

# REGULATIONS OF THE GENERAL STOCKHOLDERS' MEETING



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## REGULATIONS OF THE GENERAL STOCKHOLDERS' MEETING OF BANCO DAVIVIENDA S.A.<sup>1</sup>

Without prejudice to compliance with legal and statutory regulations related to the Shareholders' Meeting, the shareholders of Banco Davivienda S.A. have approved these regulations, under the terms indicated below.

### Preliminary Title. PRELIMINARY ASPECTS

**Article 1. Membership.** Pursuant to the Company's Bylaws, the General Shareholders' Meeting of Banco Davivienda S.A. will consist of the shareholders registered in the record book called "Shareholders' Ledger," or their representatives or proxies meeting with the quorum and under the conditions provided for by Law and in the corporate bylaws<sup>2</sup>.

**Article 2. Chairperson.** The General Shareholders' Meeting will be chaired by the President of the Bank, and in his or her absence by the person designated by the shareholders present at the meeting<sup>3</sup>.

**Article 3. Meetings.** The General Shareholders' Meetings will be ordinary and extraordinary. Ordinary meetings will be held twice a year in the months from January to March and July to September at the corporate headquarters of Banco Davivienda S.A. on the date and time indicated in the notice. If the Ordinary Shareholders' Meeting is not called timely, the same shall meet on its own right on the first business day of April or of October, as the case may be, at ten in the morning (10:00 a.m.), at the Bank's headquarters.

Extraordinary meetings will be held by the Chairman of the Board, or by the President of the Company, or by the Statutory Auditor, whenever they deem it convenient.

Any of the above bodies may call the General Shareholders' Meeting to extraordinary meetings when so required, by a singular or plural number of Shareholders representing at least 15% of the shares subscribed.

Nevertheless, a General Shareholders' Meeting may be held without prior call and in any place when the total shares subscribed are represented.

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<sup>1</sup> These regulations are in conformity with Measure No. 9.1 of the Corporate Governance Country Code, which provides: "The corporation has a regulation for the General Assembly of Shareholders, which set up norms for any tasks within its competence. They range from its meeting calls, to the preparation of the information intended for shareholders, their attendance, the development and exercise of their political rights, so that they are fully aware about the regime that governs the Assembly's sessions.

<sup>2</sup> In accordance with the article 23 of the By-laws of Banco Davivienda S.A.

<sup>3</sup> In accordance with the article 27 of the By-laws of Banco Davivienda S.A.

On the other hand, the Financial Superintendent may also order the call of an extraordinary Shareholders' Meetings or do so directly in the following cases:

- a) When no meetings have been held at the times determined by law or the bylaws.
- b) When serious irregularities have been incurred by management that must be known or remedied by the Shareholders' Meeting. The order to call the Meeting will be fulfilled by the legal representative or the statutory auditor.
- c) When requested by a group of shareholders of the Bank representing a number of shares not exceeding 10% of the shares outstanding and who do not have representation within the Company's management, provided it is considered that their rights have been infringed.<sup>4</sup>

Likewise, the General Shareholders' Meeting may be virtual<sup>5</sup>, under the terms established by law and the bylaws<sup>6</sup>.

**Article 4. Notice<sup>7</sup>.** Notices to ordinary General Shareholders' Meetings shall be sent at least fifteen (15) business days in advance, through a notice that will be published in a daily of national circulation or by personal and written communication addressed to each shareholder by certified mail to the address that he or she has registered with the Bank. For extraordinary meetings, the notices will be given in the same manner at least five (5) calendar days in advance.

Similarly, in order to facilitate shareholders' making of decisions considered in the Shareholders' Meetings, the documentation necessary for the proper information of shareholders on the subjects to be discussed will be available within the term of the Notice and at the corporate headquarters of Banco Davivienda S.A.

**Article 5. Agenda.** The agenda must be clear and adequately detailed in such a way that the shareholders have full knowledge of the subjects to be discussed<sup>8</sup>.

The above, notwithstanding the authority that the Assembly has to discuss additional subjects. The notices for extraordinary meetings must specify the subjects for deliberation and decision, and different matters may not be discussed unless so decided by the majority of the shares represented, once the agenda has been extinguished

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<sup>4</sup> Art. 423 of the Commercial Code.

<sup>5</sup> Article 19 of Law 222 of 1995.

<sup>6</sup> First paragraph of article 24 of the Statutes of Banco Davivienda S.A.

<sup>7</sup> Art. 25 of the by-laws of Banco Davivienda S.A.

<sup>8</sup> This article keeps the agreement with Measure No. 10.5: "Agenda by the Board, the precision, the content of the topics to be discussed, the avoidance of the issues of transcendence, the concealment or masking under imprecise, generic mentions, too much general or broad as "other" or "propositions and several".

When the Shareholders' Meeting is going to consider and decide on operations related to spin-offs, changes of corporate purpose, waivers of preemptive rights, changes of corporate headquarters and advanced dissolution<sup>9</sup>, the agenda must expressly contain these issues.

**Article 6. Inclusion of Items in the Agenda of an Ordinary Session of the Assembly<sup>10</sup>.** 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 Ordinary Meeting of General Shareholders and put forth Agreement Proposals related to the points set out in the agenda.

Both the proposals for Additional Items to be included in the agenda and the Agreement Proposals must be filed with the Secretary General in writing at the Office of Investor Affairs within five (5) calendar days after publication of the respective call; and the Secretary will in turn inform the Board.

In the event that the Board accepts the request, by the next day after the Board has met to consider proposals for Additional Items to be included in the agenda and Agreement Proposals, the new points shall be communicated to shareholders.

In the event that the Board does not consider it appropriate to accept the proposals for Additional Items to the agenda or Agreement Proposals, the Board, through the Secretary General, shall respond in writing explaining the reasons for its decision and informing Shareholders of their right to present their proposals during the Assembly in accordance with the provisions of Article 182 of the Commercial Code.

**Article 7. Request for Information on Items in the Agenda of Ordinary Sessions of the Assembly.** Within 5 business days prior to the date scheduled for the Ordinary Meeting of the General Assembly of Shareholders, Shareholders may, by notice to the Office of Investor Affairs, file requests regarding the matters on the Agenda, without prejudice to the respective right of inspection.

Banco Davivienda S.A. will attend to these requests as appropriate and refrain from providing confidential and/or reserved information or which can be classified as: i) unreasonable; ii) irrelevant to know the progress or the interests of the Company; iii) whose disclosure put the Company's competitiveness in imminent and serious danger.

If the answer is delivered to the person concerned, the same will be made available to all shareholders under equal availability and conditions, through channels Management considers suitable for this purpose.

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<sup>9</sup> This includes an agreement with measure 10.4 of the country code that says "The improper split can only be analyzed and approved by the General Assembly of Actors in this point has been included expressly in the call of the respective meeting.

<sup>10</sup> In accordance with the first paragraph of article 25 of the By-laws.

**Article 8. Right of Inspection.** The Bank will facilitate decisions by its shareholders by making available to them, within the term of the notice and at its corporate headquarters, the information required by legal regulations for exercising the right of inspection.

In no case this right will be extended to documents that deal with industrial secrets, or to data that if disclosed may be used in detriment of the corporation.<sup>11</sup>

**Article 9. Secretary.** The Bank's Legal Vice President shall serve as Secretary for the General Shareholders' Meeting, without prejudice to the fact that the Shareholders' Meeting may decide otherwise.

**Article 10. Minutes of the Meetings.** Minutes will be drafted of all General Shareholders' Meetings<sup>12</sup>, which will be signed by the Meeting's Chairman and Secretary, and will be recorded in a duly registered Book of Minutes when approved.

The minutes shall mention the place, date and time of meeting; number of shares subscribed; time and advance notice of the call; a list of those in attendance with an indication of the number of shares each one represents; subjects discussed; decisions adopted and number of votes issued in favor, against or in blank; written evidence by attendees, appointments made, and date and time of adjournment.

The minutes will be approved by a commission of two (02) people elected by the Assembly at the meeting itself. This commission will also be in charge of supervising the voting and the elections that take place in the respective meeting.

**Article 11. Governing Board:** The members of the Bank's Board of Directors may attend the meetings of the Shareholders' Assembly and, together with the President, the Legal Vice President and the Senior Management staff invited, will comprise the Governing Board of the Assembly and will be available to resolve any doubts the shareholders may have. The General Shareholders' Assembly shall be chaired by the Bank's President and, in his or her absence, by the person designated by the shareholders present at the meeting<sup>13</sup>.

## Title I. QUORUM

**Article 12. Quorum for Deliberation<sup>14</sup>.** In the General Shareholders Meeting there will be a quorum for deliberations with a plurality of shareholders representing at least sixty percent (60%)

<sup>11</sup> The shareholders' right of inspection over the company's books or papers is legally established in Article 48 of Law 222 of 1995.

<sup>12</sup> Article 189 of the Commercial Code indicates that the copy of the minutes approved by the Shareholders' Meeting is sufficient evidence of the events set forth therein, and what is not evidenced therein shall not be applicable.

<sup>13</sup> Art. 28 of the By-laws of Banco Davivienda S.A.

<sup>14</sup> Arts. 25 and 26 of the By-laws of Banco Davivienda S.A.

of the Bank's shares subscribed, unless the law or the bylaws demand a special majority for certain acts, in which case such a majority shall be required.

If the meeting is called and the same is not held for a lack of quorum, a new meeting will be called which will meet and decide validly with a plurality of shareholders, whatever the number of shares being represented. The new meeting shall not be held before ten (10) business days or after thirty (30) business days, counted from the date of the first meeting. The ordinary Shareholders Meeting that is held by its own right on the first business day of the month of April or October, under the terms of article 422 of the Commercial Code, may deliberate and decide validly under the terms of this article.

For this purpose, those proxies granted for the first meeting will remain in effect for the second meeting, except in case of their revocation.

**Article 13. Quorum for Decision<sup>15</sup>.** The decisions of the General Shareholders Meeting will be adopted by a plurality of shareholders representing the simple majority of the shares represented in the meeting, save in those cases in which the Law or the bylaws of the Bank require a higher majority, in which case said majority will be required.

Notwithstanding the foregoing, decrees regarding the reform of bylaws, capital increases and merger with other entities, shall be approved by the Shareholders' Meeting with the favorable vote of a plurality of shareholders representing at least seventy percent (70%) of the shares represented in the respective meeting.

**Paragraph.- Special Report.** Operations for capital increases waiving the right of first refusal in the subscription of shares, and events of mergers or divisions, inasmuch as they may lead to the dilution of minority shareholders' capital, shall be subject to a prior report by the Board, containing an opinion on the terms of the transaction by an independent external adviser with recognized solvency, appointed by the Board.

This report will be made available to shareholders prior to the meeting of the Assembly, within the term established by the regulations.

## Title II. REPRESENTATION OF SHAREHOLDERS

**Article 14. Proxies<sup>16</sup>.** Every shareholder may be represented in the General Shareholders Meeting by a proxy<sup>17</sup> granted in writing, indicating the name of the person acting as proxy, the person who

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<sup>15</sup> Arts. 27, 31 and 34 of the By-laws of Banco Davivienda S.A.

<sup>16</sup> Art. 18 of the By-laws of Banco Davivienda S.A.

<sup>17</sup> Article 184 of the Commercial Code establishes the mechanisms for shareholders to be represented through a proxy issued in writing.

may be substituted by him, and the date of the meeting or meetings for which it is granted. It is understood that the proxy granted for one meeting is valid for the various sessions corresponding to the same meeting. The principals and the proxies shall identify themselves pursuant to legal provisions.

**Article 15. Prohibitions on Representation.** Save in the cases of legal representation, Bank administrators and employees shall not represent at the General Shareholders' Meetings shares other than their own while exercising their positions, or substitute proxies granted to them. Neither may they vote on the balance sheets and accounts for the ending period or for liquidations<sup>18</sup>.

No Bank officer can, by himself or through a third person, request or collect proxies for ordinary or extraordinary General Shareholders' Meetings, or recommend or induce by any procedure that proxies be granted in favor of certain candidates.

### **Title III. DUTIES OF THE GENERAL STOCKHOLDERS' MEETING**

**Article 16. Duties of the General Shareholders Meeting.** The following are duties of the General Shareholders Meeting, in accordance with the Bylaws:

- 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 designee shall be a firm of recognized expertise and reputation and 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 levels for the members of the Board of Directors and the Statutory Auditor and his alternate.
- e) To approve or disapprove the balance sheet for each period, which together with the remaining attachments and explanations required by law, must be submitted to the Assembly's consideration by the Board of Directors and Bank's President.
- f) To decree the distribution of profits, establish the payment of dividends and determine reserves to be made in addition to those legally required.
- g) To amend the bylaws. Each group of articles that are substantially independent may be voted on separately. In any case, an item shall be voted on separately 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.

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<sup>18</sup> The provisions of this article adopts the stipulations in Article 185 of the Commercial Code.

- h) To decree capital increases, the expansion or modification of corporate objectives, change of domicile, extension of the Bank's term or its advance dissolution, mergers with other businesses or corporations, disposal of corporate businesses, and any change in the Bank's name.
- 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 legally assigned to it as the Bank's highest body.
- j) To authorize the Board of Directors, generally or particularly, when required by circumstances, to make the donations in cash or in kind it considers necessary for the fulfillment of the entity's corporate objective and the performance of corporate operations. The general authorization issued shall remain in effect until its revocation.
- k) Approve the general compensation and succession policy for the Board of Directors.

#### **Title IV. FISCAL AUDITOR**

**Article 17. Auditor's Selection.** In its capacity as parent company, Banco Davivienda S.A. will ensure that the Statutory Auditor firm appointed by the General Meeting of Shareholders perform the Auditor's functions for other Group companies, particularly those subject to inspection and surveillance by the Financial Superintendence of Colombia and its counterparts in other countries.

**Article 18. Disclosure of Relevant Findings by the Auditor.** If there are qualifications in the financial statements at the end of the Statutory Auditor's period, these and the actions that the Company proposes to remedy the situation shall be subject to notice to the shareholders meeting in General Assembly.

When, in spite of the caveats and/or emphases by the Auditor, the Board considers that it must maintain its criteria, this position must be adequately explained and justified by a written report to the General Assembly, specifying the content and scope of the discrepancy.

#### **Title V. HOLDING AND PROCEEDINGS OF STOCKHOLDERS' MEETING**

**Article 19. Participation by Shareholders.** Shareholders who wish to take part will be identified indicating their first name, last name and number of shares owned or represented by them.

The information or clarification requested will be provided by the Chairman or, by whoever the Chairman may indicate, as applicable.

**Article 20. Temporary Suspension.** Exceptionally, if any event occurs that substantially alters the good order of the General Shareholders' Meeting, or other extraordinary circumstances occur that prevent its normal operation, the Chairman may decree its suspension during the time that may be necessary to reestablish the conditions that permit its continuation. If the abnormal conditions

continue, the adjournment of the meeting will be proposed to the following day, when so decided by any plurality of those in attendance representing at least fifty-one percent of the shares represented at the meeting. In any event, deliberations may not last beyond three days, if the total of the subscribed shares is not represented.<sup>19</sup>

**Article 21. Adoption of Agreements.** Agreements will be adopted with the majorities required by the law and the corporate bylaws. Each shareholder attending the Meeting will have as many votes as shares owned, without prejudice to legal restrictions.

The Chairman of the Meeting will communicate to the shareholders the approval or disapproval of agreements proposed to the General Shareholders' Meeting, when it has evidence of the existence of sufficient votes to obtain the majorities required in each agreement.

**Article 22. Binding Nature of Decisions.** The decisions by the General Shareholders' Meeting made in accordance with the bylaws and the Law are binding on all shareholders, including absent or dissident members.

**Article 23. Information on the Proceedings of the Shareholders' Meeting.** In order to keep the shareholders who cannot attend the General Shareholders' Meeting informed, Banco Davivienda S.A. will publish in its webpage, during the time that the meeting takes place, a summary of the major aspects that are being decided at the Meeting, such as its time of initiation, place of meeting, quorum for deliberation and major subjects to be discussed, among others.

## Title VI. FINAL PROVISIONS

**Article 24. Approval.** These Regulations will be approved by the General Shareholders' Meeting and must be communicated to the market as relevant information.

**Article 25. Interpretation and Modification.** These Regulations develop the provisions of the Corporate Bylaws and the Code of Corporate Government of Banco Davivienda S.A. regarding the General Shareholders' Meeting; their interpretation and modification shall be carried out by the Assembly itself.

**Article 26. Approval and Effectiveness.** These Regulations, which form a part of the Corporate Governance System of Banco Davivienda S.A., will be applicable as of the next General Shareholders' Meeting after that in which they are approved.

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<sup>19</sup> Article 430 of the Commercial Code allows a temporary suspension, however, it limits deliberations on bylaws reforms and the creation of preferential shares, which will always require the quorum provided for in the Law or bylaws.

<b>MINUTES</b>	<b>DATE</b>	<b>SUBJECT</b>
99	March 08, 2008	Approval of the Regulations.
126	March 15, 2019	Articles 3 and 10 were modified. A new article 11 is included The footnotes were updated in the document.



DAVIVIENDA