



BOARD OF DIRECTORS GUIDELINES

INTRODUCTION

Having a solid corporate governance is essential to ensure the sustainability, success, and reputation of a business group like ours, whose profitability, stability, and credibility depend on the quality of its strategic decisions. A clear, transparent and well-regulated governance structure in each of our entities and as a Group, facilitates the generation of long-term value, the trust and satisfaction of our customers and investors, regulatory compliance, responsible innovation, and adequate risk management.

Within the corporate governance system, boards of directors play an essential role, as they are responsible for guiding, supervising and making key decisions that affect the course of Grupo Aval companies.

We are convinced that it is valuable to have these guidelines for our boards of directors, as it allows them to fulfill their purpose in a strategic and informed manner, looking after the best interest of their employees, but with a sense of Group, and aligned with the interests of the holding company, ensuring coherent, modern governance focused on the creation of sustainable value.

This proposal establishes the engagement guidelines for Grupo Aval and its companies and is based on principles and recommendations of good corporate governance and efficiency, which ensure that the meetings are bodies that generate value for management, shareholders and other stakeholders. In this way, we have adopted national and international recommendations on the matter such as those of the Dow Jones Sustainability Index, Standard & Poor's, and the Country Code of the Financial Superintendence of Colombia, among other standards, guidelines and norms.

1. STRATEGY

Our boards must play an active role in the monitoring and evaluation of compliance with the entity's strategic plan, as well as its budget execution.

These include:

- Periodic evaluation of the degree of compliance with the strategic plan and its indicators.
- Approval and monitoring of the annual budget and key financial indicators.
- Critical review of strategic or budgetary deviations, and analysis of corrective measures.
- Review and approval of relevant investments, expansion plans, acquisitions or divestments.

In addition, this strategy, while considering the particular context of each business and sector, must ensure that the decisions, policies and strategies of their respective entities are aligned with Grupo Aval's global objectives and ensure consistency in decision-making, maximize strategic, operational and financial synergies, and strengthen long-term sustainability. This alignment does not imply a loss of autonomy, but rather a strategic coordination that respects the specificity of each business, while optimizing the collective value of the Group.

To this end, Grupo Aval will lead meetings and spaces in which the Directors of its entities will be able to learn about the holding's strategy, its objectives and expectations as a shareholder, and we will provide permanent communication spaces for the exchange of ideas and recommendations.

The Directors of our boards must seek to align the strategy of their entities with the objectives of Grupo Aval:

- Know and understand the Group's strategic objectives, as well as the guidelines that govern their application in each business unit.
- Integrate these objectives into the formulation of the strategic and operational plans of the entity under their responsibility.
- Ensure that key decisions (investments, acquisitions, alliances, indebtedness, divestments, etc.) are also evaluated from the point of view of the impact on the Group.
- Establish effective coordination mechanisms with other boards of directors or corporate committees, when decisions involve more than one entity.
- Inform the holding company in a timely manner about relevant risks, opportunities or deviations from the common objectives.

2. WORK PLAN

Each board of directors must develop an **annual strategic work plan**, which clearly articulates the objectives, priorities and key issues that will be addressed throughout the year, which at the beginning of each year (maximum in the February session) will be discussed and approved.

This plan (schedule of meetings with the planned topics) should not be a simple agenda of dates, but a dynamic instrument of strategic planning that includes at least the following aspects:

- Spaces for periodic reviews of financial and strategic performance.
- Strategic risk assessments, cybersecurity, and regulatory developments.
- Advances in sustainability and ESG.
- Analysis of sectoral trends and competitive context.
- Identification of structural challenges and emerging opportunities.
- Budget.

- Refresher and training sessions on critical topics (compliance, digital transformation, emerging regulation, cybersecurity, etc.).
- Talent Management: Strategy for key team attractation, development, retention, evaluation, and succession.
- Audit Report: findings and follow-up to action plans.
- Legal contingency report.
- Follow-up to corporate policies.
- Strategic sessions with external experts.
- Board of Directors Evaluation.

Attendance: The meetings, if possible, should be face-to-face and, although some Directors participate virtually, this should be exceptional. The Administration, in coordination with the president of the meeting, may request that certain meetings be fully face-to-face given the nature of the topics to be discussed at the meeting.

Agenda and development of the sessions: The agenda must include the estimated duration for each item, providing not only the presentation of the Administration but also the discussion and analysis by the Directors. It is suggested to organize the agenda by thematic blocks, as follows: (1) Management Report; (2) decision-making issues, which must include in a clear, precise and complete manner the decision that is requested; (3) informational topics; (4) committee reports; and (5) list of pending topics and applications with their filing date. If at the end of the time allotted for the meeting, there are still unaddressed issues, the board must decide whether to schedule them for the next sessions or whether to hold an extraordinary session. This decision must be recorded in the minutes.

3. BOARDS OF DIRECTORS STRUCTURE

The Bylaws of each company establish the structure and functions of its board of directors. The following practices are defined as minimum standards:

Directors: Directors must have a profile that ensures the skills, training, experience and diversity that, through joint work, maximize the generation of value. For this, it is important that the Administration suggests the profiles that it needs to have on its board to ensure an adequate composition, and on an annual basis, it must make an analysis of the profiles it has on its board to establish if they are the desired ones and if it has a board that adds value and guides its strategy.

Formation and functionality of the Support Committees: The board committees are advisory bodies to the board in charge of reviewing in detail matters and following up on issues that, due to their specialty or complexity, require further analysis. This allows board sessions to focus on the most strategic issues. For this, the following recommendations should be followed:

- The creation or elimination of committees must be approved by the board of directors, and annually, after the shareholders' meeting, the composition of the committees must be reviewed.
- The committees must be of the right size for proper management. It is suggested that this size be three Directors and, in any case, that it should not exceed five.
- All companies must have an Audit Committee. This Committee must have at least one independent Director.
- The boards may have advisory committees on strategic, operational or administrative issues. Among them, according to their size and type of business: Risks, Corporate Governance, Talent and Compensation, Innovation and Technology, among others.
- The committees of the boards will follow the recommendations contained in this document for the board in aspects such as the role of the president, the secretary, induction, training, evaluation, annual work plan, agenda, minutes and all others that are considered applicable.

- The chair of each committee shall periodically submit to the board (at least twice a year) a summary report of the findings and recommendations. To this end, space will be defined within the agenda for the reports of the committees.

Commitment of the Directors: For the proper development of the board, its members are expected to:

- Have enough time to attend the meetings of the board, the induction and training spaces that are determined, and the committees of which they are a part;
- Prepare the sessions, and review the material you receive in advance;
- Participate in a concrete and constructive way in the board sessions, respecting the agreed times and focusing on the points that contribute the most to the issues discussed;
- Know the Articles of Association of the company, and the functions and regulations established therein for the board of directors; y
- Spend time learning about the strategy of the company in which you are a Director, and stay up to date on relevant industry issues and trends.

Chairman of the Board of Directors: Annually after the shareholders' meeting at which the board of directors is appointed, the board shall elect a chairman and a vice chairman. The president leads and facilitates the effective work of the board, in conjunction with the Administration, following the following recommendations:

- The agenda of meetings of the Board and its Committees must be defined by the President and the Administration no later than December of the previous year so that they can share it with the Directors in sufficient time.
- Guide the Administration in the preparation of the agenda of each session, seeking to comply with the annual work plan that has been agreed.
- Guide the sessions, moderating the discussions, seeking to meet the times and agenda set out in the agenda.

- Promote debate and participation of all Directors with an efficient use of time, avoiding repetition of unnecessary arguments and discussions.
- At the end of each agenda item, summarize the conclusions, decisions, and tasks that the board decides, ensuring that the decisions are understood by all Directors.
- Maintain a harmonious relationship with the Administration and advise the president or manager of the company and the executive team in general.

Boards of Directors Secretary: Usually an official of the Administration, preferably a lawyer, and is in charge of providing administrative and logistical support to the Board and its Directors. For the proper development of the work of the secretary, we constructed the following recommendations:

- To convene the meetings of the board within defined times, following the provisions of the bylaws, regulations and decisions of the board.
- Send the information and material to the Directors and other participants with the advance notice that is defined.
- Prepare the **draft minutes of** each session for the review and approval of the Directors. As a principle, the minutes should be documents that demonstrate the fiduciary duty of the board, especially in its duty of care, to ensure an adequate decision-making process. Therefore, it must include at least the following aspects: Assistant directors, members of the Administration and attending guests, indicating the topics in which they were present and their participation, place and date of the session, agenda, presentations and topics discussed, and relevant aspects of the discussions and details of the decisions. The signed version of the minutes must be left no later than one month after its approval.
- Coordinate within the Administration the preparation of the topics and presentations to be made at the meeting.
- Prepare and guard the archive of the material used in the meetings of the board. It is suggested to have an online board information archive or repository that can be accessed by Directors, including presentations, agenda, summonses, and minutes of board and committee meetings.
- Support the Directors in their administrative requirements.

- Support the chairman of the board in directing sessions, without replacing him in his duties.
- Ensure control of the legal and regulatory matters of the management of the meeting, such as the minutes book, the regulations of the meeting, the code of good governance, the code of ethics and conduct, the regulations of the shareholders' meeting, and the approved policies.
- To keep track of attendance and remuneration of the meetings.

The company's management is responsible for leading and ensuring the implementation of the corporate strategy. Their role for the functioning of the board is essential because it oversees preparing information, raising strategic issues, reporting on the progress of the company's strategy and results, among others. To ensure that the board brings the most value to the Administration, the following recommendations should be followed:

- Work in conjunction with the chair and committees to ensure the efficiency and effectiveness of board sessions.
- To the extent that you require it, you may request the specific advice of a Director who, due to his expertise, can support you in a particular subject.
- Ensure at least once a year a space for social interaction with the Directors in such a way as to strengthen the relationship with the different actors of corporate governance.
- In the board sessions, make clear and concise presentations that allow the Directors to know the topics discussed in sufficient detail for decision-making. Directors should know the type of pronouncement that the board is expected to have on each issue.
- All the people of the Administration who will be present in front of the meeting must be clear and comply with the assigned time (presentation and discussion). In the presentation, they should focus on topics that allow for dialogue and require the analysis of the Directors.

4. MANAGEMENT OF THE BOARDS OF DIRECTORS

Director Induction and Training: Each company must implement an induction program for its new board members. This program must include at least the following documents: the last management report, bylaws, board regulations, last strategy presentation, corporate policies. Meetings should be held with management to understand the company in detail (history, key indicators, business units, critical issues, and most recent strategy), and visit the company's key facilities within the first three months.

Likewise, each company will have a training program for Directors in topics such as strategic issues of the company's business, managerial, normative, regulatory aspects, among others. It is recommended to include special training on auditing, compliance, risk management and sustainability issues annually. These trainings may be conducted with face-to-face or virtual experts, individual or collective, or with the distribution of documents or other material for the reading and study of the Directors.

Evaluation of the boards of directors: A self-evaluation exercise of the board of directors must be carried out annually and every two years an external evaluation will be carried out, including a peer evaluation that allows the individual dimension of each Director to be considered.

These processes allow us to identify: Strengths and opportunities for improvement in decision-making; training or updating needs, proposals for the optimization of work in committees, and the review of the adequate structuring of the annual work plan and its correct execution.

The results of this evaluation should be analyzed and discussed at a board meeting whose findings should be considered in the development of the Annual Work Plan, training programs, and overall board operating practices.