

# BYLAWS OF BANCO DAVIVIENDA S.A.

## CHAPTER I

### NATURE, DENOMINATION, DOMICILE, TERM AND OBJECT

**ARTICLE 1. NATURE AND DENOMINATION:** The entity is a commercial banking institution of a private nature. Its name is BANCO DAVIVIENDA S.A., but in its commercial relationships it may be identified as BANCO DAVIVIENDA or use only the name DAVIVIENDA.

**ARTICLE 2. DOMICILE:** The Bank's main domicile will be the city of Bogotá, Capital District, Department of Cundinamarca, Republic of Colombia. The Board of Directors, with the full compliance of legal formalities, may provide for the opening of branches, agencies and instrumentalities in any place, within or outside the country.

**ARTICLE 3. TERM:** The term of existence of the Bank will be of fifty (50) years, counted as of the date of this Public Deed, all regardless of the provisions of the law on the renewal of the authorizations to operate. Nevertheless, said term may be extended or the Bank dissolved prior to the expiration of the effective term, pursuant to the law and these bylaws.

**ARTICLE 4. OBJECT:** The Bank's object will be the performance of the following activities, subject to the legal provisions that rule on the matter: a) To borrow money from the public. b) To grant loans. c) To act as exchange market intermediary. d) All other operations and investments currently authorized or that in the future may be authorized to commercial banks. For the proper fulfillment of its corporate object, the Bank may issue bonds and securities under authorized conditions, enter into and perform all acts, contracts and operations that may be necessary or convenient for the achievement of the purposes sought and which in a direct or associated manner may be related to its object, especially the performance of donations in cash or in kind under the conditions that may be then authorized to the Board of Directors of the entity by the Stockholders Meeting.

## CHAPTER II CAPITAL

**ARTICLE 5:** The Bank's authorized capital is ninety billion (\$90,000,000,000.00) pesos split in five hundred million (500,000,000) shares with a nominal value of one hundred eighty (\$180.00) pesos per share.

**PARAGRAPH:** This article reform will be in force from April 22, 2021.

**ARTICLE 6. PLACEMENT OF SHARES:** The placement of the shares in reserve and of those that may be later issued, will be made pursuant to the regulations to be issued for that purpose by the Board of Directors.



**ARTICLE 7. PREEMPTIVE RIGHT:** In every new issue of shares, shareholders will be have a right to subscribe, a number of shares proportional to the shares of the same class held by them on the date that the respective regulations are approved.

The corresponding placement regulations will grant to the shareholders a term of not less than fifteen (15) business days, counted from the date of the notice to be given to them by the corporation. The right to the subscription of shares is negotiation from the date of notice of the offer, by a writing indicating the name of the assignee(s). Upon expiration of the mentioned term, the shares that remain unsubscribed, may be freely placed in the market or will return to the reserve, as determined in each by the regulations.

The placement of shares may be made without being subject to a preemptive right, provided it is so approved by the General Stockholders' Meeting with the favorable vote of at least seventy percent (70 %) of the shares present in the meeting.

The notices referred to by this article shall be given to the shareholders in the same manner provided for summoning a General Stockholders' Meeting.

## CHAPTER III SHARES

**ARTICLE 8. NATURE, CLASSES AND CIRCULATION OF SHARES:** The shares of the Bank are registered shares, capital and may be: a) ordinary, b) preferential, c) with preferential dividend and not entitled to vote, which cannot represent more than fifty percent (50 %) of the subscribed capital. The shares can be exist in a materialized or dematerialized form, as decided by the Board of Directors in the respective regulations. For the case of dematerialized shares, their circulation will be governed by the rules that regulate the operations of centralized securities deposits.

**ARTICLE 9. ISSUE OF CERTIFICATES:** The share certificates will be numbered in a numerical sequence, will bear the legend ordered by provisions in effect, with the signature of a legal representative and an officer authorized for that purpose by the President of the Bank. Each shareholder will be issued a collective certificate, unless that he prefers, at his cost, single or partially collective certificates. When the shares exist in a dematerialized manner, the notation in the account will be sufficient for the holder to exercise his rights, which he will evidence by a certification issued by the respective centralized securities deposit.

**ARTICLE 10. LOSS OR MISPLACEMENT OF CERTIFICATES:** In case of loss or misplacement of a share certificate, the shareholder shall request DAVIVIENDA to replace the certificate, attaching for this purpose the corresponding notification to the authorities of the loss or misplacement and posting, in addition, any guarantees that DAVIVIENDA may require. The certificate will be replaced at the cost of the interested party. The new certificate will show evidence of being a duplicate and will refer to the number of the substituted certificate. In case that the lost certificate appears, the Shareholder will return to the Bank the duplicate to be voided or destroyed by the officers authorized by the Board of Director for this purpose, who will prepare a certificate evidencing this occurrence, which they sign jointly with the Bank's Secretary. The same procedure will be followed in case of deterioration or whenever the destruction of the certificate is satisfactorily proven.



**ARTICLE 11. TRANSFER OF SHARES SUBJECT OF PRECAUTIONARY MEASURES:** Any shares under attachment or that have been the subject of a precautionary measure that orders it so, shall not be disposed of or encumbered without permission from the trial judge or the plaintiff, when so required by the law. Consequently, the Bank will refrain from registering any share transfer or lien, provided that it has been informed by the judge about the attachment or precautionary measure that prohibits the transfer or encumbrance, as the case may be.

**ARTICLE 12. PLEDGE OF SHARES:** When any shares are pledged and the contracting parties do not provide otherwise, the dividends shall be paid to the shareholder, who will keep the right to deliberate and vote at the General Stockholders' Meeting.

**ARTICLE 13. TAXES ON SECURITIES:** Any taxes levied on the issuance of shares and payable by the shareholders, the taxes levied on transfers, limitations or changes of possession of the shares for any cause shall be borne by the Bank.

**ARTICLE 14. SHAREHOLDERS' LEDGER:** The Bank will keep a special book called STOCKHOLDERS' LEDGER, where it will register the first and last names of individuals and the corporate name of legal persons who are shareholders, indicating the number of shares corresponding to each of them and their address and domicile. In the same book will be registered any pledge rights, limitations of possession, withdrawals, attachments, legal complaints, that may be communicated to the Bank. The Bank will only recognize as owner the person who appears registered in the stockholders' ledger, under the terms and conditions indicated therein.

**ARTICLE 15. TRANSFER OF SHARES:** The transfer of shares that are not listed in a Stock Exchange may be carried out by a simple agreement by the parties, but in order that it will produce effects in respect to the corporation and third parties, it will be necessary that the transferor will give notice to that effect to the Bank, indicating the number of shares transferred and the full name and identification of the transferee, in order that the operation will be registered in the corresponding book. The notice signed by the transferor will give rise to the cancellation of the certificate or certificates and records existing in the name of the transferor and the registration of the transferee, as well as the issuance of new certificates. Whenever the Bank considers it necessary, it may require that the transfers will be duly authenticated and, in the case of legal persons, to evidence their legal entity status and the powers of the person who signs the corresponding notice. If the shares exist in a dematerialized manner, the transfer will be legalized by notation in the account by the respective centralized securities deposit.

**ARTICLE 16. DIFFICULTIES FOR REGISTRATION:** Should there be any obstacle or difficulty for the registration, the Bank will inform it to the parties.

**ARTICLE 17. EFFECTS OF TRANSFER:** Except as otherwise agreed in the respective transfer letter, any outstanding dividends will belong to the acquirer of the shares as of the date of the transfer. Whoever acquires any shares of the Bank, by the simple fact that the registration is made in his/her favor, assumes all obligations and rights granted by the law and these bylaws as shareholder.

**ARTICLE 18. REPRESENTATION AT MEETINGS:** Every shareholder may be represented at the General Stockholders' Meetings by proxy granted in writing, setting forth the name of the person who will serve as proxy, the person who may substitute the latter and the date of the meeting for which it is granted. Shares belonging to a community shall designate a single proxy to represent them. However, Bank administrators and employees shall not represent any third party shares, unless the law allows it.

**ARTICLE 19. UNITY OF REPRESENTATION AND VOTE AT MEETINGS:** Every shareholder, either an individual or a legal person, shall designate only a single principal representative at the General Stockholders Meeting, whatever the number of shares held. A shareholder's representative or proxy shall not fraction the vote of its principal, which means that the vote is indivisible, but this indivisibility does not prevent the representative of several shareholders from voting in each case following separately the instructions of each person or group of represented shareholders.

**ARTICLE 20:** DAVIVIENDA will guarantee to its shareholders and investors equity conditions, through mechanisms such as the shareholders and investments service office; information policy; possibility of retaining external auditors; and the power to summon the General Stockholders Meeting in accordance with these bylaws, all of the foregoing under the terms provided in the Good Governance Code to be adopted by the Bank.

## **CHAPTER IV DIRECTION AND ADMINISTRATION**

**ARTICLE 21. CODE OF BEST CORPORATE PRACTICES:** Country Code. The Entity, Managers and employees or officials of BANCO DAVIVIENDA S.A., are obliged to implement the recommendations adopted voluntarily by the firm.

**ARTICLE 22:** The following bodies will be in charge of the Bank's direction and administration:

- a. General Stockholders' Meeting
- b. Board of Directors
- c. Presidency
- d. All other bodies created and officers designated by the Board of Directors or by the General Stockholders' Meeting.
- e. The Bank will have, in addition, a Statutory Auditor as the management's control body.

**PARAGRAPH:** The Directors and top executives of DAVIVIENDA shall follow the standards of conduct adopted by the Board of Directors through the Good Governance Code.

## **CHAPTER V GENERAL STOCKHOLDERS' MEETING**

**ARTICLE 23. STOCKHOLDERS' MEETING COMPOSITION:** The General Stockholders' Meeting is made up by the stockholders registered in the book called STOCKHOLDERS' LEDGER or by their

representatives or proxies, in a meeting with a quorum and under the conditions provided by the law and these bylaws.

**ARTICLE 24. MEETINGS:** The General Stockholders Meetings may be ordinary or extraordinary; the former will be held in the months of January through March and from July through September of every year, in the corporate domicile, on the date and at the time indicated in the respective notice. In case no notice is given, the meeting will be held in its own right on the first business day of the month of April, or October, as the case may be, at ten in the morning (10:00 a.m.) in the Bank's General Direction offices; the latter will be held by notice given by the Chairman of the Board of Directors, the President of the Bank, or the Statutory Auditor or whenever so requested by a plural number of shareholders representing no less than 15 % of the subscribed shares.

**PARAGRAPH:** The General Stockholders' Meetings may be held other than by personal attendance, by any means through which the shareholders may communicate simultaneously or successively, provided that this can be proven and that the remaining requirements of law are fulfilled.

**ARTICLE 25. NOTICES:** Notices to ordinary General Stockholders Meetings, will be given with an advance of at least fifteen (15) business days, through a notice to be published in a newspaper of national circulation or a personal and written communication addressed to each shareholder by certified mail to the address registered in the Bank. For special meetings, the notice shall be given in the same manner at least five (5) calendar days in advance.

**PARAGRAPH:** Inclusion of items on the agenda of the regular meeting of the Shareholders' Assembly Shareholders who individually considered are holders of five percent (5 %) or more of the capital have the right to propose the inclusion of one or more points to be discussed in the agenda of the regular meeting of the General Shareholders' Assembly. Similarly, and up to 5 business days prior to the date set for the conclusion of the Ordinary meeting of the General Shareholders' Assembly, shareholders may make requests in writing regarding the matters on the agenda, without prejudice to the respective right of inspection.

To this end, the Company shall establish a procedure in the Shareholders' Rules.

**ARTICLE 26. QUORUM:** There will be a quorum for regular or special General Stockholders' meetings, whenever a plural number of people representing at least sixty (60 %) percent of the subscribed shares attends the meeting.

**ARTICLE 27. LACK OF QUORUM:** If in any General Stockholders' Meeting the quorum provided in the preceding article is not completed, a new meeting will be called which will validly meet and decide with a plural number of people, whatever the number of shares represented in the meeting. The new meeting shall be held no sooner than ten (10) business days and no later than thirty (30) business days counted as of the date set for the first meeting, prior notice to be published or informed in accordance with the bylaws. The stockholders' meeting held in its own right on the first day of April, under the terms of Article 422 of the Commercial Code, may validly deliberate and decide in the terms of this article. Notwithstanding the foregoing, for the decisions indicated in Article thirty-three (33), a majority of not less than fifty percent of the subscribed shares will be required.



**ARTICLE 28. CHAIRMAN:** The General Stockholders Meeting will be chaired by the Bank's President and in his absence, by the person to be designated by the shareholders present in the meeting.

**ARTICLE 29. MINUTES:** The proceedings of the Stockholders' Meeting will be evidenced in the book of minutes to be signed by the Chairman and the Secretary of the meeting. The minutes will start with the place, date and time of the meeting; the number of shares subscribed; the time and advance of the notice; the list of attendees with the number of shares represented by each; issues discussed; decisions adopted and number of votes issued in favor, against and blank; written evidences left by attendees, appointments made and the date and time of adjournment.

**ARTICLE 30. VOTING RIGHTS:** In the deliberations of the General Stockholders' Meetings, each shareholder will have as many votes as the number of shares he has, without prejudice of any legal restrictions.

**ARTICLE 31. DECISIONS:** Save in the cases that the law requires a special quorum, all other decisions will be made, provided that there is a quorum for deliberation, by the simple majority of the votes present in the meeting or through the mechanisms provided by the law for meetings without personal presence.

**ARTICLE 32. DUTIES OF THE STOCKHOLDERS' MEETING:** The following duties correspond to the General Stockholders' Meeting:

- a. To elect for a period of two years, five principal directors who will make up the Board of Directors and their respective alternates.
- b. To elect for a period of two (2) years, the Statutory Auditor and his alternate, taking into consideration that the designation shall be made of firms of recognized expertise and reputation, which, in addition, have total independence.
- c. To remove freely, both the principal and the alternate members of the Board of Directors, and the Statutory Auditor and his alternate.
- d. To establish compensation for the members of the Board of Directors and of the Statutory Auditor and his alternate.
- e. To approve or disapprove the balance sheet for each period, which together with the remaining annexes and explanations required by law, must be submitted to its consideration by the Board of Directors and President of the Bank.
- f. To decree the distribution of profits, establish the payment of the dividend and provide the reserves to be made in addition to the legal ones.
- g. Approve amendments to the Articles of Association. You may vote separately each group of articles that are substantially independent. In any case be voted separately an item if any shareholder or group of shareholders representing at least five percent (5 %) of the share capital so request during the meeting of the Assembly. This right will be previously disclosed to shareholders.
- h. To decree capital increases, the expansion or modification of the corporate object, change of domicile, extension of the Bank's term or its advance dissolution, the incorporation into it of other businesses or corporations, the disposal of the corporate business and the change of denomination of the Bank.



- i. To direct the course and general orientation of the business and take any measures required in the interest of the corporation and to exercise all other duties that are indicated in these bylaws and those that legally correspond to it as the Bank's highest body.
- j. To authorize the Board of Directors, generally or particularly, when so required by the circumstances, to make the donations in cash or in kind that it considers necessary for the fulfillment of the entity's corporate object and the performance of the corporate operations to be carried out. The general authorization issued will be understood in effect until its revocation.
- k. To approve the general policy on compensation and renewal of the Board of Directors.

**ARTICLE 33. ELECTIONS:** In every election of two or more people to form a part of the same board or commission, the electoral quotient system will be applied.

**ARTICLE 34. AMENDMENTS:** The decrees on bylaw amendments, capital increases and merger with other entities, shall be approved in a single debate by the General Stockholders' Meeting, with the favorable vote of a plural number of shareholders representing at least seventy percent (70 %) of the shares represented in the respective meeting.

## **CHAPTER VI BOARD OF DIRECTORS**

**ARTICLE 35. COMPOSITION:** The Board of Directors is composed by seven (7) principal members, appointed by the Annual General Meeting for a two (2) year period, indefinite reelections are allowed.

**PARAGRAPH:** The Board of Directors will be composed by seven (7) principal members from May 1, 2021, and its first period will be extended until March, 2023. Until April 30, 2021 the Board of Directors will be composed by five (5) principal members, and five (5) alternate members, elected by the Annual General Meeting.

**ARTICLE 36. ALTERNATES:** The alternates of the directors will be personal and will replace them during their absolute, temporary and accidental absences under the terms of paragraph four (4) of article seventy-three (73) of the Financial Sector Organizational Code.

**ARTICLE 37. CHAIRMAN:** The Board of Directors will elect from among its members a Chairman and a Vice Chairman who will replace the former during his absolute or temporary absences; they will hold that position until their replacements are appointed.

**ARTICLE 38. QUORUM:** The Board of Directors will deliberate validly with the presence and votes of the simple majority of its members, or through the mechanisms provided by the law for meetings without personal presence. In the case of a tie on two occasions the matter under discussion will be considered rejected, but in the case of elections, the election will be repeated.

**ARTICLE 39. MEETINGS:** The Board of Directors will meet from time to time in the place, on the date and at the time indicated in the respective summons, at least once a month and, in addition, whenever summoned by itself, by the legal representative, by the statutory auditor or by two of its members who



act as principals, notwithstanding that it will be able to resort to the mechanisms provided by law for meetings without personal presence.

**ARTICLE 40. VOTE:** In the deliberations of the Board of Directors, each Director will have his vote. The President of the Bank will be entitled to speak but not to have the vote.

**ARTICLE 41. DUTIES:** In addition to the powers that are not exclusively assigned to the General Stockholders Meeting, the Board of Directors will have the following:

- a. To freely appoint and remove the President or legal representative of the Bank and the vice presidents and indicate their respective assignments.
- b. To create the necessary jobs for the good operations of the Bank and the designation of which is not reserved to the General Stockholders' Meeting or has not been delegated on the President of the Bank or other officer duly authorized by the Board.
- c. To order the creation or elimination of branches or agencies within or outside the country, prior compliance of legal requirements and to indicate the powers and authorities of each of them.
- d. To call the General Stockholders' to special meetings, whenever it judges it convenient.
- e. To submit, together with the President, to the General Stockholders' Meeting, the end of period balance sheet, together with the accounts, inventories, Profit and Loss statements and other annexes and information required by law.
- f. To establish the regulations for the placement of the Bank's shares.
- g. To authorize the issuance of bonds, indicating the amount of same, the face value of each, the place and method of payment, the amortization system and all other conditions of the issue.
- h. To fulfill and have others fulfill the decisions of the General Stockholders' Meeting and its own decisions and to act as permanent consulting body of the President.
- i. To indicate, whenever it deems it convenient, the amount of the operations that the President is allowed to carry out, without prior consultation with the Board.
- j. To authorize the President to delegate permanently or transitorily any one or more of his or her powers and authorities to one or several officers of the Bank.
- k. To control and evaluate the performance of administrators and top executives, for which it will require the presentation of reports at its meetings that will permit it to be informed about the performance of the activities corresponding to the various areas of the Bank, the progress of the different projects and the degree of exposure to the different risks to which the Bank may be exposed.
- l. To define, through the Good Governance Code, the minimum guidelines to prevent and manage conflicts of interest, standards of conduct to be followed by directors and top executives, as well as the evaluation and control of the activities of administrators and other aspects related to the conducts and mechanisms of Good Corporate Governance.
- m. To resolve the reconsiderations of the rejection of specialized audits by the Administration and service bodies, in performance of the provisions of Article 45 of these bylaws.
- n. To approve any donations that it may consider necessary in accordance with the general or specific authorization that for this purpose may have been issued by the General Stockholders' Meeting.
- o. Approve and periodically monitoring the strategic plan, business plan, management targets and annual budgets of the Company.
- p. Define the structure of the Company.



- q. Approve guidelines or financial and investment policies of the Company.
- r. To approve the compensation policy and evaluation of senior management, a role that can be performed by the Board or through any of its Support Committees.
- s. Approving investments, divestments and strategic debt.
- t. Approve the Corporate Governance Policy.
- u. Approve the Annual Corporate Governance Report.
- v. Approve the risk policy and the acknowledgment and periodic monitoring of the main Company risks.
- w. Approve succession policies for senior management.
- x. Propose succession policies for the Board of Directors for approval by the General Assembly of Shareholders.
- y. In general, approve where appropriate, proposals to the General Assembly of remaining policies that the Company deems necessary.
- z. Evaluate and remove the President of the Company.
- aa. Approve the appointment, proposed by the company President, of members of senior management and, in some cases, their dismissal.
- bb. Approve compensation schemes for members of senior management, as well as their indemnity clauses, if applicable, a role that can be performed by the Board directly or through any of its Support Committees.
- cc. Approve the creation of Committees of the Board as well as the approval of internal regulations for the functioning of these committees. The Company's governance structure, including the Board Committees, is detailed in Section 3 of the Code of Good Corporate Governance: Corporate Governance Bodies.
- dd. Bring proposals to the General Meeting of Shareholders on the remuneration policy for the Board.
- ee. Bring proposals to the General Assembly for hiring the Auditor, with prior analysis of the candidates' experience and availability of time and human and technical resources to develop their work.
- ff. Monitor and manage conflicts of interest between the Company and shareholders, members of the Board and Senior Management.
- gg. Monitor and, if they carry a material impact, approve the operations that the Company makes with its controlling or significant shareholders, defined according to the ownership structure of the Company, or represented on the Board, with members of the Board and other directors or persons related thereto (related party transactions), as well as group companies to which they belong.
- hh. Organize the annual evaluation process of the Board, both as a collegiate board and of its members as individuals, according to commonly accepted self-assessment methodologies, for which involving external consultants may be considered.
- ii. Monitor the integrity and reliability of accounting systems and internal information based, among others, on the reports of internal audit and legal representatives, a role that can be performed by the Board directly or through any of its Support Committees.
- jj. Supervise the financial information that the Company must periodically make public due to its status as an issuer and within the information and communication policies, which can be performed by the Board directly or through any of its Support Committees.
- kk. Monitor the independence and efficiency of the internal audit function, which may be performed by the Board directly or through any of its Support Committees.
- ll. Monitor the efficiency of corporate governance practices implemented and the level of compliance and ethical standards of conduct adopted by the Company, a role that can be performed by the Board directly or through any of its Support Committees.

mm. Ensure that the process of proposing and electing of members of the Board is carried out in accordance with the formalities provided by the Company.

**ARTICLE 42. DUTIES OF THE CHAIRMAN OF THE BOARD:** The Chairman of the Board shall have the following duties:

- a. Preside over the meetings of the Board and manage debates.
- b. Ensure the implementation of the Board's resolutions and monitor its orders and decisions.
- c. Monitor the active participation of Board members.
- d. Lead the process of annual evaluation of the Board and Committees, except his or her own evaluation.

**ARTICLE 43. MINUTES:** For all meetings of the Board of Directors, evidence of its proceedings will be kept in a book of minutes to be signed by the Chairman of the Board and by the Secretary.

**ARTICLE 44. HANDLING OF CONFLICTS OF INTEREST:** In order to prevent and manage situations that generate conflicts of interest that may arise among stockholders, or between the latter and the directors, administrators or top executives, the Board of Directors will establish standards of conduct that must be adhered to both by the shareholders and by the directors and administrators. For this purpose, the guidelines established by the Board of Directors through the Good Governance Code will be followed.

**ARTICLE 45. INFORMATION POLICY:** In order to allow the shareholders and investors to be aware of the financial and economic condition of the Bank and the different risks to which the Bank is exposed, DAVVIENDA will disclose reliable information through different mechanisms such as sending balance sheets and reports to the Financial Superintendence, inclusion of reports in virtual channels, publication of the reports corresponding to the rating given by authorized rating firms and the management report to be submitted to the General Stockholders' Meeting.

The above reports shall mention any relevant findings by the Statutory Auditor or any other internal control body whenever such findings may expose the reimbursement of the investment. Additionally, through any of the above mechanisms or of any other mechanism that may be adequate, DAVVIENDA will inform to its shareholders and investors its Corporate Governance structure and rules. Any plural number of shareholders not representing less than 10 % of the shares outstanding and the investors in securities and bonds representing no less than 15 % of the total commercial securities issued by the Bank, or their representatives, have the possibility to engage, at their cost and under their responsibility, audits of the issuer, using for this purpose the firms specialized in this field with whom DAVVIENDA usually works, or through those that the investors themselves may consider adequate, provided that the firm chosen has a recognized international expertise and reputation.

For this purpose, DAVIVIENDA has the following service channels: Representative of Holders of Securities and Bonds, on one part, and on the other, the Office of Attention to the Investor under the terms of the Code of Good Governance. Through these channels, anyone who wishes to engage an audit must present a justified and reasoned communication regarding its need and the relationship that the latter has with the investment, within the terms and conditions that the administration of DAVIVIENDA

may have determined, which will be provided within the respective manual, which may be accessed through the Office of Attention to the Investor.

No more than one audit of those referred to by this article may be performed simultaneously.

However, the right contemplated in this article shall not, in any case, be extended to documents that deal with industrial secrets, information subject to Bank secrecy, confidential information that may be unduly used by the competition in the market, or in the case of data that if disclosed, could be used in detriment of the entity.

The total costs incurred in the performance of the external audit are for account of the shareholders or investors who request the same and the payments to be made may be through DAVIVIENDA or directly by the shareholder.

In the event that the engagement of external audits is applicable, both the party contracting them and the firm that will perform it, shall execute a confidentiality agreement with the entity. In turn, the auditor may deliver to its contracting party a report on the specific situation of the request, but not the source documentation of the information. Likewise, he shall make available to DAVIVIENDA the report made in order that it may be challenged or clarified.

**ARTICLE 46. INTERNAL CONTROL:** In order to achieve an adequate internal control performance, the Board of Directors may create committees for the analysis and follow up of specific subjects such as the reliability of processes through which the accounting information is generated, the controls established to prevent that the Bank may be used to move money of illegal origin, evaluation and follow up of specific risks such as solvency and liquidity and those related to the treasury business. In addition, the Board will rely on the reports submitted to it by internal auditing.

**ARTICLE 47. FULFILLMENT OF CORPORATE GOVERNANCE SYSTEM:** It is the responsibility of the Board of Directors to see that the rules that make up the Bank's corporate governance system are followed. The Board of Directors will define the mechanisms which the shareholders and investors may resort to in order to claim the fulfillment of DAVIVIENDA's corporate governance system.

## CHAPTER VII PRESIDENT

**ARTICLE 48. PRESIDENT AND ALTERNATES:** The Bank will have one President and one or more alternates, as provided by the Board of Directors, appointed by the latter, who will hold the legal representation of the Bank nationwide. In turn, the Branch managers will hold the legal representation of the Bank within the territory defined in their appointment. In addition, the Board of Directors may make designations in order that the person designed will hold the legal representation of the Bank in some specific aspects, for example, for legal effects or to carry out processes or acts before the administrative authorities.

**ARTICLE 49. EMPLOYEES:** All employees of the Bank, with the exception of those appointed directly by the General Stockholders' Meeting, will be subordinated to the President and under his orders and inspection.

**ARTICLE 50:** The following will be the duties of the President and his alternates:

- a. To represent the Bank, in or out of court, as legal person and use the corporate signature;
- b. To preside the General Stockholders' Meetings;
- c. To present monthly the corporate balance sheet to the Board of Directors;
- d. To enforce the bylaws and decisions of the General Stockholders' Meeting and the Board of Directors;
- e. To exercise the duties assigned to him by the Board of Directors or the General Stockholders' Meeting;
- f. To call the General Stockholders' Meeting and the Board of Directors to extraordinary meetings whenever he judges it convenient;
- g. To keep the Board of Directors fully informed and in detail about the progress of the corporate business and to provide to it all data and reports requested by it;
- h. To appoint any special attorneys required by the Bank;
- i. To take all measures and enter into all acts and contracts necessary or convenient for the due fulfillment of the corporate object;
- j. Save those provided in items a), h) and i) of this article, to delegate, prior authorization from the Board of Directors, any one or more of its authorities.
- k. To freely appoint and remove the officers of the Bank, whose appointment is not reserved to the General Stockholders' Meeting or to the Board of Directors.

## **CHAPTER VIII STATUTORY AUDITOR**

**ARTICLE 51. STATUTORY AUDIT AND ALTERNATE:** The Bank will have one Statutory Auditor elected by the General Stockholders' Meeting for a period of two (2) years, who will be replaced during his absolute or temporary absences by his Alternate. For the election of the Statutory Auditor an objective evaluation must be made, and for this purpose the Bank will make an invitation to tender in accordance with the conditions determined by the Bank in the corresponding invitation.

**ARTICLE 52. DUTIES:** The following are the duties corresponding to the Statutory Auditor:

- a. To examine all the operations, inventories, books, correspondence and business of the Bank and the account vouchers;
- b. To make sure that the corporate operations adhere to the bylaws, the law, and the decisions of the General Stockholders' Meeting and the Board of Directors;
- c. To give timely account to the Board of Directors, the General Stockholders' Meeting or the President, as the case may be, of the irregularities that he may find;
- d. To see that the corporate accounts, the Minutes of the General Stockholders' Meeting and of the Board of Directors are regularly kept and that the books and papers related to the corporate business are safely kept;
- e. To authorize with his signature any balance sheet prepared, with his opinion or corresponding report;
- f. To summon the General Stockholders' Meeting or the Board of Directors whenever he may judge it necessary;
- g. All other provided by the law or indicated by the General Stockholders' Meeting.

**ARTICLE 53. REMUNERATION:** The Statutory Auditor will receive the remuneration indicated by the General Stockholders' Meeting. The workers of the Statutory Auditor will be appointed and removed by the latter, and will be directly under his supervision, in accordance with the assignment of resources indicated by the General Stockholders' Meeting.

## **CHAPTER IX BALANCE SHEET AND PROFITS**

**ARTICLE 54. TRIAL BALANCE:** A detailed trial balance sheet will be prepared monthly of the Bank's accounts that will be presented by the Chairman of the Board of Directors.

**ARTICLE 55. BALANCE SHEET AND INVENTORIES:** Every six months, on June thirtieth (30th) and December thirty-first (31st) of every year, a closing of the Bank's accounts will be made as well as an inventory of the corporate assets, and a balance sheet of the business during the respective biannual period will be produced, separating the profit and loss account, the project for distribution of profits and other documents and analysis required by the law, which will be submitted to the General Stockholders' Meeting, in its ordinary meeting, for approval or disapproval.

**ARTICLE 56. RESERVES:** Of the liquid profits of each period, ten percent (10 %) will be apportioned to form and increase the legal reserve, until it reaches at least one half of the subscribed capital. Once this limit is reached, there is no obligation to continue increasing this reserve, but if for any reason it is reduced, or if the subscribed capital is increased, it will be necessary to increase it again by the same percentage, until the indicated amount is completed.

**ARTICLE 57. PROFIT CALCULATION:** In order to determine the liquid profits, it will be necessary that the items required for taxes, depreciation, devaluation and the sum necessary for the fringe benefits fund and other reserves established by the General Stockholders' Meeting have been previously appropriated.

**ARTICLE 58. DIVIDENDS:** Dividends will be decreed in the same manner for all shares subscribed proportionately to the portion paid on the face value. When the payment of dividends is decreed in shares, each shareholder will be delivered shares of the same class held by him.

**ARTICLE 59. EXTRAORDINARY BALANCE SHEET:** The Board of Directors may order at any time that the accounts of the Bank be closed and an extraordinary balance sheet be prepared, but the profits appearing thereon cannot be distributed.

## **CHAPTER X SECRETARY**

**ARTICLE 60. SECRETARY:** The Company's Legal Vice President - General Secretary will be the Secretary of the Board of Directors, of the General Shareholders' Assembly, and of the Company's Presidency. The Board of Directors shall appoint and remove him or her upon proposal by the Company President. The Secretary of the Board of Directors will not be a member of the Board.

## **CHAPTER XI WINDING UP AND LIQUIDATION**

**ARTICLE 61. WINDING UP:** The Bank will wind up:

- a. By expiration of its term or of the latest extension legally formalized;
- b. Whenever the losses reduce the net equity below fifty percent (50 %) of the subscribed capital;
- c. By decision of the General Stockholders' Meeting, approved with the requirements of the bylaws duly formalized;
- d. When ninety-five percent (95 %) or more of the subscribed shares become owned by a single shareholder;
- e. By all other causes provided by the law.

**ARTICLE 62. LIQUIDATION:** After dissolution of the Bank, the liquidation of its business will be carried out by one or more liquidators designated by the General Stockholders Meeting, who will have their respective personal alternates each and will have all powers provided by the laws in effect, especially those granted by the Commercial Code. If the General Stockholders' Meeting designates several liquidators, each must act in accordance with the indications to that affect by the General Stockholders' Meeting. Until the latter elects the liquidators, the last President of the Bank, who will be replaced during his absolute or temporary absences, for that purpose, by the alternate to be determined by the Board, will perform their duties.

**ARTICLE 63. GENERAL STOCKHOLDERS' MEETING:** During liquidation the shareholders will be called to meet at the times and in the form and terms provided for the General Stockholders' Meetings, but they will only be allowed to discuss matters related to the liquidation. If so decided by the General Stockholders' Meeting, the Board of Directors may act as advisory of the liquidator or liquidators.

## **CHAPTER XII MISCELLANEOUS PROVISIONS**

**ARTICLE 64:** Whenever the corresponding body does not make the respective appointments, existing incumbents will continue to hold the positions until removed.

**ARTICLE 65. MECHANISMS FOR CONFLICT RESOLUTION:** Any differences arising between the shareholders on occasion of their capacity as such, or between them and the Bank because of the corporate agreement will be initially resolved in a direct settlement phase pursuant to the procedure established by the Board of Directors, and in case that no arrangement is reached, they will be submitted to an arbitration decision. For this purpose, the parties shall designate by mutual agreement two arbitrators and the latter, in turn, will designate by mutual agreement a third arbitrator. In case there is no agreement between the parties for the assignment of the arbitrators, or between the latter for the appointment of the third one, the designation will correspond to the Banking Association at the request of any of the parties. The arbitrators must meet the conditions required by law, will decide at law, notwithstanding that they may conciliate the claims made. The Tribunal will meet in the city where the Bank has its main domicile.