

CORPORATE GOVERNANCE CODE

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INTRODUCTION

The Board of Directors of **BANCO FINANDINA S.A.**, (hereinafter the BANK), adopts this Corporate Governance Code (hereinafter the Code), which includes current legal and statutory regulations on the matter.

This Code contemplates specific measures regarding the BANK's government, its conduct and its information, which shall be available to BANK's Shareholders and Investors.

Chapter 1. Competence, definitions and Information

Art. 1 - Competence: The Board of Directors has the competence to incorporate new provisions into this Code, modify or repeal them, as well as to propose amendments to the BANK's Bylaws.

The Board of Directors may delegate to the Management or other authority of the BANK powers pertaining to Corporate Governance, as long as the Bylaws so allow.

The Board of Directors shall inform the shareholders of the relevant changes made to the rules of this Code, through publication on the BANK website.

Art. 2 - Definition of Corporate Governance: Corporate Governance is a system made up of a set of rules and internal bodies through which the BANK's management is directed and controlled. Corporate Governance provides a framework that defines rights and responsibilities, within which the governing bodies interact, including the Board of Directors and legal representatives, the fiscal auditor and the corresponding control bodies. The Corporate Government provides mechanisms that ensure the existence and implementation of elements that allow the balance between the management of each body and the control of said management, through systems of weights and counterweights, in order that the decisions adopted in each instance are carried out with an adequate level of understanding and knowledge and in accordance with the best interest of the BANK, its shareholders and creditors, respecting the rights of financial consumers and other interest groups. ¹

For the purposes of Banco Finandina S.A., the Corporate Governance rules are made up of the provisions contained in the national laws in force on the matter, the Bylaws, the Regulations of the Board of Directors, the Code of Ethics and Conduct, the regulations of the committees of the Board of Directors and the manuals for risk management to which the BANK is faced.

Art. 3 - Access to the BANK's information: In compliance with the legal provisions, as well as the internal rules and regulations regarding Corporate Governance, the BANK will disclose to the market all the information that it considers relevant and that could be considered by any investor or client of the BANK when making a decision regarding an investment, in the form and conditions established in Law 964 of 2005, or the other provisions that regulate or amend it.

¹ Conceptual Document of Corporate Governance - Financial Superintendence of Colombia

The information that is of interest to shareholders and investors shall be provided in a clear, precise, transparent, truthful manner and on equal terms to all interested parties.

The BANK shall refrain from giving reserved and confidential information, unless it must do so in accordance with the law.

Art. 4 - Confidentiality: BANK managers, employees and suppliers shall ensure the confidentiality, integrity and availability of BANK information and documentation. Therefore, they shall control and prevent the improper use of said information or that it be known by people who are not authorized therefor.

In this sense, the administrators, employees and suppliers of the BANK shall refrain from revealing or transferring to other employees or third parties, confidential information that includes, among others, the technologies, methodologies, knowledge and industrial, commercial or strategic secrets that belong to the BANK, to which it has had access in the exercise of its position. Likewise, they shall not obtain, or attempt to access such confidential information illegitimately, which for commercial, personal or legal reasons should not be freely accessible to the public.

Chapter 2. Corporate Governance Structure

Art. 5 - Property Structure: The BANK is part of Grupo Empresarial Seissa S.A., parent company of an economic group dedicated to the import, distribution, financing, leasing of motor vehicles and machinery, among other economic activities related thereto.

Management Body

Art. 6 - General Shareholders Meeting: It is the highest corporate body of the BANK, as stated in its Bylaws. It is made up of all the people who are holders of subscribed shares of the BANK. The type of meetings shall be ordinary or extraordinary according to the ruling applicable to the matter and the provisions of the articles of incorporation.

The Shareholders have the right to speak and vote, provided that at the time of the meeting they are registered in the shareholders' book. The provisions related to its operation are stated in the Bylaws.

Art. 7 - Mechanisms that allow minority Shareholders or their representatives to request the call of the General Shareholders' Meeting.

The General Manager and the Board of Directors shall ensure strict compliance with the provisions of the Bylaws regarding the sessions of the General Shareholders' Meeting. It is likewise understood that the Shareholders may request that the Meeting be convened through the General Management, as long as the request is made in writing, which must be duly justified and supported.

In the event that the arguments presented by the requesting shareholder do not warrant holding the Meeting session, it shall be so informed and the Management shall ensure that the fact giving rise to the request is duly studied.

Art. 8 - Mechanisms that allow the Shareholders to order specialized audits of the BANK at their cost and under their responsibility.

Any shareholder of the BANK, in accordance with the opportunities established in the law, may contract and pay specialized audits, employing for this purpose the services of firms with recognized experience in the market and that additionally accredit an experience of not less than 20 years of activity. Said firm must be accepted in any case by the BANK Board of Directors.

The procedure for conducting the audits shall be as follows:

- a) The Shareholder must express his interest by means of a written communication addressed to the General Manager of the BANK, who will transmit the request to the Board of Directors in the next session closest to the date on which the request was made.
- b) The request must state duly grounds, expressing its scope and the reasons for the request and the specific subjects or topics on which the audit should be based. Under no circumstances can audits be requested generically.
- c) As of the date the request is received, the General Management of the BANK has a term of sixty (60) business days to issue a response to the applicant, which shall indicate the reasons for acceptance or denial of the request, as the case may be.
- d) Through these audits, confidential information, information protected by the bank reserve, and information on possible BANK businesses or projects may not be requested.
- e) A confidentiality agreement must be signed with the shareholder and the auditors, who shall deliver the results of their study, but without delivering the documents or copies thereof and which were used to carry out the entrusted work.

Administrative Governing Bodies

Art. 9 - Board of Directors: The Board of Directors is elected by the General Shareholders Meeting and shall be composed as determined by the corporate Bylaws.

Art. 10 - **Structure, duties and regulations of the Board of Directors:** The Bank's Board of Directors is comprised of the members who meet in accordance with the Bylaws and has an operating regulations which establish its composition, designation, qualities and classification of its members, the bodies of the board of directors and their duties, as well as the duties and rights of the members of the Board of Directors and the regulation of conflicts of interest, among other aspects.

Art. 11 ° - **Appointment of the members of the Board of Directors:** The General Shareholders Meeting is in charge of appointing the members of the Board of Directors, in accordance with the provisions of the Bylaws and taking into account personal and professional qualifications of the candidates, who must have key capabilities for the operation of the BANK, with a strategic vision of the business and with a wide capacity to contribute to the mission objectives of the BANK. Furthermore, the members of the Board of Directors must have experience and knowledge in various areas and disciplines that allow generating value on the different fields of the organization. The Directors' compensation shall be set in accordance with the terms of the remuneration policy approved by the General Shareholders' Meeting.

Art. 12 - **Responsibilities of the Board of Directors, the President and the General Manager:** It is the responsibility of the Board of Directors to guide the general strategy of the BANK, and of the President and the General Manager to carry out the management of its business and operations. Additionally, these bodies have the responsibilities established in the law and in the BANK's Bylaws.

The responsibility of the main executives of the BANK is established for each case, in accordance with the duties that the respective executive performs, by virtue of the description of duties that the Company has designed for the respective position.

External control authority

Art. 13 - **Fiscal Auditor:** The Bank has a main fiscal auditor and an alternate, who shall fulfill the duties stated in the law and the Bylaws. The fiscal auditor shall be chosen in accordance with the provisions of the corporate Bylaws. In the event of absolute or temporary absences, he will be replaced by his alternate.

Art. 14 ° - **Mechanisms that ensure transparency in the election and exercise of the Tax Auditing**

As a measure of transparency in the election and Tax Auditing exercise, THE BANK shall make sure to rotate the individuals who shall perform said duties with a periodicity of at least five (5) years, and it shall be guaranteed that the person who has held the position may not fill it again but after two (2) years counted from the date it was replaced.

For the annual election of the Fiscal Auditor, the Management may evaluate various proposals and present at least one proposal for consideration by the Shareholders' Meeting, without prejudice to those submitted by the Shareholders.

In the event that there are additional proposals to that of the firm that is exercising the duties as Fiscal Auditor, these shall be made available to the shareholders within the term of the summons of the ordinary Meeting in which the Fiscal Auditor is to be elected.

The selection process for the Fiscal Auditor firm shall guarantee objectivity in the selection, equal access for all interested parties and equal information provided to such interested parties.

It is the responsibility of the Finance Superintendence of Colombia to have the Fiscal Auditor of the BANK take duties for which it shall take into account its suitability and experience.

Art. 15 ° - Mechanisms that guarantee that the relevant findings made by the Fiscal Auditor are informed to the shareholders and other investors.

In accordance with the provisions of the by-laws, the Fiscal Auditor must disclose both to the General Shareholders' Meeting and to the supervisory authorities, the irregularities or the important findings evidenced in the exercise of their duties. The Chairman of the Audit Committee shall declare these findings to the Shareholders' Meeting and the actions that the Company shall propose to solve them. Additionally, in the event that said information is concerning facts that constitute relevant information, it must be disclosed immediately in the terms and time established by law.

Additionally, the Fiscal Auditor must give a timely written account of the relevant findings and irregularities in the operation of the BANK, in the accomplishment of its business, to the General Meeting, the Board of Directors, the President or the General Manager of the BANK, according to the case.

Additionally, the Fiscal Auditor must inform the General Shareholders Meeting if the actions of the BANK managers are in accordance with the law, the by-laws, the internal regulations and the Meetings' orders or instructions; if the correspondence, the vouchers, the accounts and the Minutes books and the Registration of Shares, if applicable, are properly kept and preserved; and if there are internal control, preservation and custody measures of the BANK's assets and if such are adequate.

Internal control authority

Art. 16 ° - Definition of the Internal Control System: The BANK's internal control system comprises the set of methods and procedures that provide Shareholders, investors and clients with reasonable security regarding the processes through which accounting, financial information is generated and the evaluation and monitoring of specific risks. Internal control works according to the policies and principles mentioned below:

In compliance with the provisions of the Basic Legal Circular of the Financial Superintendence of Colombia, it is the responsibility of the Board of Directors and the Management to define the policies and design the Internal Control procedures that must be implemented, as well as order and monitor that they adjust to the BANK needs, allowing it to adequately carry out its corporate purpose and achieve its

objectives. The General Manager of the BANK shall ensure strict compliance thereof. Likewise, the Board of Directors of the BANK must strictly comply with the provisions established by the Financial Superintendence of Colombia that require the establishment of an Audit Committee within the BANK, in order to serve as support in decision-making regarding internal control and the improvement of the mechanisms for the proper implementation thereof.

Art. 17 ° - **Internal Audit:** The BANK has an internal audit area in charge of carrying out internal control activities and complying with the duties established in the Basic Legal Circular of the Financial Superintendence of Colombia.

Art. 18 ° - **Internal Control Mechanisms:**

a) Self-control.

It is defined as the capacity of the people who participate in the different processes to consider control as an inherent part of their responsibilities, fields of action and decision making. BANK employees, in the performance of their duties, shall carry out control activities in order to verify that the legal regulations, internal provisions and procedures established by the BANK are complied with.

Likewise, BANK employees shall strictly comply with the policies, instructions and existing controls in the respective manuals and procedures.

b) Accounting Control.

The Administration will establish adequate controls so that the accounting and financial information is truthful, timely and verifiable and that it reflects the economic actuality of the BANK.

c) Computer Control.

The means that the BANK uses for the processing of its operations shall contain up-to-date and secure information, so as to facilitate decision-making by the management bodies. The procedures and controls must have the necessary mechanisms to guarantee the security of the computer centers at the national level, protection files and backup systems.

d) Control of Credit Operations.

This control is exercised through the powers assigned by the Board of Directors. The excesses over the established limits must be previously authorized by the corresponding instances.

e) Control of Investment Operations.

This control is exercised through the instructions given by the Board of Directors, which shall determine the type of entities with which resources, investments and the maximum limits to invest are handled. The Financial Risks Committee has, among others, the duty of implementing the established guidelines to manage the liquidity of the BANK.

f) Control to the Legal Representation Authority.

The Board of Directors shall designate the legal representatives of the BANK, as indicated in the Bylaws.

g) Control of Human Resources.

The Board of Directors, the President and the General Manager are responsible for the selection of their subordinates according to their powers and hierarchical level. Through this control an individual monitoring is made to ensure that employees behave appropriately in accordance with their levels of responsibility.

h) Supplier Control.

Regarding the contracting and supplier selection, the BANK shall comply with all the established policies and procedures that allow it to choose the best options, for which it shall evaluate the different alternatives and proposals as appropriate to the service being contracted. Within the established process, the moral solvency of the supplier, the career and the experience in the services or goods provided, as well as the financial support of the supplier to carry out the contracted work shall be evaluated. The contracting shall be carried out in compliance with the contracting policies established by the BANK.

Art. 19 ° - Committees of the Internal Control System

The analysis and monitoring of the BANK's Internal Control system, in areas of special relevance, shall be carried out through committees that shall supply the Board of Directors and the Management with information, elements of judgment and proposals intended for guaranteeing that the Internal Control system adjusts to the needs of the BANK, in such a way that it allows it to carry out its corporate purpose and fulfill its business objectives and strategies. The Management has the following committees:

- Audit Committee of the Board of Directors
- Risk Committee of the Board of Directors
- Corporate Governance Committee of the Board of Directors
- Financial Risk Committee
- Credit Risk Management System Committee.

- Balance Audit Committee
- Information Security Committee
- Project Committee
- Operational Risk Committee and Sarlaft.
- Planning and Monitoring Committee
- Technology Committee

The Management, as the rules allow, can create new committees, merge or eliminate some of these and modify or assign new duties to them. In addition to the regulatory provisions issued by the Financial Superintendence of Colombia, the operation of the committees is regulated in the General Rules for Committees approved by the Management and in particular in its own regulations, when there exists.

Chapter 3. Shareholders' Rights.

Art. 20 ° - Pursuant to the provisions of the Bylaws, the Bank's shareholders have political and economic rights such as: the right to participate in the Meetings, receive the dividends decreed therein in proportion to their participations, freely negotiate the shares, exercise the right of inspection, receive the proportional part of the assets with the prior payment of the external liability and other rights under the law.

The Board of Directors shall ensure that the BANK shareholders have fair and equal treatment, regardless of the number of shares that each of them owns and, consequently, shall ensure that each of the shareholders receives a timely and complete response to the concerns that it presents regarding subjects which disclosure is mandatory or not.

Chapter 4. Mechanisms and practices of Corporate Governance

Art. 21 ° - Mechanisms that allow the evaluation and control of the activity of the Managers and the main executives.

The General Manager is responsible for carrying out the evaluation and control actions of the main executives' activities, for which purpose he will carry out at least one evaluation per year. The Board of Directors shall evaluate the management of the General Manager, as well as its own management and that of its members.

Art. 22 ° - Mechanisms that allow the prevention, management and disclosure of conflicts of interest.

The shareholders, managers and employees, in carrying out their duty to collaborate in order to achieve the corporate purpose, are required to act with loyalty and in case of a possible conflict of interest with the BANK, they must act giving priority to the interests that benefit the latter, rather than their own interests, in compliance with applicable law and in particular the procedure for the assessment, approval and disclosure of conflicts of interest regulated in the BANK's Code of Ethics and Conduct.

The General Manager shall ensure strict compliance with the legal and internal regulations that govern the prevention and management of situations that generate conflicts of interest within the BANK, in accordance with the provisions of the Code of Ethics and Conduct and other regulations and standards of conduct defined by THE BANK.

Art. 23 ° - Mechanisms that ensure an equitable treatment of all the Shareholders and other Investors.

Ordinary shares grant equal rights and impose equal obligations on shareholders. Likewise, the shares confer on their owner equal rights in the social assets and in the profits that are distributed. Each of them shall give right to one vote in the sessions of the General Shareholders Meeting, with the limitations provided by law. The summons to the meetings of the company shall be made in accordance with the provisions of the law and the Bylaws. It is the duty of the Board of Directors to adopt the necessary measures to verify that, with the established legal or statutory notice, the information indicated in the law and in the bylaws is made available to all shareholders.

In no case shall measures be adopted that limit or restrict the participation or exercise of the right to vote, unless this is due to legal provisions.

The General Management shall establish the way in which the information is provided and the terms for the same to be delivered, without infringing the equitable treatment between shareholders and investors, and always in accordance with the law and the Bylaws. Shareholders shall have the right to receive the same information that is provided to one or several of them, with equal detail and in due course, and that any questions they have regarding the information that has been provided be answered.

The General Management must ensure that the form of delivery of the information and the costs associated thereto do not constitute a form of differential treatment or an obstacle for access to the information.

Chapter 5. Rules of conduct of the Corporate Governance bodies.

Art. 24 - Rules of conduct regarding Shareholders:

Considering that the BANK Shareholders must act in a trustworthy, faithful and objective manner, the following rules of conduct have been established that must be complied:

- Refrain from using privileged information.
- Refrain from disclosing facts or situations of the BANK that may affect its reputation.
- Refrain from taking advantage of his status as a shareholder to obtain personal advantages.

Art. 25 ° - Rules of conduct, regarding Directors:

- Disclose the situations that generate conflicts of interest and abstain from intervening in the deliberations of the Board of Directors that deal with matters in which they have personal interests.
- Maintain the confidentiality of the information obtained in the deliberations of the Board of Directors, as well as the information obtained in the exercise of the position.
- Reveal the holdings they possess, or other positions they hold, in other companies related to the BANK and/or its competitors.

Art. 26 ° - Manuals of Conduct:

The manuals regulate the actions, conduct and duties of the shareholders, the members of the Board of Directors and the BANK employees.

These Manuals are:

- Code of Ethics and Conduct: It establishes the guidelines for ethics and behavior that must be followed by individuals directly or indirectly related with the BANK, in the exercise of their activities, duties and responsibilities.
- SARLAFT Manual: It establishes the rules and procedures that BANK employees must follow in order to prevent this to be used as an instrument for Money Laundering and Terrorism Financing.

Art. 27 ° - Anonymous Complaints: The BANK has channels through which employees can anonymously report illegal or unethical behavior or that may contravene the risk management culture and controls at the BANK. A report on these complaints will be known by the Company's Board of Directors, when the General Manager considers it necessary.

Chapter 6. Disclosure Mechanisms

Art. 28 ° - Mechanisms that allow Shareholders and other Investors to identify and disclose the main risks of the BANK.

The Bank must strictly comply with all the regulations on the duty to inform the Public Securities Market and the general public of its main risks, in accordance with the provisions of the surveillance and control entities and current regulations.

On the dates provided in the Bylaws or in the law for the presentation of the financial statements for the consideration of the General Shareholders' Meeting, together with the Management Report of the Board of Directors and other documents and mandatory legal reports, the President and the Manager General of the BANK, must include a study on the levels of exposure to Liquidity and Market risks, as well as on the risk assumption policies to which the BANK is exposed, approved by the Board of Directors. This information must be available to investors and shareholders through the website or at the General Management of the BANK.

Art. 29 ° - Obligation to Inform the Board of Directors

The Audit, Risks and Corporate Governance Committees, as well as the BANK Managers, shall periodically report to the Board of Directors of the activities carried out in the exercise of the delegation duties vested to them. The BANK shall determine the procedure or mechanism to fulfill this duty.

Art. 30 ° - Information Obligation.

The BANK must inform the market in general of the substantial modifications in the rules and regulations of Corporate Governance, the majority changes in the BANK's share control, the identification of the relevant risks to which the BANK may be exposed in the exercise of its operation and the relevant findings of the Fiscal Auditor or some other internal control body that jeopardize the return of the investment.

At the time of publishing the relevant information, the BANK shall take into account that it should be clear, truthful and sufficient, so that investors or potential investors make rational investment decisions.

In order to comply with the foregoing and in order for the shareholders and Investors to become aware of the financial, administrative and legal situation of the BANK, as it is an entity supervised by the Financial Superintendence of Colombia, it should:

- Comply with the legal obligation to periodically transmit to the Financial Superintendence of Colombia the information that this supervisory entity generally indicates, particularly the Financial Statements and other indicators that account for the evolution of the BANK.
- Inform through the relevant information mechanism any legal, economic or financial fact that is of importance for shareholders and investors and that could be taken into account for the investment decision.
- Inform to the market in general any information that the Financial Superintendence of Colombia deems convenient and necessary and that is required by this.

Art. 31 ° - **Type of information to be published or disclosed:** The BANK shall inform the market in general of its Corporate Governance practices through the following mechanisms or means:

- The BANK's Internet Page: The following documents may be consulted on this site:
 - a) The Corporate Governance Code.
 - b) The regulations of the Board of Directors committees.
 - c) The Code of Ethics and Conduct.
 - d) The Bylaws.
 - e) Other documents that the Management may consider necessary.
- Internet page of the Financial Superintendence of Colombia: The following documents may be consulted on this site:
 - a) Year-end reports approved by the General Shareholders' Meeting, which include the Management Report, the Financial Statements and their notes, the Fiscal Auditor's Opinion, among others.
 - b) Monthly Financial Statements.
 - c) Quarterly Financial Statements.
 - e) Relevant Information.
- The Bogota Chamber of Commerce: The following documents may be consulted on this site:
 - a) Year-end reports approved by the General Shareholders Meeting, which include the Management Report, the Financial Statements and their notes, and the Report of the Fiscal Auditor, among others, through the mechanisms established by said entity.
 - b) The BANK By-laws.

- Direct request made by the shareholders to the General Manager, in charge of managing the Investor Attention Office, under the terms of this Code.

Art. 32 ° - **Any additional information that is legally required:** In compliance of the legal duty of bank confidentiality relevant to the entities supervised by the Financial Superintendency of Colombia, BANK employees shall keep the discretion and confidentiality of their clients' data or the BANK itself that they know in the course of their duties and that is confidential. Therefore, it should be taken into account that the disclosure of this type of information may give rise to criminal, labor and administrative consequences for the offender. However, this protection to the interests of clients has as an exception the special provisions on the matter and the orders of the competent authority.

Chapter 7. **Compliance with the provisions of this Code and attention to Claims.**

Art. 33 ° - **Mechanisms that allow Shareholders and other Investors to claim compliance with the Corporate Governance Code before the BANK.**

Shareholders may claim compliance with the provisions contained in this Code from the BANK by means of a written communication addressed to the General Manager of the BANK, who shall respond to the request within a term not exceeding fifteen (15) days following the request. In the event that the matter consulted or claimed pertains to the capacity of the Board of Directors, this body shall be notified in the next session, in order for it to know the facts that give rise to the claim and provide the corresponding response.

The General Management shall serve as a link between the shareholders and the governing bodies of the BANK, and shall be in charge of the necessary actions to manage in a timely manner the requirements that they may file.

Art. 34 ° - **Conflict Resolution:** Regarding conflict resolution, the BANK has an Investor Attention Office which is governed by the General Manager to handle to the claims and requirements of the Shareholders. Complaints and requests made by non-shareholder investors shall be dealt with through the mechanisms available to deal with complaints and claims made by financial consumers, such as the case of the Financial Consumer Ombudsman, the Financial Superintendence of Colombia and the BANK to through its channels. The Investor Attention Office shall serve as a link between the Managers and the governing bodies of the BANK. The email addresses of these instances shall be available on the BANK's website. Likewise, this office is in charge of accomplishing the programs to spread the rights and obligations of investors.

Version Approved by the Board of Directors in session of December 18, 2017