

# CONFLICT OF INTEREST AND USE OF PRIVILEGED INFORMATION MANUAL<sup>1</sup>

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### Section I GENERAL ASPECTS

**ARTICLE 1 - PURPOSE.** By means of this Conflict of Interest and Use of Privileged Information Manual, BANCO DAVIVIENDA S.A. sets forth the principles, policies and procedures aimed at detecting, preventing, managing and resolving possible conflicts of interest that may arise from the performance and development of activities carried out by the entity, namely, the collection of resources from the public, the granting of loans, those derived from the performance of intermediation activities and any other activity developed by the same.

Likewise, it sets forth the principles, policies and procedures to prohibit the performance of intermediation operations using privileged information.

**ARTICLE 2 - SCOPE OF APPLICATION.** This Conflict of Interest and Use of Privileged Information Manual will be applied to administrators<sup>2</sup>, officers and all people serving at the different areas of BANCO DAVIVIENDA S.A. Officials who carry out intermediation activities must comply with the provisions of this Manual, as well as the principles, policies

and procedures set forth in Grupo Bolívar's Financial Risk Management Manual (*Manual de Administración de Riesgos Financieros - MARF*).

**ARTICLE 3 - GENERAL POLICIES ON THE BANK'S CONFLICT OF INTEREST.** In accordance with the provisions of article 23, paragraph 7 of Law 222 of 1995<sup>3</sup>, the administrators, senior directive officers and officials of BANCO DAVIVIENDA S.A. must refrain from participating by themselves or by another person in personal or third-party interest, or cease their activity, in those matters involving competition with the Bank or with the other Group Companies, or in acts respect to which there is a conflict of interest, unless expressly authorized by the Shareholders' Meeting or other instances defined in this Manual. However, administrators and officials related to the intermediation activity must refrain from acting in a situation that generates conflicts of interest, as provided in the Financial Risk Management Manual (*Manual de Administración de Riesgos Financieros - MARF*).

Doubts regarding the existence of a possible conflict of interest do not release the people mentioned in this Article from the obligation to refrain from participating in the aforementioned activities.

1. In accordance with article 44 of the Corporate Governance Code of BANCO DAVIVIENDA S.A., the Board of Directors of the Bank have provided several principles and rules encompassing this Conflict of Interest and Use of Privileged Information Manual.
2. In accordance with article 22 of Law 222 of 1995 administrators are: "the legal representative, the liquidator, the factor, the members of boards or directive councils and those who according to the bylaws exert or hold these duties".
3. In accordance with article 23 of law 222 of 1995 administrators must "act in good faith, loyalty and diligence of a good businessman. Their actions will be fulfilled in the interest of the company, taking into account the interests of the associates. In fulfillment of its function, the required employees:... 7. Refrain from participating by themselves or by a person in personal or third-party interests, in activities that imply competition with the company or in acts regarding existing conflicts of interest, unless expressly authorized of the board of partners or general meeting of shareholders".

**Section II**  
**GENERAL CONFLICTS OF INTEREST**  
**OF BANCO DAVIVIENDA S.A.**

**ARTICLE 4 - GENERAL DUTIES.** Administrators, senior directive officers and in general all officers or individuals serving at the areas of BANCO DAVIVIENDA S.A. must:

- 4.1. Inform their immediate superiors of the existence of possible conflicts of interest in which they may be involved as a result of family or personal relationships.
- 4.2. Keep confidentiality and secrecy about such information of BANCO DAVIVIENDA S.A. to which they have access in virtue of their role or work, or in virtue of their position in BANCO DAVIVIENDA S.A.
- 4.3. Abstain from using privileged information for their own or third parties' benefit.
- 4.4. Refrain from providing inaccurate information or misinformation regarding BANCO DAVIVIENDA S.A. or its clients, or altering or distorting information from the Bank's clients or users.
- 4.5. Take undue advantage of such benefits provided by BANCO DAVIVIENDA S.A. exclusively to its officers, for the benefit of third parties.

**ARTICLE 5 - SITUATIONS AND CONDUCTS GIVING RISE TO CONFLICT OF INTEREST<sup>4</sup>.** For all purposes of this Manual, the administrators, senior directive officers and officials of BANCO DAVIVIENDA S.A. are in a situation of conflict of interest when, because of their duties, they must make a decision, or carry out or omit an action and are in the possibility of choosing between, on one hand, the interest of the company or the interests of a third party that in virtue of their duties in the company must defend, and, on the other hand, their own or a third party's interest.

Some situations that may generate conflicts of interest include, but are not limited to:

- 5.1. The analysis and approval of credit operations requested by individuals who are spouses, permanent partners or relatives up to fourth degree of consanguinity, second of affinity or sole civil degree, of the person participating in

the analysis and approval process, without prejudice of that provided in current regulations.

- 5.2. The acquisition or procurement by BANCO DAVIVIENDA S.A., of fixed assets from administrators or officials of the Bank, when those who participate in the analysis or decision-making, are the owners of the assets or spouses, permanent partners or relatives up to within the fourth degree of consanguinity, second of affinity or sole civil degree of the owners thereof.
- 5.3. The acquisition or procurement by BANCO DAVIVIENDA S.A., of fixed assets from corporate entities, regarding which the administrator or officer of the Bank participating in the analysis or decision-making, is the legal representative or partner of the corporate entity, or the spouse, permanent partner or relative up to within the fourth degree of consanguinity, second of affinity or sole civil degree of the partner of the contractor corporate entity.
- 5.4. Decisions related to the appointment of management positions or legal representatives when the decision maker is part of the list of candidates to provide such positions, or with the participation of individuals who are spouses, permanent partners or relatives within the fourth degree of consanguinity, second of affinity or sole civil degree of the individual making the decision for the designation or appointment of the respective position, without prejudice to the provisions of current regulations.
- 5.5. When BANCO DAVIVIENDA S.A. or any administrator, senior directive officer or official, might obtain a financial benefit or avoid a financial loss, at the expense of the Client.
- 5.6. When BANCO DAVIVIENDA S.A. or any administrator, senior directive officer or official have financial or other incentives in favor of the interests of other client or group of clients versus the interests of the client in question.
- 5.7. When BANCO DAVIVIENDA S.A. or any administrator, senior directive officer or official receive or will receive from a person other than client an incentive (money, goods or services) other than the usual commission or compensation for the service provided to client.

4. Conflict of interest is understood as the situation that arises or may arise for one or more people who can make decisions, or influence their adoption, when contrary and incompatible interests are identified with respect to an act or business. Article 2.39.3.1.3 Decree 1486 2018.

5.8 When any officer, administrator or senior directive officer being a partner, employee or advisor for companies that are clients or suppliers of BANCO DAVIVIENDA S.A., make decisions related to such clients or suppliers. In any case, the officer, administrator or senior directive officer must inform his/her relationship or inability to make decisions regarding such clients or suppliers, through the channels provided for such effect.

5.9 When any officer, administrator or senior directive officer makes personal investments in a company and such investment could affect his/her ability to make impartial and objective decisions regarding business related to BANCO DAVIVIENDA S.A.

5.10. The following, among others, will be understood as situations giving rise to conflict of interest by the officers that carry out the activity of distribution of collective investment funds managed by CORREDORES DAVIVIENDA and FIDUCIARIA DAVIVIENDA, which situations must be managed and disclosed to BANCO DAVIVIENDA S.A.:

- a) Promote, register, advise or respond to requests for redemption of clients with whom the official of BANCO DAVIVIENDA S.A., who carries out the distribution of the collective investment fund, has any of the following links: spouses, permanent partners or relatives within the fourth degree of consanguinity, second of affinity or first civil degree.
- b) Promote, register, advise or respond to requests for redemption of corporate clients with whom the official of BANCO DAVIVIENDA S.A., who carries out the distribution of the collective investment fund, has any of the following links: administrator of the corporate entity; partner of the corporate entity; either spouse, permanent partner or relative within the fourth degree of consanguinity, second of affinity or first civil degree of the partner of the corporate entity, or of an administrator of the corporate entity.
- c) Promote, register or advise clients with the object or purpose of directing the investment decision towards a specific fund.
- d) Promote, register or advise clients in circumstances in which the official is not impartial and objective to allow the client to make the investment decision

that best suits his/her risk profile, the nature of the business that gives rise to the investment of resources, and their investment objectives.

- e) Promote, register or advise clients without having sufficient information and knowledge about the distributed Collective Investment Funds.
- f) Give recommendations, advice or suggestions that seek to guide clients to products that are not consistent with their investment profile, with the aim of obtaining a higher commission for BANCO DAVIVIENDA S.A. or for him/herself.
- g) Accept any remuneration or receive any benefit other than the usual commission or compensation for the direction of his/her recommendation or advice in the distribution process.

**FIRST PARAGRAPH.** Recipients of conflict-of-interest situations in the distribution of Collective Investment Funds will be all administrators, directive officers, and/or officials of BANCO DAVIVIENDA S.A. related to the management and development of the activity for distribution of Collective Investment Funds. Likewise, these rules must be complied with by any other director, and/or official of BANCO DAVIVIENDA S.A. that at any time holds temporary or interim participation in the activity of distribution of the Collective Investment Funds carried out by the Bank.

**SECOND PARAGRAPH.** The provisions of this article, as applicable, will be extended to the distribution of voluntary pension funds.

**ARTICLE 6 - GIFTS AND INVITATIONS.** Administrators, directive officers and officials of BANCO DAVIVIENDA S.A. may not accept, directly or indirectly, gifts, favors, donations, invitations, trips or payments in development of the activities carried out by BANCO DAVIVIENDA S.A. that may influence their decisions to facilitate business or operations for their own benefit or for third parties.

Taking into account the interpersonal relationships taking place in the development of the activity and business of BANCO DAVIVIENDA S.A., in commercial, administrative and financial matters, and in accordance with local and sector customs, administrators, directive officers and officials are allowed to offer customer service, provided they comply with the guidelines defined by BANCO DAVIVIENDA S.A. in the Specific Policies for the Prevention and Control of Transnational Bribery and Corruption.

Therefore, gifts of promotional items may be made, distributed to customers or suppliers in accordance with the parameters set by the respective agency, and gifts that BANCO DAVIVIENDA S.A. determines as a commercial policy for customer or user service.

Administrators, directive officers and officials of BANCO DAVIVIENDA S.A. must follow the procedure that the entity has established for the receipt of gifts from customers, contractors and/or suppliers.

In any case, administrators, directive officers and officials of BANCO DAVIVIENDA S.A. must refrain from receiving gifts, presents, favors or consideration when they may affect the objectivity and impartiality of their business functions with clients. BANCO DAVIVIENDA S.A. may request an administrator, directive officer or official to refrain from receiving a gift or consideration when he/she considers that the same may affect the objectivity and impartiality of his/her duties.

**ARTICLE 7 - CONFLICT OF INTEREST DISCLOSURE FORM.** BANCO DAVIVIENDA S.A. will make available to administrators, directive officers and officials of BANCO DAVIVIENDA S.A., a form in order for them to disclose the situations encompassing conflicts of interest to the corresponding instances, each time they take place.

The Legal Vice-Presidency, Human Talent and the Compliance Unit will be in charge of taking care for the integrity and confidentiality of the records on disclosed conflicts of interest.

**ARTICLE 8 - PROCEDURE FOR DISCLOSURE AND RESOLUTION OF CONFLICTS OF INTEREST.** When an administrator, directive officer or official of BANCO DAVIVIENDA S.A. finds that in the exercise of his/her functions he/she may be faced with a conflict of interest, either directly or indirectly through third parties, he/she will immediately inform his/her hierarchical superior, describing the situation and providing any information that is relevant for making the respective decision and will refrain in any case from participating in the discussion and decision of the matter that generates the conflict of interest situation.

**8.1. Handling a conflict of interest in which an official is involved:** The senior officer of the official must escalate to human talent area, who will be responsible for managing, evaluating, resolving and responding

in writing to the official involved, informing about the decision made and also sending a copy of this decision to the Legal Vice Presidency - Corporate Affairs Department and the Compliance Unit for its custody.

In the event that the hierarchical superior considers that he/she is also incurring a conflict of interest, regarding the reported situation, he/she must escalate the case to his/her immediate superior in order for the latter to evaluate and define the situation.

**8.2. Handling a conflict of interest in which a member of the Senior Management<sup>5</sup> of BANCO DAVIVIENDA S.A. is involved.** When whoever is facing a conflict of interest is a member of the Senior Management of BANCO DAVIVIENDA S.A., must inform such situation to the President of BANCO DAVIVIENDA S.A., describing the situation and providing all information that is relevant for the decision making.

The President will proceed to evaluate the situation brought to his/her knowledge and, if considered necessary, he/she will consult the situation to the Corporate Governance Committee for its analysis and concept. The answer on the matter brought to its attention must be given in writing to the member of the Senior Management involved, informing about the decision made and also sending copy of this decision to the Legal Vice-Presidency, direction of corporate affairs, human talent and Compliance Unit for its custody.

**8.3. Handling a conflict of interest in which the President or a member of the Board of Directors is involved.** When whoever is facing a conflict of interest is the President of BANCO DAVIVIENDA S.A., he/she must inform such situation to the Board of Directors in the following meeting held by this body.

Likewise, when the person facing a conflict of interest is a member of the Board, he/she will report the situation to the Board of Directors, directly or through the Secretary General, at the next meeting of this body.

The President or the member of the Board that considers being under a possible conflict of interest, must describe the situation and provide the Board of Directors with all information that is relevant for decision-making.

5. Senior Management is understood as the Vice-Presidents of BANCO DAVIVIENDA S.A.

The Corporate Governance Committee must evaluate the situation of conflict of interest of the President or a member of the Board of Directors and must make the necessary proposals to the Board of Directors to manage the situation.

The corresponding decision will be made by the members of the Board of Directors, except for the member under a conflict of interest situation, and also sending a copy of this decision to the Legal Vice-Presidency, corporate affairs department and Compliance Unit for custody.

The foregoing, without prejudice to the fact that the Board of Directors, after evaluating the situation, considers that the member of the Board or the President is not under a conflict of interest situation.

In the event that the possible conflict of interest involves several members of the Board of Directors and in virtue thereof, a deliberative quorum cannot be formed within this corporate body, the situation must be brought to the attention of the General Assembly of Shareholders and managed by this body.

**PARAGRAPH.** In any case, the resolution of the conflict of interest implies the disclosure thereof and the definition of its handling in the way considered most appropriate in the respective situation.

**ARTICLE 9 - PERMANENT CONFLICTS OF INTEREST.** Conflicts of interest may be random or permanent. For the handling of random conflicts of interest, the procedure established in the previous article will be followed.

If the conflict of interest involving an administrator or directive officer of BANCO DAVIVIENDA S.A. is permanent, and after its analysis the Corporate Governance Committee considers that this situation affects all operations of BANCO DAVIVIENDA S.A. or the companies belonging to Grupo Bolívar, it must be understood as a cause for mandatory resignation of the affected party since it makes it impossible for him/her to hold the position, unless the situation giving rise to the conflict of interest classified as permanent, is terminated.

**ARTICLE 10 - DOUBTS ABOUT EXISTENCE.** In case of doubt regarding the existence of a conflict of interest, the administrators, directive officers or officials of BANCO DAVIVIENDA S.A., must act as if it exists, until the doubt has been resolved. The foregoing, without prejudice

to the possibility of consulting their situation with their superior, following the procedure provided in Article 8 of this Manual.

### **Section III**

## **CONFLICTS OF INTEREST IN STOCK MARKET INTERMEDIATION ACTIVITIES**

**ARTICLE 11 - BOLÍVAR GROUP FINANCIAL RISK MANAGEMENT MANUAL.** Through the Bolívar Group Financial Risk Management Manual (MARF), BANCO DAVIVIENDA S.A. will establish the principles, policies and procedures designed to detect, prevent and manage potential conflicts of interest that may arise during the performance and completion of financial market activities and operations conducted by the Bank. In all cases in this manual should include as a minimum:

- 11.1. The mechanisms by which areas and systems that make decisions related to securities market intermediation (which may come into possible conflicts of interest) are separated physically, operationally and in terms of decision making.
- 12.2. Principles and guidelines for conducting market operations with their associates through trading systems.

**PARAGRAPH.** For purposes of corporate governance in brokerage operations, Decree 1121 of 2008 establishes what is meant by "economically related."

### **Section IV**

## **PRIVILEGED INFORMATION**

**ARTICLE 12 - INSIDER INFORMATION.** Privileged information is considered information of a precise nature which has not been publicly disclosed and which, had it been disclosed, would have been taken into account by a moderately diligent and prudent investor in making a decision to trade or invest.

**ARTICLE 13 - DUTY OF CONDUCT.** Managers and employees of BANCO DAVIVIENDA S.A. may not, directly or through an intermediary, operate in the stock market or enter into any kind of business using inside information. Additionally, they must refrain from using insider information in any way for their own benefit or that of a third party. Officials associated with market intermediation must also comply with the policies in this area set forth in the Financial Risk Management Manual (MARF).



**Section V**  
**RELATED PARTY TRANSACTIONS**

**Chapter I. DEFINITIONS AND SCOPE**

**ARTICLE 14 - PURPOSE.** The regulation of related party transactions contained in this section aims to:

1. Establish the means and procedures to ensure proper treatment of these transactions within the framework of the company's corporate governance system.
2. Properly manage potential conflicts of interest that related party transactions may generate.
3. Ensure greater transparency in carrying out these transactions and adequate disclosure of information to stakeholders.

**ARTICLE 15 - DEFINITION OF RELATED PARTIES.** For purposes of this Manual related parties means:

1. Sociedades Bolívar S.A. and its subsidiaries;
2. The shareholder(s) or beneficial owners<sup>6</sup> who own(s) ten percent (10%) or more of the Bank's equity;
3. Legal entities in which the Bank is a beneficial owner of ten percent (10%) or more of the equity interest.
4. Bank managers and managers of the Grupo Empresarial Bolívar companies.
5. Companies where:
  - a) A Bank shareholders owns 10% or more of the share capital or the outstanding shares, or
  - b) Bank managers have an interest, directly or indirectly, equal to or larger than 10% of the outstanding shares or parts of interest.

**ARTICLE 16 - CLASSIFICATION OF TRANSACTIONS.**

All operations carried out by the Bank with its related parties, will be framed within one of the following contexts:

- a) **Securities market operations:** those operations in the process of issuance, placement, distribution and trading of securities listed on the National Registry of Securities and Issuers (RNVE, Spanish acronym).
- b) **Ordinary operations:** those operations defined in the corporate mission and authorized by law for entities supervised by the Financial Superintendency of Colombia.
- c) **Administrative and support operations:** operations that are directly related to ordinary activities and which are designed to exercise the rights of, or comply with legal obligations of, or are generally derived from the existence and activity of, the company.

**PARAGRAPH.** If the operation has a nature that cannot be assigned to one of the classifications described in this Article, the transaction will be considered special and will follow all processes and procedures established for administrative or support operations.

**Chapter II. APPLICATION CRITERIA**

**ARTICLE 17 - RELATED PARTY TRANSACTIONS.**

The Bank may enter into transactions with related parties, on the understanding that they will be carried out under the conditions and rates available on the market in which trading takes place.

The terms are calculated taking into account the prevailing market conditions in the country in which the person who provides the services, natural or juridical, is located.

**ARTICLE 18 - CRITERIA FOR HANDLING MARKET RATES.**

Market rates shall be deemed to exist when one of the following criteria is present:

6. Article 6.1.1.1.3 of Decree 2555 of 2010, defines the beneficial owner as "any person or group of persons who, directly or indirectly, by itself or through a third party, by virtue of contract, agreement or any other way, regarding an action of the company, has or is likely to have, by owning bonds mandatorily convertible into shares, decision making capacity, that is, the ability or power to vote in the election of directors or representatives or, to direct, guide and control this vote as well as the ability or the power to dispose and order the transfer or encumbrance of the action.

For the purposes of this resolution, the true beneficiary owner includes spouses or permanent companions and relatives within the second degree of consanguinity or affinity, or first degree of civil affinity, unless proven that they operate with independent economic interests,

(...) Similarly, the beneficial owner comprises parent companies and their subsidiaries. (...)"

1. When prices and profit margins are achieved that would have been obtained in comparable transactions with or between unrelated parties.
2. When transactions are performed under contracts with standardized terms, and the prices that are handled routinely with clients who hire the same type of goods or services are applied.
3. When, showing differences in these values, they do not significantly affect the price or amount of the consideration or profit margin that would be obtained if the operation was performed with a party unrelated to the Bank.

**FIRST PARAGRAPH.** In any case, the prices adopted by the Bank for handling transactions with related parties must be suitable under the principle of free competition.

**SECOND PARAGRAPH.** In the event that the above criteria are not applicable to an intended transaction with a related party, the responsible Vice-President should support the elements considered to establish that the transaction will be approved in market conditions. The study containing support for the operation will be sent to the Finance Department and presented to the Audit Committee in the quarterly report on related party transactions as established under Article 20.

### **Chapter III. PROCEDURES AND RESPONSIBILITIES FOR PERFORMANCE OF OPERATIONS**

**ARTICLE 19 - PROCEDURES.** To comply with the criteria established in the previous chapter and provide transparent and fair procedures for all operations, the Bank will handle the following processes, depending on the type of operation being transacted with each related party, as follows:

**ARTICLE 20 - OPERATIONS IN THE FINANCIAL MARKET.** As a general rule, transactions with related parties that are performed through the financial markets are made through trading systems, meeting the applicable regulations for trading in this market and the provisions of the Financial Risk Management Manual (MARF).

Operations allowed with related parties in the OTC market will be those specified in the Over-the-Counter (OTC) Market Operations Regulations, included in the Financial Risk Management Manual (MARF).

The analysis, study and authorization for such operations will follow the definitions regarding limits and powers

established by the Board of Directors through the Financial Risk Management Manual (MARF).

#### **ARTICLE 21 - ORDINARY BUSINESS OPERATIONS.**

The analysis, study and approval of related party transactions regarding the provision or acquisition of goods or services, among others, which fall under the Bank's ordinary course of business shall be carried in accordance with existing regulations laid out in the various manuals issued by the Company.

However, ordinary operations whose value equals or exceeds one billion pesos ( $\geq$  \$1,000,000,000.00) must be submitted to the Board for their review and approval, together with the study referenced in Article 20 of this section, if applicable.

These operations must be authorized by the signature of legal representatives registered with the Financial Superintendency of Colombia.

#### **ARTICLE 22 - ADMINISTRATIVE AND SUPPORT OPERATIONS.**

The analysis, study and approval of transactions with related parties in procurement matters will follow the definitions management has established in the Contracting and Procurement Manual for the Bank and its subsidiaries.

However, the operations whose value equals or exceeds two hundred fifty million pesos ( $\geq$  \$250,000,000.00) must be submitted to the Board for their review and approval, together with the study referenced in Article 20 of this section, if applicable.

These operations must be authorized by the signature of legal representatives registered with the Financial Superintendency of Colombia.

#### **ARTICLE 23 - CONDITIONS APPLICABLE TO ALL OPERATIONS.**

Those departments that plan to carry an operation with a related party shall be responsible for verifying compliance with the conditions laid down in Chapters II and III of this section.

For those operations that do not fall under the criteria established in Article 15 a study shall be performed prior to the operation, which demonstrates compliance with the conditions laid down in Chapters II and III of this section, signed by the Vice-President presenting and requesting the operation in the Bank and the competent official in the related company with whom the operation will be performed.

**PARAGRAPH.** No study will be required for operations whose conditions are standardized or are carried out at generally established prices or rates.

#### **Chapter IV. CONTROL AND MONITORING**

##### **ARTICLE 24 - INTERIM REPORT OF OPERATIONS.**

Departments that conduct transactions with related parties are responsible for informing the Bank's Financial Management about them, together with the prior study, if applicable.

**ARTICLE 25 - VERIFICATION.** The Finance Department will verify compliance with the conditions laid down in Chapters II and III of this section, for all transactions entered into with related parties.

##### **ARTICLE 26 - VERIFICATION OF MARKET RATES.**

In monitoring related party transactions, Financial Management will verify the following items to determine if they meet one of the criteria for market rates as provided in Article 18:

1. The value of the assets or services affected by the operation.
2. The profits attributable to such assets or services when offered by the Company to an independent third party in similar conditions. This information will be made available to the accounting area by the department that has managed the respective operation.
3. The agreed price and terms of payment.

**ARTICLE 27 - MONITORING.** The Finance Department will verify compliance with the approved conditions during the execution of all transactions entered into with related parties.

**ARTICLE 28 - CONCILIATION.** The Accounting and Control Management for Sociedades Bolívar S.A. and BANCO DAVIVIENDA S.A.'s Financial Management shall perform on a monthly basis, a reconciliation of transactions that took place between the companies of Grupo Empresarial Bolívar, for which:

- a) BANCO DAVIVIENDA S.A.'s Financial Management will consolidate the information relating to operations carried out by the Bank and its subsidiaries.

- b) Accounting and Control Management for Sociedades Bolívar S.A. will consolidate:

- (i) the information relating to the operations carried out between Sociedades and its subsidiaries and affiliates other than the Bank and its subsidiaries and affiliates.
- (ii) Information concerning operations carried out between the companies in the group other than those transacted by BANCO DAVIVIENDA S.A.

#### **Chapter V. FILING AND ACCESSING INFORMATION**

##### **ARTICLE 29 - RELATED PARTY TRANSACTIONS INFORMATION ARCHIVE.**

The Finance Department of the Bank will maintain an archive of administrative and support operations conducted by the entity with related parties.

Archiving of instruments through which market operations and the ordinary course of business are legalized, such as contracts, acceptances of offers, amendments, mortgages, guarantees, promissory notes, extensions, etc. will be managed and filed in accordance with archiving and preservation policies established within the Bank's Operation Manuals for each type of transaction, and shall be available for inspection at any time so required by the Bank's Financial Management.

#### **Chapter VI. REPORTING AND DISCLOSURE**

**ARTICLE 30 - CONSOLIDATED REPORTS.** The Finance Department will present detailed consolidated reports of transactions with related parties to the Audit Committee at each of the regular meetings of this body and will include in this report the result of compliance verifications in the negotiation and execution of the operations as described in Article 25.

In the same vein, the Bank's Financial Management will present a consolidated and detailed report of related party transactions to the Board of Directors at the end of each fiscal year, likewise including the results of compliance verifications in the negotiation and execution of the operations as described in Article 25.

**ARTICLE 31 - DISCLOSURE OF RELATED PARTY TRANSACTIONS.** The Bank shall report related party transactions as set forth in applicable legal standards, in



particular in the provisions for disclosure in its notes to the financial statements and disclosure of relevant information. The foregoing is without prejudice to the decisions that management may make to disclose this information to all or part of the stakeholders, in the form, timing or content management may decide.

**ARTICLE 32 - PROHIBITED TRANSACTIONS.** In all cases, BANCO DAVIVIENDA S.A. is prohibited from performing market operations through the over-the-counter market<sup>7</sup> with its related parties<sup>8</sup>.

**ARTICLE 33 - MANAGEMENT RESPONSIBILITY.** The management of BANCO DAVIVIENDA S.A. is responsible for the identification and disclosure of related parties and transactions that are held with them. This responsibility requires management to implement control procedures on the authorization and recording of related party transactions, and establish adequate accounting systems to ensure that the transactions are properly identified in the accounting records and financial statement disclosures.

**ARTICLE 34 - RELATIONSHIP WITH SHAREHOLDERS.** Commercial relations between the Company and its major shareholders will be held within the limitations and conditions laid down by the relevant rules and in all cases within reasonable terms in accordance with the criteria set out in this Manual.

## Section VI FINAL PROVISIONS

**ARTICLE 35 - APPROVAL OF THE MANUAL.** The Board of Directors of BANCO DAVIVIENDA S.A. shall have exclusive jurisdiction to approve this Manual and to make it available to the directors, employees and relevant authorities for their knowledge.

**ARTICLE 36 - AMENDMENT AND REPEAL OF THE MANUAL.** The Board of Directors of BANCO DAVIVIENDA S.A. has the authority to amend and repeal this Manual on its own initiative or that of any of its members, for which the subject will be discussed at a Board meeting. When the Board opts for modification, the proposal must be accompanied with a justification of causes and scope of the amendment sought.

The Board shall inform of any amendments to this Regulation which, if any, are agreed to, in the first session of General Assembly of Shareholders held after the modification.

**ARTICLE 37 - PREFERRED APPLICATION.** The policies established regarding conflicts of interest and improper use of inside information during agency activity, shall apply preferentially to bank managers and staff who develop and execute trading activities.

Here ends the text of the Manual.

Minutes	Date	Subject
744	January 20, 2009	Approval of the Manual.
773	February 09, 2010	Section V, Related Party Transactions, is added to address the policies and guidelines established in External Communication 014 of 2009.
856	May 14, 2013	The Board decided to modify Section V, as far as the definition of related parties, procedures and attributes for operations with them, and control and monitoring procedures for such operations.
891	February 10, 2015	The Board approved modification of Article 5, regarding inclusion of new situation generating conflicts of interest during the distribution activities of Mutual Funds.
992	December 03, 2019	The Board of Directors approved the changes which are: <ul style="list-style-type: none"> <li>• The Manual was reorganized, the index was included and the numbering was adjusted.</li> <li>• The definition of conflicts of interest in Article 5 was updated.</li> <li>• Article 6 was updated, related to the acceptance of gifts and invitations by the administrators, managers and administrators of the BANCO DAVIVIENDA S.A., in order to harmonize policies against "Compliance Manual - Specific policies for the prevention of transnational bribery and corruption."</li> <li>• New procedures for disclosure and resolution were incorporated of conflicts of interest in articles 7, 8, 9 and 10 (officials, discharge Management, Board of Directors and President of the Bank).</li> </ul>

7. The OTC market is defined according to Decree 1121 of April 11, 2008, "that which develops outside the securities trades systems."

8. This prohibition is set forth in Paragraph 2 of Article 1.5.3.2 of Decree 1121 of 2008.

## ATTACHMENT

# FINANCIAL RISK MANAGEMENT MANUAL - FRMM

VERSION 6.0 / MAY 2019

(...)

### 8.1.4.5. Conflict of interest and Fair Competition.

Situation whereby an employee of the entity must make a decision, perform or omit an action, in accordance with the functions corresponding to the same where he/she has the possibility to act following the interests of the firm, or, act in favor of his/her own interest or that of a third party, ignoring his/her legal or contractual duties and obligations and seeking an economic or non-economic benefit for him/herself or a third party.

It will be understood that an act or fact threatens fair competition when it is contrary to sound commercial customs, to the good commercial faith principle, or when it is aimed at affecting or affects the freedom to decide of the buyer, seller, customer or consumer, or market-related third parties.

#### 8.1.4.5.1. Conducts Giving Rise to Conflict of Interest.

Conflict of interest is deemed to take place when the situation would lead the treasury officer to choose between:

- His/her own and the treasury's benefit.
- The benefit of a third party related to him/her and the treasury's benefit.
- The benefit profit of a securities fund and/or collective portfolio administered by the same, and the treasury administered or his/her own and/or between other managed collective portfolio(s).
- The benefit of an operation and the transparency of the market.

**8.1.4.5.2. Prevention and Management.** The officials from the Treasury and securities brokerage areas must promote free competition and must organize and adopt all the rules of conduct necessary to prevent any conflicts of interest. For these purposes, officials must have the necessary elements of judgment to identify the main factors that lead to a potential conflict of interest and adopt the necessary control measures for their prevention.

All operations must pursue the highest profitability, always in the best security conditions and under market conditions, which benefit both the company that performing the same and Grupo Bolívar.

Given the above, officials must abstain to carry out the following activities, including but not limited to:

- Participate in any of the stages of an operation in which they are faced with a conflict of interest situation.
- Participate in the discussions of the competent bodies whose purpose is the authorization of an operation in which they are directly or indirectly interested, without prejudice to the obligation to disclose the existence of such interest to the members of said body.
- Participate in the promotion or holding of an operation or business, or in the definition of policies, rules or procedures, if any family member or particular interest in the matter is involved.
- Prepare, advise or carry out operations that according to their professional criteria and in accordance with the market situation may go against the needs or interests of the company or a third party that results in a risk of unusual loss for them.
- Perform or intervene in abusive operations or contrary to the healthy uses and practices of the market, or that are irregular, or whose prices are not representative of market conditions, or whose risks have not been subject to measurement or monitoring.
- Receive money or benefits to divert, hinder, delay or influence the functions or decisions that are the responsibility of the official.
- Receive any type of attention aimed at influencing the decision making of the official or favoring the disclosure of confidential, internal and/or privileged information.

- h) Make decisions based on information not subject to secrecy, but unknown to Senior Management, where self-interest directly or indirectly prevails, to the detriment of the Grupo Bolívar interest.
- i) Sell at favorable prices to those interested in buying, or buy at favorable prices from those interested in selling, without considering better offers more appropriate to the interest of those who have entrusted the performance of the operation.
- j) Carry out any action that falls within the figure known as “abuse of representation”, or exercise their functions in the opposite direction to the definitions established by Senior Management.

**8.1.4.5.3. Disclosure of Conflict.** The officials must inform their immediate superior on a timely manner about all the actual or potential situations of conflicts of interest and in such cases, they must refrain from participating in the performance of the relevant operations. Similarly, when the conflict of interest arises with a specific client, it is their duty to inform the client.

Additionally, they must consider the following:

- a) Operators must inform their immediate superior about the personal relationships they have with the officials from different counterparties and avoid that this type of relationship interferes with the normal performance of their negotiations with this counterparty or any other.
- b) Middle Office and Back Office officials (including Assessment Department) must disclose to their immediate superior of any potential situation of conflicts of interest, related to individuals and/or corporate entities that may affect the development and objectivity of their activities, as well as avoid that this type of relationship interferes with the normal performance of their duties and responsibilities.
- c) Inform their immediate superior in case they have any kinship or emotional relationship that allows assuming there is an influence in the decision-making process or affects the functions to be performed.
- d) Unless expressly authorized, any event convened by sector entities, such as cocktails, breakfasts, lunches, conferences, etc., must be attended by at least two Company officials.

- e) Inform their immediate superior of any situation where conflicting objectives are generated between clients of the entities and the entity itself, especially fiduciary or securities commission clients (FIDUCIARIA DAVIVIENDA and CORREDORES DAVIVIENDA).
- f) Officials holding the condition of Linked Individuals according to the definition of AMV in the AMV Regulations and AMV Foreign Currency Self-Regulation, must fill in at least once per semester the Related Party Format established by the Investment Risk Vice-Presidency of Grupo Bolívar, and should be sent to their immediate superior with copy to the Head of Risk and Behavior Control of the Investment Risk Vice-Presidency of Grupo Bolívar. If a potential conflict of interest becomes evident, the immediate Chief must take the necessary measures to mitigate the same and see that it be managed in the best way. Said definition must be shared with the Head of Risk and Behavior Control who will have veto power if he/she considers that said definition does not adequately manage the potential conflict.

At CORREDORES DAVIVIENDA, disclosure is made to the immediate superior with copy to the Comptroller, who assesses each disclosure and/or situation, and if deemed necessary, will escalate to the Investment Risk Vice-Presidency.

- g) All individuals involved in the management and execution of operations must ensure that the operations carried out in any market are carried out at a fair market price and avoiding situations that generate conflict of interest, all without favoring any portfolio or fund that manages (or administers). Likewise, if there are any doubts about potential or possible situations that are considered likely to generate conflict of interest at the time of investing or divesting, must be disclosed to the immediate superior with communication to the Investment Risk Vice-Presidency by email or verifiable means for its concept and in such case, must refrain from performing them until having the approval of the Investment Risk Vice-Presidency.
- h) The Investment Risk Vice-Presidency must develop and implement mechanisms to periodically monitor the operations carried out by the Group companies in the securities and foreign exchange markets, and must request the relevant explanations when an operation requires it. It is the responsibility of the immediate head of the operator who held the operation under analysis,



to validate the response that said collaborator gave to the Investment Risk Vice-Presidency, to ensure conformity with the market conditions at the time of closure and thus be certain that the operations occurred in such market conditions.

- i) For all managed portfolios or managed Collective Investment Funds, the Trade Allocation policy for the assignment of orders will be applied as described in article 8.3.2.1.

