutes, the fees of the members of the Board of Directors that they are to be paid for their attendance at the Board meetings are established by the General Assembly of Shareholders. In terms of annual increases, the Bank shall submit the recommendations given on the subject by the Higher Council for Economic and Social Policy (CONPES), for the consideration of the General Assembly of Shareholders".

#### **4.2 Criteria and procedures for the appointment and responsibilities of the legal representatives and senior executives**

##### **4.2.1 Criteria and procedure for the selection of Directors**

Based on the characteristics of the respective director's position, the job description will be drawn up, describing the suitability, education, experience and other skills required in order to carry out the functions of the role.

## **4.2.2 Responsibility of the legal representatives**

### **4.2.2.1 President**

Carry out the decisions of the General Assembly of Shareholders and the Board of Directors; submit reports on the course of business to them, together with the statement of earnings and other indicators related to the character of the Company. The President is also responsible for the general management of the Bank, determining the policies, directives and action plans that the Organization requires for the fulfillment of its corporate purpose.

### **4.2.2.2 Commercial Vice President**

Develop, market and commercialize the Bank's products and services, and design strategies to implement them.

### **4.2.2.3 Financial Vice President**

Design and implement strategies to ensure the permanent availability of credit resources, the correct registry of the Bank's operations and in general any financial decisions that can maximize the profitability of the Bank.

### **4.2.2.4 Operations Vice President**

Deal with the processes that are developed as part of the provision of the Bank's financial and credit services, within the appropriate security, quality and opportunity parameters.

### **4.2.2.5 Administrative Vice President**

Ensure the development of the human resources and efficiency in the management of physical resources.

### **4.2.3 Responsibilities of other senior executives**

#### **4.2.3.1 Comptroller**

Oversee the compliance of the policies, systems and procedures established by the Bank for all departments, as well as the rules of the control and oversight agencies that regulate its activities.

#### **4.2.3.2 General Secretary**

Ensure that Bancóldex complies with the legal framework that governs its actions. The General Secretary also works as a bridge between the Board of Directors and the management, and between management and third parties.

#### **4.2.3.3 Planning and Risk Manager**

Establish the credit risk policies inherent to the placing and generation of the resources of the Bank in National and International settings, as well as encouraging the design and implementation of the plans and strategies that are necessary to achieve the Organization's objectives.

### **4.2.4 Remuneration of senior executives**

The Bank's senior executives receive remuneration that comprises a fixed monthly salary and, if they want, extra-salarial food benefits (Sodexho vouchers) in accordance with the maximum amounts established by law. Furthermore, they have access to various benefits in terms of mortgages and credit.

## **4.3 Principal real owners of the shares that make up the company**

"The detailed information about the Company's shareholders is to be managed by the General Secretary and will be revealed under the terms established by law".

The relevant table is presented below:

### COMPOSITION OF SHAREHOLDERS OF THE FOREIGN TRADE BANK OF COLOMBIA (BANCÓLDEX S.A.)

NAME OF OWNER	Identification	Total Shares	% stake
The Nation – Ministry of Foreign Trade	800.147.564	764,577,946	89.35
The Nation – Ministry of Finance and Public Credit	899.999.090	65,340,026	7.64
Industrial Development Institute	899.999.088	23,340,532	2.73
Private Individuals		2,411,119	0.28
Total shares			100

#### 4.4 Criteria applicable to the economic relations between the Bank and its majority shareholders

The Bank's policy is to not make transactions or operations with shareholders or investors if their conditions are different to those that it generally uses with the public, according to the type of operation, with the exception of those that are made with managers in order to meet their needs for health, education, housing and transport. All of this is based on in the statutes of the Bank and its current regulations.

In the event that any shareholder or investor makes a transaction or operation with the Bank, they must visit the relevant authority in order to notify it of the operation and receive its approval.

The annual management report submitted by the Board of Directors and the President of the Bank to the General Assembly of Shareholders makes an appraisal of the operations made with related parties.

#### **4.5 Criteria applicable to trades that the directors, administrators and employees make with the shares and other stock issued by the Bank**

The policies for the trading of shares by managers and directors abide by articles 184 and 404 of the Code of Commerce. In accordance with these, they cannot, by themselves or through an intermediary, dispose or acquire shares in the Bank while they are working for the Bank, except in the case of transactions that are not speculative and with the authorization of the Board of Directors. This shall be granted by the favorable vote of two thirds of its members excluding the person wishing to make the transaction, or by the general assembly by the favorable vote of the ordinary majority as set out by the statutes, excluding the person wishing to make the transaction. Likewise, managers and directors may not carry out actions different to their own while they are working for the Bank, except in cases of legal representation.

In terms of the policy for the repurchasing of shares by Bancóldex, paragraph b) of Decree 663 (1993) – Organic Statute of the Financial System – establishes that banking establishments may not acquire nor possess their own shares, unless the acquisition was necessary to prevent the loss of debts previously incurred in good faith.

#### **4.6 Criteria for selecting the principal suppliers of the bank's supplies or raw materials**

##### **4.6.1 Policies for hiring**

- Contracts signed by Bancóldex will meet the principles of transparency, economy, responsibility and objective choice, strictly complying with the normative framework that regulates us.
- When contracting goods and services, the Bank will encourage the participation of small and medium Colombian companies, giving priority/preference to the proposals



that meet the conditions of fair price, and the quality and capacity of the supplies and service.

- In order to enter into a contract, the contractor, whether they are a natural or legal person, must prove it has the legal requirements to act as a contractor
- In order to enter into a contract, the choice of the contractor must be objective and the contractor must not only meet the characteristics of suitability, quality and professionalism, but must also possess the facilities and infrastructure required by the Bank in order to satisfy the demands of the contract.
- All the Bank's suppliers must fill out the suppliers form and attach all the requested documents in order to carry out the respective contract or order.

#### **4.6.1.1 Policies for procuring goods and services**

- For consumable assets, agreements will be made with major providers for one or more years, with quarterly deliveries in each of the premises of the Bank
- The Bank will not purchase smuggled goods or from unauthorized suppliers.
- To make purchases and hire services, quality, transparency, trustworthiness, availability and price of the required goods and services should take preference.
- Buying or hiring services should, as far as possible, be the result of a process of comparing offers, or the analysis of a specific supplier, when the circumstances of the requested service recommend as such.

#### **4.6.1.2 Policies for fund providers**

As a credit agency, Bancóldex requires suppliers of financial resources.

The Bank has used correspondent credit lines, the issuance of bonds and the syndicated loan mechanism as means to obtain funding in dollars. To obtain pesos, it has used fixed term deposit certificate (FTDCs) and bonds. However, the Bank's policy is to permanently look for fund-raising instruments that allow it to reduce its funding costs.

The choice of resource suppliers is based on who offers the best financial conditions. The policy is to always use the provider of the cheapest funds and whose financial conditions are best adapted to the needs of the Bank.

The Bank takes special care in choosing its resource suppliers and monitors for possible money laundering.

#### **4.7 Criteria for the objective selection, remuneration and independence of the Bank's Statutory Auditor**

In accordance with **ARTICLE 57** of the Statutes of the Bank - Statutory Auditor: “[...] The Company will have a Statutory Auditor and an alternate, chosen by the General Assembly of Shareholders for a period of two (2) years, who can be re-elected indefinitely and may be removed at any time.

**Additional Note.** The management of the Company will make available to the General Assembly of Shareholders at least three (3) proposals from accountancy firms or accountants specialized in statutory auditing. The accountants or firms must have proven experience in other organizations in the finance sector and must not be the subject of any sanction from the control and oversight agencies, or from the Central Board of Accountants. These offers must include the scope of the accounting management, its costs and methodology”.

“In accordance with the provisions of articles 57 and 60 of the Statutes of the Bank, the Statutory Auditor and his/her alternate will be chosen by the General Assembly of Shareholders, which is the correct corporate body to establish their remuneration. This situation guarantees the independence of the Statutory Auditor from the other management groups”.

#### **4.8 Criteria, policies and procedures applicable to the transparency of the information given to shareholders, other investors, the market and the public in general**

Bancóldex is a financial institution regulated by the Banking Superintendence (now

known as the Financial Superintendence). This control and oversight agency is charged with ensuring the transparency of information. The Bank submits its financial statements to this agency every month.

It is possible to access all the Bank's financial statements through the website of the Banking Superintendence (now known as the Financial Superintendence). Furthermore, the Bank has a policy of keeping all its information available to the public, except that which is the subject of banking and commercial secrecy. This is why Bancóldex publishes information about its comparative financial statements (balance sheets and income statements) at the end of each month, along with the progression of the principal indicators such as assets, liabilities, equity, portfolio in pesos and dollars, reserves, net portfolio, the performance of the portfolio by type of credit, by sector, by term, by type of institution, by expiry, and the intrinsic value of Bancóldex shares on the website [www.bancoldex.com](http://www.bancoldex.com).

The Bank's policy is to maintain the transparency of its information and as such it will continue to offer all the mechanisms at its disposal to better disclose this information.

#### **4.9 Internal standards on ethics, sanctions and conflict resolution**

These standards are addressed in the following Regulations of the Institution:

- Institutional Behavior Code
- Internal Working Regulations

These regulations are annexed and are an integral part of this Good Governance Code.

#### **4.10 Programs to disseminate the rights and responsibilities of shareholders and other investors**

The shareholders and other investors mentioned in the legal and regulatory standards can channel their requirements based on the legal provisions through the Office of the General Secretary of Bancóldex, which will act as the Investor Relations Office. This office will coordinate, with the internal departments of the Bank, the supply/provision of the requested information, under the limits and other parameters established by law.

The liaison person between the investors and the governance bodies of this agency is the General Secretary of the Bank.

## **5. MINIMUM STANDARDS OF INFORMATION**

In all cases, Bancóldex will supply timely, complete and true information about its financial statements and about its corporate and administrative behavior to the market.

### **5.1 Information about the financial and accounting statement**

In compliance with the obligations and responsibilities as a financial intermediary and state body, Bancóldex submits financial and accounting information to the Financial Superintendence, Superior Audit Institution of Colombia and the General Accounting Office of Colombia.

The Bank maintains its policy of making the annual report available to investors mentioned in the legal and regulatory standards and shareholders, once the General Assembly of Shareholders has accepted it.

This report can be read on the Bank's website or in its offices and includes the report of the President and the Board of Directors, which contains analysis of the business and its settings, a reference to the business with related parties, the discoveries of the Audit Committee and an analysis of the Company's risks.

Specialized information such as the valuation of the investments and cash flow projections will be available for consultation by interested parties at the end of each month. They can be requested through the Office of the Bank's General Secretary, the department which has been designated at the liaison office between investors and the Bank.

### **5.2 Complete and exact information about the personal and professional conditions of the members of the Board of Directors and of the internal control bodies**

In accordance with **ARTICLE 45** of these Bank statutes, the information which corresponds to the members of the Board of Directors is managed by the General Secretariat of the Bank and will be revealed under the terms established by Law.

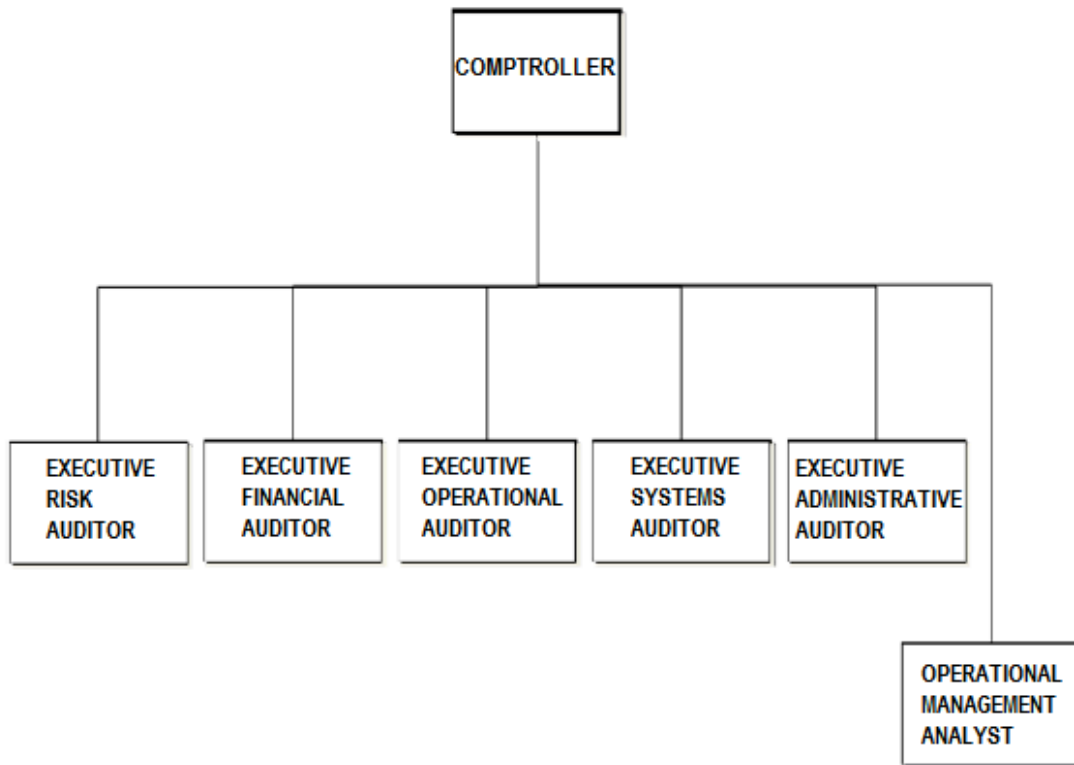
### **5.3 Structure, Operation, Methodology and Procedures for the Internal Comptroller of the Bank**

#### **5.3.1 Structure and Operation**

The operation of the Internal Comptroller in the Bank is a fundamental part of the structure of internal control and therefore has the characteristics indicated below, which along with its structure, operations, nature, objectives, scope and auditing programs are detailed in the Comptroller Manual:

- It depends directly on the Presidency
- It is a centralized function which has a scope for examination and evaluation of all areas, processes and operations of the Bank.
- The structure of the organization has a clear and precise assignment for functions and responsibilities in different levels

Below is the Organizational Structure of the Bank's Internal Comptroller:



Likewise, the Bank Comptroller has the following objectives:

- Seek better security and efficiency in Bank operations.
- Ensure compliance with legal, statutory and regulatory standards.
- Contribute to safeguarding and protection of material and IT assets.
- Monitor the suitable use of human, financial and technical resources
- Evaluate the management and results for the areas.
- Evaluate the Internal Control System established in the Bank.
- Recommend the adoption of agile programs and protection mechanisms which allow the bank to operate with maximum physical security.
- Participate in the implantation of disaster prevention programs, fraudulent actions, violence, theft, etc. and monitor compliance with them.

### **5.3.2 Methodology and Procedures**

For compliance with its objectives and functions, the Bank's Internal Comptroller will apply the following mechanisms for planning, execution and reporting of results:

- An annual plan duly informed to the Presidency and approved by the Audit Committee.
- Periodic tracking of activities carried out by each auditing unit.
- Periodic emission of reports in accordance with findings made.
- Quarterly report to the Presidency and to the Audit Committee, on activities carried out.

The definition and planning of visits and reviews is done with the following methodology in mind, with which the Bank's risk matrix is created and periodically updated along with the auditing programs included in the review procedures:

1. Definition of macro processes
2. Definition of the process activities
3. Determination of risks
4. Identification of controls (mitigating)
5. Establishment of the degree of confidence
6. Classification of risks
7. Qualification of risks
8. Prioritization of processes
9. Creation of the visits and reviews plan

### 5.3.3 Bancóldex Internal Control System Mechanisms

The Bank's internal control system is being integrated from five basic components, which include the C.O.S.O. (Committee of Sponsoring Organizations of Treadway Commission), a focus which was adopted by the Department of Banking (today the Department of Finance) through External Memo 052 (1998).

- Control environment
- Valuation of risks
- Control activities
- Information and communication
- Monitoring

#### ➤ Control Environment

Corresponds to the ethical conduct and administrative integration, resulting from the cooperative culture.

- Existence of assignment of authority and responsibility
- Existence of appropriate information lines and authorization systems
- Existence of personnel policies with respect to recruitment, orientation, training and compensation.

#### ➤ Risk Valuation

##### Of Operations

Refer to the efficiency of the entity, including performance and profitability objectives as well as procedures and resources for safeguarding against loss.

- Financial risk analysis
- Budget control
- Management control and indicators
- Inspection of valuable and moveable assets.
- Security areas
- Analysis of legal risk

##### Of Financial Information

Refer to the preparation of reliable financial statements and information, both for internal and external users.



- Obtaining of base information directly from the integrated financial system.
- Analysis by accounting personnel
- Revision by the Statutory Audit before subscribing

### **Of Compliance**

Related to the issuance of laws and regulatory standards applicable to the bank.

- Initial communication by the legal area of the different regulations issued by regulatory entities
- Tracking by each area of the Bank of the activities to be carried out and completed.

#### ➤ **Control Activities**

Refers to the self-control culture.

Among the most important control activities are:

- High-level revisions (Board of Directors – President)
- Direct functions and administrative activities
- Controls on information systems
- Physical controls
- Performance indicators
- Segregation of functions
  
- Information and Communication

Resources held by Bank personnel to capture and exchange the information necessary in order to carry out, manage and control its activities.

- Integrated financial system
- Management information system
- Database for clients both internal and external
- Creation of financial and economic reports
- Novell network

## ➤ **Monitoring**

Activities carried out to determine effectiveness of internal controls in the ordinary course of operations:

- Crossing of balances with intermediaries by sending maturities every month
- Verification of firms responsible for subscribing operations
- Physical inspections for securities (promissory notes, investments and custodies)
- Conciliations of balances
- Physical asset counts

### **5.4 External Audits Carried out at Bancóldex**

External audits carried out on Bancóldex are attended through the Bank's Internal Comptroller, who acts as a communication channel between the entity that carries out the audit and the different areas of the bank in order to facilitate and centralize the information and coordination of activities required.

Likewise, the Bank's Internal Comptroller informs and updates which type of external audits are carried out at Bancóldex, their frequency, the methodology used and the results for the General Secretary of the Bank to Coordinate its publication within 10 working days of the news being received.

#### **5.4.1 Classes of External Audits at Bancóldex**

##### **5.4.1.1 Statutory Audit**

This is permanent and chosen by the general Shareholders' Assembly as established in Article 57 of the Bank Statutes and the Code of Commerce, in Law 43 (1990) and other current standards which regulate the exercise of the Public Accountant's profession and the function of Statutory Auditing in Colombia.

The methodology depends on who carries out this function, although it is adjusted to the Generally Accepted Accounting Practices and the results are presented in internal control memorandums, in the opinion on the financial statements and in the management report for the Bank which is presented annually to the Shareholders' General Assembly.

#### **5.4.1.2 Department of Banking (today the Department of Finance)**

In accordance with Article 325 of the Organic Statute of the Financial System, the Department of Banking (today the Department of Finance) is responsible for the monitoring and inspection of banking establishments and other entities indicated in part a) of Article 2 of the above Article.

The revisions carried out are continuous on the Financial Statements and through inspection visits programmed by this entity in accordance with established functions in the Organic Statute of the Financial System and other concordant standards, in order to obtain an integral knowledge of the financial system, the management of business or special aspects which require it.

Among the functions of the Department of Banking (today the Department of Finance), that of ruling on the Financial Statements presented by the Bank and imparting authorization for its approval by the Shareholders' General Assembly and subsequent publication stands out.

#### **5.4.1.3 Comptroller General of the Republic**

By the share composition of the Bank, it is subject to revisions and inspections programmed by this entity in order to verify the fairness of the Financial Statements, verify if the economic and efficiency principles in the management of resources assigned for completion of its mission are observed, evaluate the internal control system, the degree of compliance with the standards and regulations applicable to the bank, evaluate the quality, quantity and opportunity of services offered compared to those required by the community.

The audits are carried out in the basis of selective evidence for the information and the documents which support the management of the Bank, the figures or revelations and the presentation of financial statements and compliance with legal provisions.

The Comptroller General of the Republic, regarding the information presented by the Bank for this concept, declares annually under the system known as the conclusion of accounts for the corresponding financial year.

#### **5.4.1.4 Department of Securities (today the Department of Finance)**

An audit related to the function of Bancóldex, as an issuer of the Public Securities Market.

## 6. ARTICLE 9. CENTRALIZED SECURITIES DEPOSITS

The bank has adopted as a policy for management of all operations that the issuance of its securities on the national market (bonds and CDT in legal tender) will be dematerialized. For this reason the bank signed a service provision contract with DEVECAL.

## 7. ANNEXES

7.1 Code of Institutional Behavior (in the possession of every employee at the bank)

7.2 Internal Work Regulations (in the possession of every employee at the bank)

7.3 Regulations for Operation of the Shareholders' Assembly

7.4 Regulations for Functioning of the Board of Directors

7.5 *Rights and Obligations of Shareholders*