

## **INTERNAL WORK RULES OF THE BOARD OF DIRECTORS OF SCOTIABANK COLPATRIA S. A**

### **INTRODUCTION**

Considering that the Board of Directors of Scotiabank Colpatría S. A. is the sole collegiate body in charge of the implementation of strategic and organization activities, as well as of the verification of the existence and effectiveness of internal controls that allow the adequate follow – up of the corporation’s performance, its members must act at all times in good faith, with loyalty and with the diligence of a good businessman. Also, all of its undertakings must be aimed to the compliance with the objectives and interests of the corporation, in full compliance with the provisions of the corporate by - laws and the corporate governance provisions adopted by the entity.

The Board of Directors will also promote the best treatment and attention to the shareholders, financial consumers, employees, suppliers and, in general, to all of its stakeholders.

By virtue of the foregoing, below are the internal work rules of the Board of Directors of Scotiabank Colpatría S. A. to be adopted as guiding document for the discharging of the legal and corporate powers of this administration and control body.

### **PRELIMINARY TITLE**

The application of these rules by the Board of Directors of Scotiabank Colpatría S. A. and by all of its members is mandatory. That is why the persons to whom the rules apply must know them, comply with them and enforce them. These Rules will be made public through their publication in the Corporate Governance Code and will be integral part thereof.

### **STRUCTURE OF THE BOARD OF DIRECTORS**

#### **Article 1.- Structure, election and period.**

The Board of Directors, as the sole collegiate body, shall be formed by the number of members determined by the Corporate by - laws of Scotiabank Colpatría S. A., all of whom shall be chosen by the General Shareholders’ Meeting applying the electoral quotient system, for two (2) – year periods, but they can be indefinitely reelected. The President of the corporation shall have voice but not vote in the meetings of the Board of Directors. The members of the Board of Directors shall remain in the position until the moment in which their replacements are sworn - in.

The independent nature of a Board member shall be determined according to the legal provisions applicable.

## **Article 2.- Nomination and appointment of the Members of Board of Directors.**

The of proposals for the nomination or appointment of members of Board of Directors, together with the information related to the personal and professional characteristics of the candidates, will be deposited in the main place of business of the corporation for the election of the members of the Board of Directors by the General Shareholders' Meeting.

The evaluation of the suitability and of the compliance with the selection criteria, in respect of the candidates to be members of the Board of Directors must be made prior to the shareholders meeting, under the leadership of the Corporate Governance Committee.

For the election of its Directors the provisions of the by - laws and of the manuals or policies of the Money Laundering and Financing of Terrorism Risk Management System (SARLAFT) shall apply.

When a Director is appointed for the first time, the corporation must make available to him / her enough information for he / she to have specific knowledge of the company and of the sector in which it operates, as well as all the information related to its responsibilities, obligations and powers.

The Board of Directors shall coordinate with the Bank's General Secretary the induction and training program for the new or incumbent directors.

## **Article 3.- Availability of the members of the Board of Directors.**

The candidate to be a member of the Board of Directors must guarantee that he / she has enough time available to assume such duties. The availability includes, in addition to the attendance to the board meetings, the evaluation of the meetings' prior materials and information, the follow - up of information about the financial sector, the training and refresher programs, the meetings with authorities and, in general, the time required to make studies or recommendations to the company.

## **Article 4.- Causes of disqualification and incompatibility.**

The members of Board of Directors cannot have fallen in causes of disqualification or incompatibility. Without prejudice to the causes of disqualification and incompatibility set forth in the regulations in force and in the by - laws of Scotiabank Colpatria S. A., in all cases it is the duty of the Directors to make the entity aware of any possible causes of disqualification or incompatibility in which they may found themselves to discharge their duties, or that arise after the start of the period.

#### **Article 5.- Conflicts of interest.**

The members of Board of Directors shall avoid the conflicts of interest with the entity, informing of the existence thereof to the other members of the Board of Directors and refraining from voting on the issue the subject matter of the conflict, unless the Board of Directors, with the unanimous votes of all other members present, considers that que the respective Director is not in a situation of conflict.

#### **Article 6.- Privileged Information.**

The members of Board of Directors shall refrain from using for purposes other than the discharging of their duties or the activities related to them, the privileged or reserved information of Scotiabank Colpatria S. A., of its customers, shareholders, suppliers and of the different stakeholders to which they have access because of their position.

#### **Article 7.- Chairman.**

The Board of Directors shall appoint a Chairman and a Vice - Chairman, by the affirmative votes of the majority of its members. The functions of the Chairman of the Board of Directors shall be those described in the by - laws of the corporation, and those set forth below:

1. To ensure that que the Board of Directors efficiently sets and implements the strategical direction of the corporation.
2. To drive the corporation's management actions, acting as liaison between the shareholders and the Board of Directors.
3. To coordinate and plan the functioning of the Board of Directors through the establishment of an annual work plan based on the functions assigned.
4. To call the meetings, directly or through the Secretary of the Board of Directors.
5. To prepare the Agenda of the meetings, in coordination with the President of the corporation, the Secretary of the Board of Directors and all other members.
6. To see to the delivery, in time and form, of the information to the members of the Board of Directors, directly or through the Secretary of the Board of Directors.
7. To chair the meetings and guide the debates.
8. To see to the enforcement of the agreements of the Board of Directors and to follow up its mandates and decisions.
9. To monitor the active participation of the members of the Board of Directors.
10. To lead the annual self – assessment process of the Board of Directors and of the Committees, with the exception of his / her own evaluation.
11. To coordinate with the Office of the General Secretary the filling and update of the Directors' qualifications matrix.

## **Article 8.- Secretary.**

The Secretary of the Board of Directors shall be the General Secretary of the corporation. In the event of his / her permanent or temporary absence, the General Secretary shall be replaced by the person appointed by the Board of Directors. The functions of the Secretary of the Board of Directors shall be those set forth in the by - laws of the corporation as well as those set forth below:

1. To call the meetings, according to the annual schedule.
2. To give, in time and form, the information to the members of the Board of Directors.
3. To keep the corporate documents, to duly reflect in the minutes' books the proceedings of the meetings, and to certify the agreements or decisions of the corporate bodies.
4. To see to the formal legality of the acts of the Board of Directors and to ensure that its proceedings and governance rules are respected and regularly reviewed, according to the provisions of the by - laws and other internal regulations of the corporation.
5. To communicate, in an adequate and timely manner, the decisions of the Board of Directors.

## **OPERATION OF THE BOARD OF DIRECTORS**

### **Article 9.- Meetings.**

**9.1.** The Board of Directors shall ordinarily meet once a month, without prejudice to the possibility it has to meet in an extraordinary manner in other occasions, when so called by the persons established in the Corporate by - laws of the corporation and in the time determined for such call.

The Board of Directors may invite to its meetings the President of the corporation, one or several members of the management del Banco, any officer of the entity, the Statutory Auditor and, in general, any third party whose presence is deemed as necessary or pertinent. The Office of the General Secretary of the Bank shall take all appropriate measures to protect the respective information.

According to the rules applicable, the unjustified absence of a member of the Board of Directors for a period of more than three (3) months will cause the vacancy of the position as Director and the alternate will occupy it for the remainder of the term for which it was appointed.

**9.2.** The ordinary meetings of the Board of Directors shall have full validity provided that the call has been made no less than ten (10) business days in advance.

The extraordinary meetings shall be held whenever unforeseen or urgent circumstances of the company so warrant, or when it is or pertinent for the discharging of their duties.

**9.3.** The corporation shall assume all the costs and expenses that are reasonably necessary for the members of the Board of Directors to attend the physical meetings called by that body.

**9.4.** The meetings of the Board of Directors shall take place on the last Wednesday of each month, unless the Board itself decides otherwise. The members of the Board of Directors must have access to the information to be discussed in each meeting, no later than on the last Friday prior to the date set for the meeting of the Board of Directors. In any case, if due to unforeseen circumstances the General Secretary determines that it is not possible to comply with the aforementioned term, the information will be forwarded to the interested persons on the business day (sic) the one mainly stipulated.

#### **Article 10.- Remote Meetings.**

**10.1.** The Board of Directors can hold remote meetings when, through any means, and with enough quorum to do so according to the corporate by-laws, its members can discuss and decide by simultaneous or successive communication, provided that it is done with the full compliance with all other legal requirements.

**10.2.** Also, the decisions of the Board of Directors will be valid when all the partners or members express, in writing, the direction of their vote, provided that it is done with the full compliance with all the legal provisions that may be applicable.

#### **Article 11.- Deliberations and decisions.**

**11.1.** The deliberations and decisions of the Board of Directors must be conducted and adopted according to the conditions established in the by-laws.

**11.2.** The members of the Board of Directors may retain, with the prior decision of the same body and at the corporation's expense, external consultants of a recognized expertise and professional solvency, to issue an independent opinion in the cases determined by the law or when it is deemed pertinent or necessary.

In the event that the intervention of an external consultant is requested, the Chairman of the Board of Directors or any other member must declare whether there is any conflict of interest between him / her and the respective consultant, or any kinship or commercial or personal relationship with him / her, his / her spouse or relatives up to the second degree of consanguinity and affinity, event in which the decision to retain the consultant may be reconsidered. In any case, the consultant retained must keep the confidentiality of the issues the subject matter of the consultancy, and must refrain from carrying out any conduct that involves a conflict of interest or use of privileged information.

#### **Article 12.- Information to the alternate members.**

The alternate members of the Board of Directors must be kept duly informed of the subject matters brought to the consideration of this corporate body.

#### **Article 13.- Performance Report.**

The performance report of the Board of Directors and of the President of the corporation must be submitted to the General Shareholders' Meeting and must contain the information about the fiscal term, a true explanation of the evolution of the business, and the legal, financial and administrative situation of the corporation. Said report must also contain statements regarding (i) the material events occurred during the fiscal period, (ii) the foreseeable evolution of the corporation, (iii) the state of compliance with the intellectual property and copyright regulations by the corporation, (iv) the duties performed by the Audit Committee.

The aforementioned report must be approved by the majority of the votes of those who must present it, and it must have attached the explanations or qualifications of those who do not agree with it. In addition, if the corporation has in its work methods any information method additional to the accountancy, it must present it attached to the one that is required by the law.

#### **Article 14.- Minutes.**

The proceedings of the meetings of the Board of Directors must be certified in minutes that shall be included, in chronologic order, in a minutes' book that shall be kept in the main place of business of the corporation. Those minutes will be signed by the person who chaired the respective meetings and by the General Secretary; also, the minutes must be numbered and must mention the place, date and time of the meeting, the name of the persons who attended, all the issues discussed and the decisions made, rejected or postponed. Also, all the material that was reviewed and considered by the corporate body shall be filed in a digital and physical manner in the auxiliary books of the minutes of the Board of Directors, which shall be integral part of the respective minutes.

The approval of the minutes of the Board of Directors shall be the responsibility of the Chairman of the Board or of the Board member who chairs the respective meeting. The minutes' book of the Board of Directors shall be kept and looked after by the General Secretary of the corporation.

Between the date of the meeting of the Board of Directors and the moment in which the minutes must be entered in the minutes book, no more than two (2) months can lapse. Therefore, the draft of the minutes of the sessions of the Board must be forwarded to the Directors together with the material of the next meeting, so they can make comments about the contents of the document. If no observations are made,

the minutes shall be included in the books within the term set forth at the beginning of this paragraph.

The foregoing without prejudice to the power of the General Secretary of communicating, in an appropriate manner and in a completely valid manner, the decisions of the Board as soon as the same are made.

**Article 15.- Meetings with control areas or functions.**

The Board members may call and hold the meetings that they deem necessary with the Bank's internal or external control bodies, as well as with the persons responsible for the entity's control areas or functions.

**The compliance with these rules is mandatory for the members of the Board of Directors and executives of the Top Management of Scotiabank Colpatria S. A.**