



# **CORPORATE GOVERNANCE CODE COLOMBINA S.A.**

**2023**



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## **INTRODUCTION**

**COLOMBINA S.A.**, as an Issuer of Securities in the Public Securities Market, in compliance with the provisions of Resolution 275 of May 23, 2001, issued by the Superintendence of Securities, now the Financial Superintendence of Colombia, Law 964 of July 8, 2005, and other legal regulations that govern, amend or add to the subject matter, and in accordance with the mandates issued by the honorable General Shareholders' Meeting, through its Board of Directors, has adopted this Code of Good Corporate Governance. The objective of this code is to establish a declaration of principles under which all activities of the Issuer will be carried out, so that investors are informed about the foundations that govern the business, the principles and values that regulate the administration of the company. Along with the bylaws and relevant legal regulations, this code provides investors with reliable, trustworthy, and truthful information to support their investment decisions.

This declaration of principles complements what is established in the company's bylaws and the current applicable legal provisions.

## **CORPORATE PURPOSE**

COLOMBINA S.A. is a private commercial company, organized as a corporation, whose main corporate purpose is the manufacture and commercialization of all kinds of food products, including related and complementary activities to the aforementioned main corporate purpose.

The company has defined its business activities, expressing itself as a global food company that seeks to captivate consumers through innovation and the flavor of its products. It is supported by a strong umbrella brand, recognized brands with high perceived value, effectively marketed to be accessible to all. The company is committed to a sustainability scheme that involves all its Stakeholder Groups.



## CHAPTER I

### PRINCIPLES, GOVERNANCE AND ADMINISTRATIVE STRUCTURE OF THE COMPANY

#### General Principles

COLOMBINA S.A., aware of its responsibility to society and the country, remains committed to leading a policy that is subject to the adoption, implementation, and embodiment of the strictest rules of business ethics and socially responsible commercial practices. The company will be guided in all its interactions with third parties and internally by unwavering ethical and moral principles based on our corporate values of teamwork, commitment, customer orientation, respect, creativity, and innovation, all of which are part of this Code of Good Corporate Governance.

The provisions of this Code of Good Corporate Governance shall apply to all matters of the Company and, additionally, in the scope of the Public Securities Market, in accordance with the current legislation and the rules that modify and/or replace it.

#### Criteria and Procedures for Appointment and Responsibilities of Legal Representatives and Key Executives

The annual appointment of the members of the Board of Directors corresponds to the General Shareholders' Meeting. In turn, it is the responsibility of the Board of Directors to appoint the General Management, their substitutes, and the General Secretary of the Company, as well as to determine their remuneration and freely remove them before the expiration of their term.

The selection, appointment, and remuneration of these officials will consider objective criteria based on the human, professional, and technical qualities of the candidates, ensuring the proper fulfillment of their duties and continuous leadership to achieve organizational goals, preserving corporate values, and complying with internal policies and laws.

Both the General Management and its Substitutes have the authority to execute all acts and contracts within the corporate purpose or those that are merely preparatory, accessory, or complementary to the realization of the company's objectives, as well as those directly related to the existence and operation of the company. These may include receiving, replacing, acquiring, granting, and renewing obligations and credits, giving or receiving assets in payment, etc., with the only limitation being those established in the bylaws for operations that require prior authorization from the Board of Directors or the General Shareholders' Meeting.



In the process of personnel selection, the Company will attract, retain, and develop individuals who internalize and share corporate values and act in alignment with the organization's strategic direction. It will also employ individuals with significant development potential who can adapt and embrace the changes and learning opportunities offered by the company's activities.

### **Evaluation and Controls of the Activities of Administrators, Senior Executives, and Directors**

COLOMBINA S.A. will implement the necessary and sufficient mechanisms for the effective evaluation and control of the activities carried out by the directors, executives, and administrators of the company, with the aim of ensuring respect for and protection of the rights of all its shareholders and other stakeholder groups.

### **Board of Administration, Corporate Management, and Corporate Governance and Control of the Company**

Colombina S.A.'s organizational structure includes three (3) levels of governance, which correspond to: (i) Board of Administration; (ii) Corporate Management Bodies; and (iii) Control Bodies. According to this, the division is as follows:

#### **i. Board of Administration**

1. General Shareholders' Meeting.
2. Board of Directors.
3. General Management.

#### **ii. Corporate Management Bodies**

1. Executive Presidency.
2. General Secretary.

#### **iii. Control Bodies**

1. External Audit
2. Internal Audit.
3. Audit Committee.
4. Risk Committee.
5. Sustainability and Corporate Governance Committee.





## **Company Areas**

### **Financial and Administrative Area**

This area performs functions of utmost importance in managing treasury resources, optimizing their performance and allocation, maintaining relationships with banks to manage commitments, and negotiating loan conditions. Additionally, it participates in decisions aimed at optimizing costs in purchasing and sales processes and overall resource management for the company.

### **Legal Area**

This department is responsible for leading and coordinating all matters related to preventive and corrective legal situations of the organization.

### **Strategic Planning Area**

This department ensures the execution, proper communication, and compliance with the Corporate Strategic Plan, with the aim of generating long-term value for the company. It also advises the Executive Presidency of the Business Group in the development of the strategy and the analysis of different growth scenarios that the company can adopt.

### **Human Resources Area**

The company has a Human Resources department responsible for carefully selecting employees to be hired. For this purpose, there are employee selection policies based on the intellectual qualities, knowledge, experience, skills, and abilities of each individual, according to the profile required for the position to be filled. Additionally, training and professional development plans are developed, which include monitoring systems for each employee to ensure that they exhibit appropriate behavior in accordance with their levels of responsibility within the company and in their social environment. Furthermore, a job description for all positions in the company is prepared at all levels, outlining the functions and responsibilities of employees.

This department is responsible for the administration of the salary policy, whereby employees are remunerated based on the evaluation of their performance and in accordance with the policies defined by the Board of Directors.



## **Supply Chain Area**

This department is responsible for ensuring the efficient operation of the entire supply chain by aligning human capital around clear objectives and strategies that promote maximum economic efficiency, sustainability, and the highest standards of world-class operations. It serves as a platform to generate competitive advantages in the market, ensure customer satisfaction, and achieve sustainable growth for the company.

## **International Markets Area**

This department is responsible for directing the strategic development of the company's business in the following countries: United States of America, Canada, Puerto Rico, Dominican Republic, Europe, and Africa (excluding northern countries). Its goal is to position the Group's brands to achieve sales growth and profitability objectives in these markets.

## **LATAM Commercialization**

This area is responsible for directing the company's commercial operation, focused on achieving sales and profitability objectives through proper coverage of distribution channels and management of the product portfolio. It also establishes short, medium, and long-term commercial strategies for marketing the company's products throughout the national territory.

## **National LATAM Commercialization**

This area is responsible for directing the strategic development of the company's business in Colombia and major cities such as Bogotá, Ibagué, Bucaramanga, Barranquilla, Medellín, Cali, and Pereira.

## **LATAM - Andean Region Commercialization**

This area is responsible for directing the strategic development of the company's business in the following countries: Ecuador, Peru, Chile, Bolivia, and Venezuela. The aim is to position the Group's brands to achieve growth objectives in sales and profitability.

## **LATAM - Central America Commercialization**

This area is responsible for directing the strategic development of the company's business in the following countries: Guatemala, Honduras, Nicaragua, Mexico, Panama, Costa Rica, and Belize.



## **Corporate Marketing Area**

This area is responsible for designing and implementing the strategy to consolidate Colombina's image as a leading company in the fast-moving consumer goods sector. It focuses on deepening consumer understanding in all markets to increase brand penetration and positioning, achieving the expected sales and profitability objectives.

## **Internal Audit Area**

The company has an Internal Audit department, which evaluates the company's risks and is responsible for designing and implementing internal control policies and procedures that need to be implemented within the company according to its needs and the instructions and suggestions of the Board of Directors and the Audit Committee. This department ensures the proper fulfillment of the corporate purpose, the achievement of its goals, and compliance with all internal policies and legal regulations.

## **Investment Operations**

Investment operations are managed under parameters established by the company's Board of Directors. Entities with which investments are managed are determined, projects for investment are carefully selected, and maximum limits for investments are assigned to determine their profitability.

## **Suppliers**

The company has established a standard procedure that all employees must adhere to whenever they need to make any purchase of goods or services, following procedures set by the Board of Directors or the General Management of the company.



## **CHAPTER II**

### **DESCRIPTION OF THE MAIN ORGANS OF ADMINISTRATION, CORPORATE MANAGEMENT, AND CONTROL**

#### **Board of Administration**

#### **General Shareholders' Meeting**

The General Shareholders' Meeting is the highest corporate body, comprising all shareholders of the Company. It must meet at least once a year in an ordinary session and as many times as necessary in extraordinary sessions for the proper and complete fulfillment of its functions as assigned in the company's bylaws and the law.

Its functions are regulated in the statutory provisions of the company and the legal norms governing corporate matters.

Among its responsibilities are the following:

- a) Establish measures to ensure the fulfillment of the Company's corporate purpose.
- b) Examine, approve, or disapprove the year-end financial statements and accounts presented by those who have the legal representation of the entity and the Board of Directors.
- c) Approve or disapprove reports presented by the administrators related to the state of the company's business.
- d) Appoint members of the Board of Directors.
- e) Appoint the External Auditor and their substitutes.
- f) Approve the accounts of the administrators.
- g) Other functions provided for in the company's bylaws and current laws governing the matter.

#### **Rights, Obligations, and Equitable Treatment of Shareholders**

The shareholders shall be treated equitably by the administrators and employees of the Company, who, within the scope of their respective functions, shall ensure that they are allowed to exercise their rights and that their requests, claims, and proposals to the Company are addressed, regardless of the number of shares they hold. Likewise, all shareholders shall receive equal treatment, without granting any privileged access to information for some shareholders over others.



The shareholders shall have the following rights:

- a) The right to participate in the deliberations of the General Shareholders' Meeting and to vote in it.
- b) The right to receive a share of the social benefits shown in the year-end financial statements, proportional to the value of their shares.
- c) The right to freely negotiate their shares.
- d) The right to freely inspect, at the offices of the administration that operates at the registered office, within the fifteen (15) business days prior to the ordinary meetings of the General Shareholders' Meeting, the books and other documents referred to in Articles 446 and 447 of the Commercial Code. In no case shall this right extend to documents related to trade secrets or when it concerns data that, if disclosed, could be used to the detriment of the company.
- e) The right to receive, in proportion to the value of their shares, a share of the company's assets at the time of liquidation and after the external liabilities of the company have been paid.
- f) The right to have equitable treatment for all shareholders and other investors. When a plural number of shareholders representing at least five percent (5%) of the subscribed shares submit proposals to the Board of Directors of the company, said body must consider and respond to them in writing to those who have formulated them, clearly indicating the reasons that motivated the decisions. In any case, such proposals may not relate to industrial secrets or strategic information for the development of the company.
- g) Regardless of the shareholder's stake in the Company's capital, they may propose, within the common five (5) days following the sending of the convocation to the General Shareholders' Meeting, the inclusion of one (1) or more points for discussion in the agenda of said Meeting, all of which must be accompanied by the corresponding justification.
- h) Right to Withdraw from the Company, which may only be exercised by dissenting or absent shareholders in the following cases:
  - i. When the transformation, merger, or split of the Company imposes greater responsibility on the shareholders or implies a deterioration of their equity rights.
  - ii. When the Company's shares are traded in the public securities market, and their respective registration is voluntarily canceled.

In any case, this right shall be subject to the provisions of Articles 12 and following of Law 222 of 1995, as well as other regulations that complement, modify, or add to them.

- i) Other rights provided by law, the Company's current bylaws, or this document.

If a shareholder is in arrears in paying the installments of the shares they have subscribed to, they will not be able to exercise the rights inherent to them. For this purpose, the Company shall record the payments made and the outstanding balances.



Similarly, as the holder of shares, by virtue of owning them, certain obligations arise, such as:

- a) According to Article Fourteenth of the Company's bylaws, the ownership of any number of shares implies for the owner the acceptance of the Company's bylaws, regardless of the origin of their title.
- b) Complying with the decisions approved by the majority in the General Shareholders' Meeting.
- c) Making the corresponding payment for their contributions upon the acquisition of shares, on the dates and for the amounts stipulated.

The Company shall make available to the public, through its website ([https://colombina.com/co\\_es](https://colombina.com/co_es)) and the General Secretary of Colombina S.A., a clear, accurate, and comprehensive explanation of: (i) the class and quantity of shares issued, as well as the number of shares in reserve; (ii) the rights and obligations of shareholders, including, but not limited to, those established in this section.

### **Shareholder Representation at General Shareholders' Meetings**

The Company does not restrict the right of shareholders to be represented at the General Shareholders' Meeting, allowing them to delegate their vote to any person, whether or not they are a shareholder. Likewise, the Company minimizes the use of blank proxy voting, without voting instructions. To achieve this, a standard voting format is implemented for General Shareholders' Meetings, which includes the Agenda of the corresponding meeting, so that if the shareholder deems it appropriate, they may indicate the voting direction for each item to their representative.

In compliance with the obligations set forth in Resolution No. 116 of February 27, 2002, issued by the Superintendence of Securities, now the Superintendence of Finance of Colombia, and other applicable regulations, the Company establishes the following:

1. The administrators and employees of the Company are prohibited from:
  - Incentivizing, promoting, or suggesting to the shareholders the granting of powers of attorney where the name of the representative for the Shareholders' Meetings of the respective companies of the Colombina Business Group is not clearly defined.
  - Receiving powers of attorney for Shareholders' Meetings where the name of the respective representative is not clearly defined or where there is a blank space to be filled in later.



- Accepting as valid powers of attorney granted by shareholders without meeting the requirements established in Article 184 of the Commercial Code to participate in Shareholders' Meetings.
- Suggesting or determining the names of the proxies to act in the Shareholders' Meetings for those who exercise legal representation of the company, liquidators, and other officials of the issuing company of shares.
- Recommending shareholders to vote for a specific list for those who exercise legal representation of the company, liquidators, and other officials of the issuing company of shares.
- Suggesting, coordinating, or agreeing with any shareholder or representative of shareholders the submission of proposals to be considered at the Shareholders' Meeting for those who exercise legal representation of the company, liquidators, and other officials of the issuing company of shares.

In any case, the administrators or employees of the issuing company of shares may exercise the political rights inherent in their own shares and in those they represent when acting as legal representatives.

2. In the event that a shareholder cannot attend the assembly, they may be represented through a power of attorney granted via fax, email, or any other written means directed to the company. The formats for powers of attorney that shareholders can use will be available on the corporate website ([https://colombina.com/co\\_es](https://colombina.com/co_es)).
3. The administrators are not allowed to receive special powers of attorney before the convocation through which the matters to be discussed in the respective assembly are informed.
4. The administrators must take all necessary measures to ensure that the employees of the respective company act with neutrality towards different shareholders.
5. The administrators must ensure that the powers of attorney meet the following requirements:
  - Clearly specify the full names and identification document number and place of issuance of both the grantor and the attorney-in-fact, and of the person whom the latter may represent, if applicable. Also, indicate the date of issuance and the date or time of the meeting(s) for which the corresponding power of attorney is granted.



- If granted by a legal entity, the power of attorney must be accompanied by a certificate of existence and legal representation or a document of equivalent validity issued within the last three (3) months, stating the name of the legal representative and the authorization to grant such powers.
- Representatives of incapacitated persons (parents, guardians, trustees) must demonstrate their status with the relevant legal documents.
- Successors of a deceased shareholder must prove their status through a certification from the court or notary where the succession is being processed.
- Powers of attorney with erasures and/or corrections will not be accepted, and powers cannot be granted to stockbrokers.
- Powers of attorney that do not meet the specified requirements will not be considered valid, and the company will refuse to accept them, returning them to the grantor.
- Powers of attorney granted abroad must comply with the same requirements mentioned above.

### **Responsibilities**

It is the responsibility of the General Manager of COLOMBINA S.A. to inform in writing the employees who need to be informed about the convocations to the General Shareholders' Meetings, in order to guarantee the effective participation of the Shareholders, as well as the exercise of their political rights, particularly the right of inspection during the 15 business days prior to the Ordinary General Meeting.

The General Manager must inform the shareholders that the power of attorney cannot be granted to individuals directly or indirectly linked to the management or employees of the company, who can only exercise political rights related to their own shares and those they represent in their capacity as legal representatives.

It is the responsibility of the Secretary General of the company to verify compliance with this procedure and to report to the Board of Directors accordingly.

### **Board of Directors**

The Board of Directors is understood to be granted the broadest mandate to administer the Company and, consequently, will be responsible for the powers contemplated in the company's bylaws and the law.





## Composition and Term

The Board of Directors is composed of nine (9) principal members with their respective personal alternates, elected by the General Assembly of Shareholders for a term of one (1) year from the date of their election, without prejudice to the possibility of being reelected or removed freely at any time by the same General Assembly. If one year passes without appointing new Board members, their mandate will be understood as extended until a new appointment is made.

The Board of Directors will have a chairman appointed from among its members, who will serve for a term of one (1) year, and may be reelected as many times as deemed appropriate by the Board of Directors itself. In the absence of the Chairman of the Board of Directors, the Board will elect a member from within to preside over the respective meeting. The person who serves as the legal representative of the company cannot hold the position of Chairman of the Board of Directors.

The Company will constitute its Board of Directors with at least twenty-five percent (25%) of independent members, as determined by law and regulations. Consequently, the members of the Board of Directors may have the status of "independent" or "proprietary"; the former referring to those who meet the independence requirements established in Law 964 of 2005<sup>1</sup> or the regulations that modify or replace it, regardless of the shareholder or group of shareholders who nominated them; and the latter referring to those who do not have the status of independent and are shareholders (natural or legal persons) or individuals nominated by a shareholder to be part of the Board of Directors.

<sup>1</sup> **ARTICLE 44. BOARDS OF DIRECTORS OF SECURITIES ISSUERS.** Boards of directors of securities issuers shall be composed of a minimum of five (5) and a maximum of ten (10) principal members, of which at least twenty-five percent (25%) must be independent. In no case may securities issuers have numerical alternates. The alternates of independent principal members must also have the status of independent.

**(...) PARAGRAPH 2.** For the purposes of this law, an independent person shall be understood as someone who, in no case, is:

1. An employee or executive of the issuer or any of its subsidiaries, affiliates, or parent companies, including those who held such a position during the immediately preceding year of the appointment, unless it concerns the reelection of an independent person.
2. Shareholders who directly or by agreement control the majority of voting rights in the entity or determine the majority composition of its administrative, executive, or controlling bodies.
3. A partner or employee of associations or companies that provide advisory or consulting services to the issuer or to companies belonging to the same economic group to which it belongs, when the income from such services represents twenty percent (20%) or more of their operational income.
4. An employee or executive of a foundation, association, or company that receives significant donations from the issuer. Significant donations are considered to be those representing more than twenty percent (20%) of the total donations received by the respective institution.
5. An administrator of an entity in which a legal representative of the issuer participates on the board of directors.
6. A person who receives remuneration from the issuer other than fees as a member of the board of directors, the audit committee, or any other committee created by the board of directors.



In no case shall members of the Senior Management or Legal Representatives be part of the Board of Directors unless they attend as invited guests with voice but no vote in the sessions.

In accordance with the provisions of the company's bylaws, the Board of Directors may appoint the commissions or committees it deems appropriate. However, the company will have an Audit Committee appointed by the Board of Directors, consisting of all independent members, with the qualities and functions established by law and regulations.

When a group of shareholders representing no less than five percent (5%) of the subscribed shares of the company submits proposals directly to the Board of Directors, the Board must consider and respond to them in writing, indicating the reasons that underlie the decision taken. Such proposals must be submitted with a reasonable notice before the date of the general meeting of shareholders.

## **Functions**

The elected members are the custodians of the shareholders' trust and must act in good faith. In the exercise of their functions, they will represent the interests of the company and all shareholders and in no way can they be spokespersons for the interests of the owners of the shares with whose votes they were elected. The members of the Board of Directors shall keep absolute confidentiality regarding the discussions that arise during their deliberations and decisions.

In the Board of Directors, and under the principles stated here, the broadest mandate is understood to administer the company and, therefore, it has sufficient authority to **order the** execution or celebration of any act or contract within the corporate purpose and to make the necessary determinations for the company to fulfill its purposes. In particular, it exercises the following functions:

1. Set the direction and general guidelines for the management of the company, in accordance with the guidelines set by the General Assembly of Shareholders.
2. Comply with and enforce the bylaws and, in general, make the necessary determinations for the company to fulfill its purposes.
3. Request information about their duties from any officer of the company directly or through the General Manager.
4. Hear the General Manager and the Statutory Auditor as often as deemed necessary.
5. Authorize the establishment and closure of branches and subsidiaries and set the limits of the powers conferred on their Managers in the powers granted to them.
6. Propose the statutory amendments it deems appropriate.
7. Hear and decide on the resignations submitted by officials whose appointment falls under its responsibility.
8. Authorize the company's participation in other companies.



9. Authorize the creation of sole proprietorships.
10. Regulate the issuance of shares and bonds of the company.
11. Freely appoint and remove the General Manager and their two alternates, determine their remuneration, and decide on their resignations and leaves.
12. Authorize extraordinary investments in urgent cases to guarantee the normal development of the company.
13. Examine at any time the accounting books, correspondence, and, in general, the documents of the company, as well as the state of its assets, and review and approve or disapprove the general budget and accounts of the company presented by the General Manager.
14. Convene the General Assembly of Shareholders for extraordinary sessions, without prejudice to the statutory powers of other bodies or officials.
15. Appoint special work commissions.
16. Annually submit to the consideration of the General Assembly of Shareholders, in its regular or extraordinary sessions, along with the General Manager after its study and approval, the financial statements, accounts, and vouchers of the company, the proposal for the distribution of profits or the cancellation or accounting of losses, and, in general, the reports required by law.
17. Present annually to the General Assembly of Shareholders, in its regular sessions, along with the General Manager, a special report on the Business Group and a report on the legal, economic, and financial situation of the company and the performance during their mandate, accompanied by relevant recommendations.
18. Study reports on the legal, economic, and financial situation of the company, requested or presented by any person, whether or not an official of the company.
19. Present to the General Assembly of Shareholders, in its regular or extraordinary sessions, any other reports and recommendations it deems appropriate.
20. Delegate to the General Manager or their alternates some or all of their functions that, according to the law, can be delegated.
21. Study and approve or reject all operating and investment budgets of the company, which must be submitted by the General Manager, and periodically control their execution.
22. Authorize the General Manager of the company to enter into acts or contracts whose value is greater than one thousand legal monthly minimum wages (1,000 S.M.M.L.V.). Contracts related to the sale, marketing, export, distribution of products manufactured or distributed by the company, and the acquisition of raw materials and inputs necessary for production, such as sugar, essences, dyes, packaging, and other necessary elements for carrying out these activities without interruption, are excluded from this limitation. These contracts, being a permanent necessity for the development of the corporate purpose, may be executed by the legal representative without prior authorization, complying with the investment and expense budget approved by the Board of Directors.



23. Authorize the manager to request, if necessary, the company's admission to the execution of a preventive concordat with its creditors.
24. Establish specific mechanisms to allow the evaluation and control of the activity of the legal representatives and key executives of the company.
25. Consider and respond in writing to proposals made by a plural number of shareholders representing at least five percent (5%) of the subscribed shares.
26. Prepare a written report to the General Assembly of Shareholders in case the report of the Statutory Auditor includes reservations and/or emphasis paragraphs with which the Board of Directors disagrees and/or considers that it should maintain its criteria or position. This report must be fully justified, specifying the content and scope of the discrepancy presented regarding the report of the Statutory Auditor, if applicable.

### **Board of Directors Meetings**

The Board of Directors will hold regular sessions at least once a month, on dates determined by the same body. For this purpose, during the December meeting, with the support of the Secretary General and the Executive President, the Board of Directors will approve its schedule of sessions for the following year, in accordance with the projected work plan.

On the other hand, extraordinary sessions of the Board of Directors may be convened by the General Manager, the Statutory Auditor, or at least two (2) members of the Board acting as principals, to address urgent matters.

### **Board of Directors' Remuneration**

The remuneration will be set annually by the General Assembly of Shareholders, taking into account the market parameters for this type of companies and the responsibility they assume.

### **Personal and Professional Qualifications of the Board of Directors' Members**

The company must have a team of directors with extensive and recognized professional backgrounds, as well as high integrity and outstanding personal and moral qualities. They should not simultaneously belong to more than five (5) Boards of Directors of joint-stock companies.

Therefore, the General Assembly of Shareholders, when electing members of the Board of Directors, will consider the professional and human qualities of the candidates, in addition to the current regulations regarding the independence of Company Directors in Colombia.



## **Board Committees**

The Board of Directors may create the Committees it deems necessary for the proper development of the company's purpose. The Board of Directors will, in turn, elect the members who will compose these Committees. They must be independent, possess the highest ethical and moral qualities, have a deep understanding of the business, and have the appropriate professional experience in the subjects to be addressed.

In line with the above, when they deem it necessary and with the purpose of enabling these Committees to perform their duties effectively, they will have the authority to request support and guidance from the members of Senior Management in matters that concern them. The members of Senior Management should be ready to provide their collaboration as required.

## **Operations Resulting in Dilution of Minority Shareholders:**

In the event of operations that may result in the dilution of the capital of minority shareholders (such as a capital increase with a waiver of the right of preference in the subscription of shares, a merger, spin-off, or segregation, among others), the Company will explain them in detail to the shareholders in a prior report of the Board of Directors. Additionally, an external independent advisor of recognized solvency and knowledge, appointed by the Board of Directors, will provide an opinion on the terms of the transaction.

These reports will be made available to the shareholders in advance of the General Assembly meeting where the matter will be decided, within the terms for exercising the right of inspection.

## **General Manager:**

The General Manager will perform the functions assigned to them in the company's bylaws and will also act as the legal representative of the company.

## **Appointment:**

The General Manager of the Company and their alternates will be appointed by the Board of Directors for one-year terms and may be reelected and removed by the Board itself at any time.

The General Manager will have two (2) alternates with equal powers and limitations as those set for them and one alternate for legal and government affairs with limited functions.



## **General Manager Functions**

The General Manager will exercise, among others, the following functions:

1. Attend Board of Directors meetings with the right to speak but without the right to vote.
2. Convene meetings of the Board of Directors or specialized committees to discuss matters related to the company's operations.
3. Be accountable to the Board of Directors or the General Assembly of Shareholders for the instructions given and the decisions made during their term.
4. Oversee the company's various operations to ensure the optimal use of financial resources.
5. Monitor the company's income from different sources.
6. Manage the company's funds and assets in accordance with the directives of the General Assembly of Shareholders and the Board of Directors.
7. Conduct economic studies aimed at improving the company's normal operations.
8. Implement decisions of the General Assembly of Shareholders and the Board of Directors.
9. Act as the legal representative of the company before authorities of any level and nature, and before other legal or natural persons, both in and out of court, with broad general powers for the proper performance of their duties, and with the special powers required by law to amend, settle, commit, and withdraw and to appear in court, except in cases where special authorization is required under the law or these bylaws.
10. Manage the company's affairs and operations, both external and internal, particularly technical operations, accounting, correspondence, and the supervision of its assets, all within the guidelines and instructions issued by the General Assembly of Shareholders and the Board of Directors.
11. Enter into any kind of act or contract for the development of the company's corporate purpose, provided that the corresponding expense is included in the budget for investments and expenses. If the expense is not specifically included in the budget for investments and expenses, the act or contract in question will require prior approval from the Board of Directors when its amount is equal to or exceeds one thousand legal monthly minimum wages (1,000 SMMLV).
12. Freely appoint and dismiss the company's employees whose positions have been created by the Board of Directors, unless the Board has reserved the right to appoint them.
13. Appoint special attorneys to handle legal and extrajudicial matters, as well as proceedings before authorities of any level.



14. Keep the Board of Directors regularly informed about the company's operations and provide them with the data and documents they request.
15. Prepare and implement the budget approved by the Board of Directors for the company.
16. Order and approve feasibility studies.
17. Comply with and enforce the company's statutes and regulations.
18. Perform other legal and statutory functions.

Additionally, as the Legal Representative, they must:

Verify the operability of the controls established within the company. They must also present to the General Assembly of Shareholders a report that will present an evaluation of the performance of the mentioned disclosure and control systems.

Be responsible for reporting to the Audit Committee, the External Auditor, and the Board of Directors any significant deficiencies in the design and operation of internal controls that may have hindered the proper disclosure of the company's financial information.

Report cases of fraud that may have affected the quality of the financial information, as well as changes in the methodology for evaluating it.

The Substitute Legal Representative for Judicial and Governmental Affairs will have exclusively the following functions:

1. Legally represent the company, either in court or out of court, before judicial, administrative, and/or any other authorities of any level and nature.
2. Appoint special attorneys to handle judicial and extrajudicial matters, as well as proceedings before authorities of any level. For this purpose, the Substitute Legal Representative for Judicial and Governmental Affairs may grant the special attorneys the powers to receive, withdraw, settle, reconcile, and substitute, if necessary, and may revoke the special powers granted at any time.
3. Receive all kinds of notifications related to actions, investigations, and/or claims filed or initiated against the company in any kind of judicial, extrajudicial, or administrative proceedings.
4. Answer, on behalf and in representation of the company, any kind of questioning, whether judicial or extrajudicial, that may be directed to the company. For this purpose, the Representative is expressly empowered to make admissions.
5. Represent the company in all types of conciliation hearings, with full authority to reach a settlement or declare that there is no intention to conciliate.



Whoever holds the position of Legal Representative of the entity cannot serve as President of the Board of Directors.

### **Remuneration**

The remuneration of the General Manager is determined by the Board of Directors, based on criteria related to their level of responsibility, management, professional qualifications, and market labor conditions.

### **Quality or Conditions**

The selection of the General Manager will be based on choosing a person with leadership, recognized trajectory, experience, integrity, and outstanding moral, personal, and professional qualities.

### **Corporate Management Bodies**

#### **Chief Executive Officer (CEO)**

The Chief Executive Officer (CEO) of the Colombina Business Group will be elected by the Board of Directors. The CEO will have, among others, the following functions, always in compliance with the mandates of the Board of Directors:

1. The CEO will be the authorized spokesperson for the Colombina Business Group before the media, governmental spheres, and in academic and business forums.
2. The CEO will be responsible for the overall strategy of the Colombina Business Group, for which they will develop and manage plans and programs for the different companies within the Group and Business and Service Units, always under the guidelines of the Board of Directors.
3. The CEO will research, plan, and execute strategic alliances, integrations, and other business agreements involving the different companies of the Colombina Business Group, as directed by the Board of Directors.
4. The CEO will lead the new developments of the Colombina Business Group, following the general guidelines of the Board of Directors.
5. The CEO will monitor the compliance with the approved budget for investments and expenses by the Board of Directors of the companies within the Colombina Business Group, as well as each Business and Service Unit.
6. The CEO will preside over the Executive Committee, which will be composed of the top-level executives of the Colombina Business Group.
7. The CEO will preside over the committees of the Colombina Business Group that already exist or that they consider creating in the future.





8. The CEO will ensure the unification of policies and processes within the Colombina Business Group.
9. The CEO will give instructions and issue orders to all Vice Presidents, General Managers, and other executives of the companies within the Colombina Business Group.
10. The CEO will propose to the Board of Directors the names of candidates for Vice President positions within the Company when appropriate.

### **Secretary-General**

The company has a Secretary-General, elected by the Board of Directors for a period of one (1) year, who will also serve as Secretary of the Board of Directors' Committees and must follow the instructions given by the CEO and the Board of Directors for the exercise of their functions. The Secretary-General of the company cannot be a member of the Board of Directors.

This department is responsible for managing everything related to the administration of books (Shareholder Registry Book, Minutes of Shareholders' Meetings Book, and Minutes of Board of Directors Meetings Book) and the issuance, cancellation, and modification of the representative titles of the company's shares, as appropriate. Additionally, it will perform other functions granted by the company's bylaws and the General Meeting of Shareholders, fulfilling the responsibilities assigned by this Code of Good Governance.

### **Functions of the Secretary-General**

The Secretary-General will perform, among others, the following functions:

1. Issue the summons for the General Meetings of Shareholders, Board of Directors, and its Committees, in accordance with the annual plan.
2. Timely deliver information to the members of the Board of Directors.
3. Preserve the company's documentation, accurately record the proceedings in the minutes, and attest to the resolutions of the corporate bodies.
4. Ensure the formal legality of the Board of Directors' actions and guarantee that its procedures and governance rules are respected and regularly reviewed, in accordance with the provisions of the Bylaws and other internal regulations of the company.
5. Manage and safeguard all the company's books (Shareholder Registry Book, Minutes of General Meetings of Shareholders, Minutes of Board of Directors Meetings, Minutes of Board Committees).
6. Serve as a direct communication channel between shareholders, investors, and the Company.



7. Perform any other duties assigned by law and the bylaws.

### **Information Channel for Shareholders, Investors, and the General Public**

The Company has a General Secretariat through which shareholders, investors, and the general public can obtain information about the company. This department will also handle inquiries and complaints from shareholders.

The General Secretariat is located at the main administrative headquarters of COLOMBINA S.A., in the municipality of Santiago de Cali (Valle del Cauca), whose address and telephone numbers will be kept updated on the Company's website.

### **Response to Frequently Asked Questions**

The Company, through the General Secretariat, will make available to investors and shareholders of COLOMBINA S.A. the answers to frequently asked questions that are of their interest, which will be published on the corporate website ([https://colombina.com/co\\_es](https://colombina.com/co_es)).

In any case, the Company will not be obligated to disclose information that has been classified as confidential or reserved, which pertains to patents, trade secrets, and/or data that, if disclosed, could be detrimental to the Company and/or industrial property rights.

### **Control Bodies**

#### **Board of Statutory Auditors**

The Board of Statutory Auditors is the supervisory and oversight body that, under the direction of the statutory auditor, is responsible, among other things, for issuing opinions on the financial statements, systematically reviewing and evaluating their components, as well as the elements that make up the internal control.

This body is established by legal mandate in Article 203 of the Commercial Code for joint-stock companies, so it must adhere to the provisions therein, without prejudice to what is prescribed by other regulations, the company's bylaws, and the mandates of the General Shareholders' Meeting, to the extent that they are compatible with its legal obligations. The Board of Statutory Auditors ensures that no harm is caused to the company, shareholders, or third parties, and that the law and the bylaws are complied with.



## **Appointment**

The Statutory Auditor and their Alternate will be freely elected and removed by the General Shareholders' Meeting for a term of one (1) year from a shortlist previously selected by the Board of Directors, based on criteria that ensure an objective and public evaluation of the different alternatives to consider. The Statutory Auditor and their Alternate will be solely dependent on the General Shareholders' Meeting, and they may be reelected and removed by it. The Alternate will replace the Principal in cases of absolute or temporary absence.

The Statutory Auditor will perform the functions provided for in Book II, Title I, Chapter VIII of the Commercial Code and will comply with the provisions therein, without prejudice to what is prescribed in other regulations.

## **Functions**

In addition to the legal functions, the Statutory Auditor shall:

- a) Examine the operations, inventories, minutes, books, correspondence, and businesses of the company, as well as the vouchers and accounts, in accordance with the law.
- b) Verify the verification of all values of the company and those under its custody, and conduct cash counts.
- c) Provide reports to the General Shareholders' Meeting, the Board of Directors, the Audit Committee, and the General Manager, as requested, on matters related to their functions.
- d) Provide comprehensive coverage to the Company by conducting financial and management audits, verifying compliance with guidelines, monitoring, and controls.
- e) Ensure that the Company's management complies with the specific duties established by the oversight bodies, especially those related to sufficiency, necessity, and timeliness of information and the Corporate Governance Code.
- f) Convene extraordinary meetings of the General Shareholders' Meeting in accordance with the law and when deemed necessary.

## **Remuneration**

The Statutory Auditor will receive the remuneration determined by the General Shareholders' Meeting.



## **Qualifications and Legal Regime**

The Statutory Auditor and their alternate must be Public Accountants, possess the highest moral and professional qualifications, and will be subject to the disqualifications, prohibitions, incompatibilities, and responsibilities established by the laws. The Statutory Audit may also be carried out by a legal entity, which, in turn, will designate the natural person and their alternate to perform such function, both of whom must also be Public Accountants, in accordance with the provisions established by Colombian laws for this case.

## **Relevant Findings by the Statutory Auditor**

In the report presented to the shareholders at the General Shareholders' Meeting, the Statutory Auditor must include relevant findings to provide shareholders and other investors with the necessary information to make their decisions.

However, if the Statutory Auditor comes across relevant situations that need to be reported, they must immediately communicate their findings to the General Shareholders' Meeting, the Board of Directors, or the General Manager of the Company. The Board of Directors, the Audit Committee, and other control bodies of the Company will also be subject, as appropriate, to the provisions of this section and, therefore, will have the same obligations to disclose relevant findings as the Statutory Auditor.

The Company will not disclose findings that could cause harm to the Colombina Business Group, as long as applicable regulations do not require their disclosure.

## **Management of the Company's Main Risks**

The General Manager also has the responsibility of coordinating all necessary actions to maintain a suitable structure for the identification of risks inherent in the activities carried out by the company, in order to ensure the following fundamental aspects:

- a) Ensure the existence of a clear vision of the responsibilities of officials through the issuance of norms, policies, and procedures designed by the company to ensure compliance with guidelines that directly or indirectly affect the comprehensive risk management.
- b) Establish the functions that must be addressed to comply with the risk management process, the methodologies that support it, and clarity in the procedures by assigning functions and activities to be developed.
- c) Ensure that all company officials are clearly aware of their competencies and responsibilities, which have been transmitted to them through norms, policies, and



procedures that have been previously designed to ensure compliance with guidelines directly or indirectly affecting risk management.

d) Ensure that the company provides ongoing training to its personnel, including specific instructions to prevent risks to which the company is exposed according to their position, and take appropriate measures to eliminate them.

e) Ensure that on the dates specified in the statutes or by law, the financial statements, along with the report, the Board of Directors' report, and that of the Statutory Auditor, are submitted for consideration by the General Shareholders' Meeting, including a study on the levels of exposure to liquidity, interest rate, and exchange rate risks, as well as the risk assumption policies established by the Board of Directors.

f) Promote the company's comprehensive management of the structure of its assets, liabilities, and off-balance sheet positions, estimating and controlling the degree of exposure to the main market risks, with the objective of protecting against potential losses due to variations in the economic value of these elements in the financial statements. In this regard, liquidity, interest rate, and exchange rate risks will be taken into consideration.

g) Ensure that the securities issued by the company are registered in the National Register of Securities and Issuers, and if their public offering is intended, they must be subject to ratings if required by law. These ratings will be carried out by duly authorized rating agencies.

## **Remuneration**

The remuneration of the General Manager is determined by the Board of Directors, based on criteria related to their levels of responsibility, management, professional expertise, and the labor market.

## **Qualifications or Conditions**

The selection of the General Manager will be based on choosing a person with leadership, a recognized track record, experience, integrity, and outstanding moral, personal, and professional qualities.

## **Audit Committee**

The Audit Committee is a supporting body for the Board of Directors regarding the monitoring of the Company's internal control, the control architecture, and the verification of the audit function.



It will be composed of at least three (3) members of the Board of Directors, appointed by them, including all independent members. Likewise, the president of this Committee must be independent. The members of this Committee should possess knowledge of accounting, finance, and other related matters to ensure that their performance is rigorous and in line with their responsibilities.

#### **Audit Committee Structure:**

The Audit Committee will hold meetings at least once every quarter. Decisions will be made by simple majority and recorded in the corresponding minutes.

The following individuals may attend Audit Committee meetings as invited guests, with the right to speak but without voting privileges: the President, the General Manager, the External Auditor, the Internal Auditor, and any other persons deemed relevant by the Committee.

Furthermore, when the President of the General Assembly of Shareholders deems it appropriate, they may request a report on the actions taken by the Audit Committee from its President.

#### **Functions of the Audit Committee:**

- i. Analyze and approve the Annual Work Plan of the Internal Audit.
- ii. Establish the regulations under which it will carry out its functions.
- iii. Approve and supervise the compliance of the Company's internal audit work plan, which should take into account its risks.
- iv. Ensure that the preparation, presentation, and disclosure of financial information comply with the applicable legal standards, verifying the existence of necessary controls.
- v. Study the Company's financial statements and prepare the corresponding report for submission to the Board of Directors, based on the evaluation of its notes, opinions, regulatory observations, and other related documents.
- vi. Provide the Board of Directors with a written report, giving an opinion on possible transactions that the Company plans to undertake with related parties, if such transactions are not carried out on market terms and compromise equal treatment among shareholders.
- vii. Establish policies, criteria, and practices for the construction, disclosure, and dissemination of financial information, as well as the design and operation of internal controls for monitoring and controlling it.
- viii. Approve the structure, procedures, and methodologies necessary for the operation of the internal control system.
- ix. Define the responsibilities, attributions, and limits assigned to different positions and areas concerning the administration of the internal control system, including risk management.



- x. Collect and analyze the information provided by each of the candidates for the position of external auditor and present this information to the General Assembly of Shareholders, through the Board of Directors.
- xi. If there are qualifications in the External Auditor's report, the President of the Audit Committee will report to the General Assembly of Shareholders on the actions to be taken to address the corresponding situation.
- xii. Propose to the Board of Directors the selection, appointment, compensation, re-election, and termination of the person responsible for the internal audit service.

### **Risk Committee**

The Risk Committee is a supporting body for the Board of Directors in fulfilling its supervisory responsibilities regarding the management of the Company's risks.

It will be composed of at least three (3) members of the Board of Directors, appointed by the Board, including independent members. Likewise, the chairman of the Committee must be independent. The members of this Committee must have knowledge of accounting, finance, and other related matters to ensure rigorous and appropriate performance of their functions.

### **Structure of the Risk Committee:**

The Risk Committee will hold at least one (1) meeting each year. Decisions will be made by a simple majority and recorded in the corresponding minutes.

The Risk Committee may invite the President, the General Manager, the External Auditor, the Internal Auditor, and any other relevant persons to attend meetings as guests, with the right to speak but without the right to vote.

In addition, when the President of the General Assembly of Shareholders deems it appropriate, they may request a report from the President of the Risk Committee on the work carried out by the Committee.

### **Functions of the Risk Committee:**

The Risk Committee will have, among others, the following functions:

- i. Review and evaluate the integrity and adequacy of the risk management function of the company.
- ii. Review risk limits and risk reports, making relevant recommendations to the Board of Directors and the Audit Committee.
- iii. Propose the company's risk management policy, its additions, and modifications.



- iv. Systematically assess the company's overall risk strategy and policies, translated into the establishment of limits by risk and business types, with the level of disaggregation established for businesses, business groups, customers, and areas of activity.
- v. Analyze and evaluate the company's risk control systems and tools.
- vi. Formulate necessary improvement initiatives concerning the infrastructure and internal risk control and management systems.
- vii. Inform the Board of Directors about operations that require its authorization when they exceed the powers granted to other levels of the company or verify compliance with this requirement.
- viii. Drive the adaptation of the company's risk management to an advanced model that allows for the configuration of a risk profile in line with strategic objectives and monitoring of the appropriateness of assumed risks to that profile.
- ix. Report on its activities to the General Assembly of Shareholders or the Board of Directors when requested by these bodies.
- x. Establish its own regulations.

### **Sustainability and Corporate Governance Committee**

The Sustainability and Corporate Governance Committee is a supporting body to the Board of Directors in fulfilling its oversight responsibilities concerning environmental, social, economic, corporate governance, and stakeholder-related matters. It has been entrusted with the entire management and reporting of sustainability information for the Company.

It will be composed of the CEO of the Company and at least three (3) members of the Board of Directors, appointed by the Board, including independent members. Likewise, the president of this Committee must be independent. The members of this Committee must possess knowledge in sustainability, corporate governance, corporate social responsibility, among other relevant areas, in order to ensure a rigorous and appropriate performance of their functions.

### **Structure of the Sustainability and Corporate Governance Committee:**

The Sustainability and Corporate Governance Committee will meet semi-annually to review the results of the Company's sustainability and corporate governance management. Decisions will be made by simple majority and recorded in the corresponding minutes, which, once approved, will be sent to the Board of Directors for awareness of the Committee's management.





The Sustainability and Corporate Governance Committee may invite, with voice but without voting rights, the Vice President of Strategic Planning, the Vice President of Supply Chain, the Director of the Colombina Foundation, the Vice President of Corporate Marketing, the Vice President of Human Resources, and other individuals the Committee deems relevant.

Furthermore, when the President of the General Shareholders' Meeting deems it appropriate, he/she may request a report from the President of the Sustainability and Corporate Governance Committee regarding the activities conducted by said Committee.

### **Functions of the Sustainability and Corporate Governance Committee**

The Sustainability and Corporate Governance Committee will have, among others, the following functions:

- i. Assist the Board of Directors in its role of proposing and overseeing the corporate governance measures adopted by the company.
- ii. Ensure that shareholders and the market in general have complete, accurate, and timely access to the company's information that should be disclosed.
- iii. Review and evaluate how the Board of Directors fulfilled its duties during the period.
- iv. Supervise compliance with the requirements and procedures for the election of members of the Board of Directors of the company and other subsidiary companies in the case of Conglomerates (competencies, disqualifications, limitations, among others).
- v. Coordinate the induction process for new members of the Board of Directors and promote their training and updating in matters related to the competencies of the Board of Directors.
- vi. Review that the company's corporate governance practices, business conduct, and administrative behavior comply with the provisions of the Corporate Governance Code and other internal and regulatory norms.
- vii. Study proposals for amendments to the Bylaws and Corporate Governance Code related to good governance of the company and present modifications, updates, and derogations of provisions related to Corporate Governance.
- viii. Periodically monitor negotiations conducted by members of the Board of Directors and Administrators with shares issued by the company or by other issuing companies when they are part of the same Conglomerate and, in general, their performance in the securities market.
- ix. Address within the next ten (10) business days after their submission, the claims of shareholders and investors who believe that the company does not apply the adopted Corporate Governance policies.
- x. Address issues related to the conduct of the members of the Board of Directors of the Company that may be contrary to the provisions of the Bylaws, the Board of Directors' Regulations, and other internal regulations, which shall be reported to the Board of Directors when deemed necessary by the Committee.



## **Internal Auditor**

In order to implement adequate internal control systems that allow shareholders, investors, or their representatives to closely monitor internal control activities, the company has an Internal Auditor.

## **Functions**

The Internal Auditor will have, among others, the following functions:

- i. Prepare a Work Plan covering all areas of the Company.
- ii. Conduct the corresponding evaluations.
- iii. Present a detailed report of the findings, with an emphasis on actions to mitigate risks in each business.
- iv. Make recommendations for compliance with internal control policies and procedures, levels for approving purchases, allocation of credit limits to customers, etc.
- v. And, in general, encompass all relevant aspects of the Company's internal control.
- vi. Perform other duties as assigned.

## **Appointment**

The Internal Auditor will be appointed by the Board of Directors upon the recommendation of the Audit Committee, and will follow the instructions given by the latter for the performance of their functions. The Internal Auditor will report directly to the Audit Committee due to their exclusive functional dependence on it, while respecting the internal work regulations and the hierarchical order of the Company.

The Internal Auditor must hold a professional degree, preferably with specialization in finance and business, and have relevant experience for the duties to be performed.

## **Remuneration**

The remuneration of the Internal Auditor will be determined based on their performance of duties, level of responsibility, professional management, and prevailing labor market standards.

## **Administration of the Company's Main Risks**

The company has devised a mechanism that allows for the establishment of a suitable structure to identify the risks inherent in the activities carried out by the company, with the aim of ensuring the following fundamental aspects:



a) A clear vision of the responsibilities of the officials, through norms, policies, and procedures designed by the company to ensure compliance with guidelines that directly or indirectly affect the comprehensive risk management.

b) Functions to be addressed to comply with the risk process, the supporting methodologies, and clarity in procedures by assigning functions and activities to be carried out.

c) All employees within the company have a clear understanding of their competencies and responsibilities, which have been conveyed through norms, policies, and procedures previously designed to ensure compliance with guidelines that directly or indirectly impact risk management.

d) The company provides continuous training to its personnel, including specific instructions for each role to prevent risks to which the company may be exposed and to take appropriate measures to mitigate them.

e) During the dates stipulated in the bylaws or the law for the presentation of financial statements to be considered by the General Shareholders' Meeting, along with the report from the Board of Directors and the President of the company, a study on the levels of exposure to liquidity, interest rate, and exchange rate risks, as well as the risk-taking policies established by the Board of Directors, must be included.

f) The company should conduct comprehensive management of the structure of its assets, liabilities, and off-balance-sheet positions, estimating and controlling the degree of exposure to key market risks to protect against potential losses due to fluctuations in the economic value of these elements in the financial statements. This includes taking into consideration liquidity, interest rate, and exchange rate risks.

g) Whenever the company's securities are registered with the National Registry of Securities and Issuers, and if there is an intention to seek authorization for a public offering, the company's securities must be subject to rating if required by law. Such ratings will be carried out by duly authorized credit rating agencies.

In addition to the Internal Auditor, the company's internal control system has the necessary means to protect resources from losses due to inefficiency or fraud and to promote the accuracy and reliability of accounting reports. These means include:

**Accounting Structure:** To ensure compliance with legal standards in this regard, the company is equipped with budgetary and cost tools, a chart of accounts, standardized procedures, and formats designed to document key operations. It relies heavily on an integrated information system, which allows for online processing of operations.



**External Auditor:** The External Auditor, based on a constructive analysis scheme and independence of action and judgment, fulfills the mission of providing confidence to shareholders, the Board of Directors, management, and the government about compliance with legal, statutory, and administrative regulations. The External Auditor ensures the adequate protection, utilization, and conservation of the company's assets through control actions, analysis, surveillance, and inspection of its operations. Periodically, in accordance with the law and the instructions of the Financial Superintendence, financial statements and other reports required by the Commercial Code and other regulations for securities issuers are disclosed. This allows investors and shareholders to have effective and necessary tools to monitor the management and control of the company.

### **CHAPTER III STAKEHOLDERS**

Shareholders have the right to freely inspect the company's books and records within fifteen (15) business days before the General Assembly meetings where the year-end financial statements are examined, as established in the Bylaws and the Commercial Code. Additionally, at their own cost and responsibility, shareholders jointly or separately may contract an audit with a reputable and experienced firm. To exercise this right, it is sufficient for the shareholders entitled to request the audit, as indicated in this section, to express their desire to carry out this type of audit within the time limit set by law to exercise the inspection right. In no case shall this right extend to documents that contain trade secrets, information subject to confidentiality, or data that, if disclosed, could harm the company and intellectual property rights.

The firms or individuals hired for such audits must, at a minimum, have the same category and qualifications as the statutory auditor designated by the General Assembly for the corresponding period. For this purpose, category and qualifications refer to auditing firms that serve clients with a comparable level of billing and organization to that of the company.

The specialized audit may be requested by a plural number of shareholders representing at least five percent (5%) of the paid-up capital of the company. This same audit may also be requested, at their own cost, by investors holding at least five percent (5%) of an issuance in the event that the company issues other securities.

The company will fulfill its information duties to the representatives of bondholders in precise terms and with the powers conferred on them by law.



### **Call for General Shareholders' Meeting by Minority Shareholders**

The management of the company will convene the General Assembly of Shareholders upon the request of a plural number of shareholders representing at least twenty percent (20%) of the subscribed shares. In these meetings, the Assembly may only address topics specified in the agenda stated in the notice of convocation unless decided otherwise by the number of shareholders required by law, and after the agenda has been exhausted. The shareholders' request must be made in writing and clearly indicate the purpose of the convocation.

For the purpose of requesting the convocation of the General Assembly of Shareholders by investors holding securities issued by the company other than shares, the management of the company will convene the Assembly when appropriate upon the request of such investors, all within the terms of the law.

### **Equal Treatment of All Shareholders and Other Investors**

Except for the exceptions established by law, all shareholders of the company have equal rights and obligations.

### **Environmental Measures**

The Company is committed to social and community responsibility and complies with all legal regulations aimed at protecting the environment to ensure sustainable development. In this regard, policies for conservation and environmental protection will be maintained, allocating the necessary resources to prevent any environmentally harmful activities.

### **Social Impact**

The company supports a wide range of social and community activities, contributing to the social development of the country. Through various foundations and associations, annual contributions are made to educational programs in primary and secondary schools, community infrastructure, the establishment of small businesses, housing, recreational programs, and continuous education programs for employees and their families, benefiting the surrounding municipalities.



## **CHAPTER IV INVESTORS**

### **Conditions of Securities**

The company's issuances of securities will be registered with the National Registry of Securities and Issuers and the Colombian Stock Exchange. For better information about the issuances, the company will request a rating from a top-level rating agency for issuances backed by its own equity or third-party guarantees.

The company guarantees equal treatment to all investors, including minority and foreign investors, through mechanisms that allow them to access sufficient information and file their claims if they have any.

### **Rights**

The rights and obligations of the holders of securities issued by the company will be contained in the corresponding issuance regulations for each issuance. In this section of the Code of Good Governance, we proceed to detail two mechanisms designed to ensure that these rights are upheld and to facilitate investors in enforcing them. These are the Legal Representative of Securities Holders and the Investors Committee, described below.

### **Legal Representative of Securities Holders**

The Board of Directors of the company will appoint a Legal Representative of Securities Holders for each issuance backed by its own equity or third-party guarantees.

The Legal Representative of Securities Holders will be a legally competent entity with a proven tradition, technical and administrative expertise, complete independence, and no conflicts of interest with the company or its shareholders. They should have a recognized track record in representing holders of institutional issuers, demonstrate sound practices, and be financially solid and solvent, allowed by Colombian law to carry out this activity.

Legal Representative of Securities Holders may request relevant information from the Board of Directors regarding the issuance, the management of administrators and directors, the issuer's main risks, and the company's internal control activities.



## **General Meeting of Securities Holders**

Each issuance of securities made by the Company will lead to the convening of a respective General Meeting of Securities Holders. This section describes the scope of its functions, the manner of convening, and the requirements for deliberation and voting on decisions.

### **Functions**

The essential function of each General Meeting of Securities Holders is to inform about the respective issuance. During the meetings, the Legal Representative will provide a report on the company's compliance as an issuer, the administrator of the issuance, or other agents involved in the corresponding issuance.

The General Meeting of Securities Holders for each issuance will have the authority to remove the Legal Representative of Securities Holders for the respective issuance and appoint a replacement, subject to the requirements and conditions established by the company's Board of Directors.

### **Convening General Meetings of Securities Holders**

The General Meeting of Securities Holders may be convened by the Legal Representative of Securities Holders, the General Manager of the company, or upon the request of a group of Securities Holders representing at least fifteen percent (15%) of the outstanding capital of the respective issuance. The convocation will be made through widely disseminated means, with the advance notice indicated in the corresponding issuance regulations, and it will include the location, date, and time, as well as the agenda of the meeting.

In the event that the Legal Representative of Securities Holders for the respective issuance does not make the convocation, Securities Holders representing no less than fifteen percent (15%) of the outstanding issuance may directly request the Colombian Financial Superintendence to carry out such convocation.

### **Deliberation: Quorum and Decision-making Majorities**

To participate in the General Meeting, Securities Holders must present the corresponding certificate from the Centralized Securities Deposit or the entity where the securities of the respective issuance are deposited, or the physical certificate if held. The Meeting may deliberate validly with the presence of any plural number of Securities Holders in accordance with the terms and conditions indicated in the placement regulations.

Securities Holders will have as many votes as their certificate contains the nominal value of the issued securities. There will be no discrimination or limitation in the free exercise of



voting rights for Securities Holders. Although votes will routinely be taken openly, any Securities Holder may request that the vote be in writing and private.

For decision-making in the General Meeting of Securities Holders, only the rules on voting contained in the corresponding issuance regulations will apply.

The Meeting may not take definitive decisions on matters other than those indicated in the convocation, except as decided by the Meeting itself once the agenda has been exhausted, as stipulated in the issuance regulations.

The issuance regulations must contain the requirements of the Public Securities Market rules regarding the operation of the Legal Representatives of Securities Holders and their General Meetings.

## **CHAPTER V TRANSPARENCY AND EQUITY**

### **Succession Processes**

The General Manager shall be responsible for promoting a succession process in the company's different management positions, for which he/she will be supported by a professional personnel training program. The main objective of this program is to ensure an appropriate succession in relevant positions within the company, in order to maintain stable corporate guidelines over time.

### **Prevention, Management, and Disclosure of Conflicts of Interest**

The company's policy is to eliminate and overcome any conflicts of interest that may arise during the course of its business operations, in relationships with shareholders, employees, suppliers, investors, creditors, and any other person or entity that has interests or commercial dealings with the company.

A conflict of interest is understood to be a situation in which a director, administrator, or employee of the company, in the exercise of their functions, has the option to choose between the interest of the company, clients, users, or suppliers, and their own interest or that of a third party. By choosing one of the latter options, they would benefit financially or non-financially for themselves or a third party, disregarding a legal, contractual, or statutory duty and obtaining a benefit they would not otherwise receive.





## **Conflicts of Interest with Shareholders**

Regarding the management of conflicts of interest that may arise with the company's shareholders, an internal procedure has been structured, which establishes the rules of conduct to be adopted, as follows:

- a) Recommendations and suggestions presented by shareholders to the management, in writing and through the company's Secretary, will be analyzed, and the decision taken will be communicated to the respective shareholder.
- b) Legally requested and non-privileged information must be provided clearly and diligently to shareholders who request it, within the term allowed by law before the Ordinary General Meeting. This request shall be made in writing through the company's Secretary.
- c) Shareholders will not be granted any type of economic preference beyond the parameters and policies established by the company for the various regular transactions it conducts with third parties.

Any differences of opinion among shareholders regarding the overall direction of the company, its operations, projects, and businesses, shall be discussed and resolved by the General Assembly of Shareholders, in accordance with the provisions of the law and the company's bylaws.

## **Conflicts of Interest with Directors, Administrators, and Employees**

To resolve conflicts of interest that may arise between the Company and its employees, the rules established in the document called "Code of Responsible Conduct," the entity's Internal Work Regulations, the law, the employment contract, and relevant instructions from the Board of Directors or the General Management will be followed.

The document called "Code of Responsible Conduct" is understood to be part of this Code of Good Corporate Governance.

Additionally, the company will apply the disciplinary procedure established in the current labor laws.

In general, and to avoid conflicts of interest, the company requires that its directors, administrators, and employees observe the following code of conduct, as well as those contained in the document called "Code of Responsible Conduct":

- a) Act truthfully, honorably, loyally, and in good faith. Do not engage in simulated acts or fraudulent operations or any other actions that may conceal, distort, or manipulate the



company's information, to the detriment of the entity, shareholders or investors, the interests of third parties, or the state.

b) Do not engage directly or indirectly in improper arrangements with public or private institutions or organizations.

c) Do not unjustifiably delay the execution of tasks inherent to the position or those entrusted by superiors, to the detriment of the company or its clients.

d) Abstain from providing the necessary information to determine the existence of a potential conflict of interest.

e) Refrain from conducting transactions or businesses based on feelings of friendship or enmity, by those who have the capacity to decide.

f) Do not misuse the advantages granted by the company exclusively for the benefit of its employees, for the benefit of third parties.

g) Abstain from participating, deciding, or suggesting decisions in operations or services in favor of clients with whom they have personal business dealings.

h) Refrain from accepting gifts, excessive attentions, concessions, or preferential treatments from clients that may lead to receiving reciprocal considerations of the same kind.

### **Procedures for Preventing, Managing, and Resolving Conflicts of Interest with Directors, Administrators, and Employees**

When a director finds that in the exercise of their functions, they may face a conflict of interest, they shall immediately inform the other members of the Board and shall abstain from participating in the discussion and decision-making regarding the matter that generates the conflict of interest.

If the majority of directors are potentially in a situation that presents a conflict of interest, the Board must refrain from executing the operation or entering into the act or contract that generates such a situation unless expressly authorized by the General Assembly, in accordance with Law 222 of 1995.

When an administrator or employee of the company faces a conflict of interest, they shall promptly and in writing inform their hierarchical superior, who will bring the matter to the attention of the General Manager to determine the appropriate way to avoid or resolve the conflict in each specific case.



In any case, if the General Manager considers that the situation of a potential conflict of interest should be known to the Board of Directors, they shall provide all information regarding the particular case so that the Board can ultimately decide on the mechanisms to avoid or resolve the conflict.

### **Unresolvable Situations of Conflict of Interest**

In any situation in which it is impossible to avoid a conflict of interest with respect to the company, the officials or directors responsible for making the relevant decision must refrain from executing the respective act or contract or conducting the operation that generates such a situation unless expressly authorized by the General Assembly, in accordance with Law 222 of 1995.

### **Purchase of Sugar from Ingenio Riopaila S.A. and Ingenio Central Castilla S.A.**

Some of the natural and legal persons who are shareholders of the company are also shareholders of the companies Ingenio Riopaila S.A., Riopaila Industrial S.A., Ingenio Central Castilla S.A., and Castilla Industrial S.A., from whom sugar and other raw materials have been and will be purchased. Despite this relationship, purchases from these companies have been and will be transparent and consistent with market prices and conditions for industrial consumers.

### **Mechanisms for Filing Complaints with the Respective Legal Entity Regarding Compliance with the Code of Good Corporate Governance**

The Legal Representative of the company ensures compliance with the bylaws, legal norms, and resolutions of the General Assembly of Shareholders and the Board of Directors.

Shareholders and investors of the company may submit respectful requests to the Company, in writing, through the company's Secretariat, whenever they believe that there has been a breach of the provisions of the Code of Good Corporate Governance. In such cases, the company's management, through the General Management, will provide a clear and sufficient response to the applicant, with the utmost diligence and timeliness.

Any differences, disputes, or discussions arising from the interpretation, execution, or termination of the social contract shall be resolved through institutional arbitration proceedings governed by the Chamber of Commerce of Santiago de Cali, in accordance with the provisions of the company's bylaws and the law.



Before convening the Arbitration Tribunal referred to in this section, the parties shall, by mutual agreement, attempt to resolve their differences through a conciliation procedure to reach an agreement or find a direct resolution. Both parties shall appoint one conciliator each, and these two appointed conciliators shall designate a third conciliator. If they do not agree on the third conciliator, the Center for Conciliation and Arbitration of the Chamber of Commerce of Cali will appoint one upon the request of either party. The sole function of the conciliators will be to meet with the parties and, after hearing their claims, propose amicable settlement formulas. If, within thirty (30) common days from the appointment of the conciliators, the parties fail to find a solution to the conflict, the conciliators will record such situation in a minutes for that purpose, and the parties will proceed to resolve their differences through the arbitration process previously indicated.

### **Identification of the main shareholders**

As a registered issuer in the stock market, the company will quarterly inform the National Registry of Securities and Issuers of relevant information regarding shareholders holding more than twenty percent (20%) of the total outstanding shares. This information will be disclosed to the market by completing the corresponding reports required by the Colombian Financial Superintendence.

### **Economic relationships between the company, its shareholders, directors, key executives, and administrators**

All transactions conducted between the company, its shareholders, directors, key executives, and administrators, whether directly or indirectly, are carried out under market conditions. There shall be no exceptions to this rule.

Except in cases of legal representation, the company's administrators and employees shall not represent shares other than their own at the General Assembly meetings while in office, nor shall they substitute the powers conferred to them. They are also prohibited from approving financial statements.

### **Trading of shares by Directors and Administrators of the Company**

The authorization to sell or acquire shares of the company by its directors and administrators shall be granted by the Board of Directors, under the conditions and requirements established by law. Such authorization will only be given when the transactions are not related to speculative purposes.

**Criteria applicable to transactions conducted by directors, administrators, and employees with shares and other securities issued by the corresponding issuer, their share repurchase policy, and market disclosure:**



- The Board of Directors is responsible for issuing regulations for the subscription of shares, following the instructions given by the General Assembly of Shareholders.
- Shareholders have preferential rights to subscribe to new share issuances in a proportional amount to the shares they hold on the date when the placement regulations are approved by the Board of Directors.
- Shares of the company are freely transferable. The transfer will only take effect against the company and third parties upon registration in the shareholder registry book, through a written letter or order from the seller. The transfer can be made by endorsing the respective share certificate. Before issuing the new certificate to the acquirer, the seller's certificate must be canceled.
- During the existence of the company, the General Assembly of Shareholders may create preferred shares with no voting rights. The subscription of these shares shall be carried out as indicated in the share subscription regulations and the applicable legal provisions governing the matter.
- The company may not repurchase its own shares except by decision of the General Assembly of Shareholders, with the favorable vote of the majority present at the meeting, and using resources exclusively from the company's retained earnings.
- Other securities issued by the company shall circulate according to the provisions of the respective prospectus for issuance and placement, and in any case, according to their own circulation law.
- The execution of these types of transactions shall be disclosed through the management report, which will be available to shareholders and investors on the company's website and in the information provided to the Financial Superintendence, as occasional information.

### **Criteria for the selection of suppliers of goods and services**

The General Manager is responsible for defining, evaluating, and providing the necessary resources for the implementation of these policies. With the aim of improving efficiency in administrative management and control in the procurement of goods, works, and services, the following principles and conditions are established:

- a) No business will be conducted with individuals or legal entities whose ethical, social, and business conduct is contrary to laws, ethics, and good practices or who are legally questioned.



- b) All suppliers will be consulted in official databases for anti-money laundering control.
- c) Requests, claims, and requirements will be promptly and accurately addressed in accordance with the law and respective contracts.
- d) All decisions will be made with fairness and in accordance with the law, avoiding interpretations that might benefit individuals at the expense of others, the company, or the State.
- e) There will be no direct or indirect intervention in relationships that violate the law with public institutions, other entities, or individuals.
- f) All aspects related to restrictive business practices will be complied with, following the principles of fair competition.
- g) The company issues normative circulars that establish controls, including those related to contracting.
- h) Pre-selection of suppliers will prioritize legal entities, and the following aspects will be analyzed: technical and financial capacity, competence and market experience, stability, operational infrastructure, financial stability, service quality, offered price and added value, quantity, compliance, coverage, offered warranties, target market, and moral solvency.
- i) Any employee or manager involved in a conflict of interest regarding a negotiation must inform their immediate superior and refrain from participating. Failure to comply with this provision may result in civil, criminal, and labor actions and sanctions.
- j) All contracts must be covered by compliance bonds, according to the risks associated with each specific contract, and these bonds must be taken with an insurance company legally established in Colombia, with the company as the beneficiary.

### **Donations**

The General Assembly of Shareholders and the Board of Directors, within the framework established by the company's bylaws and the law, may authorize donations for social or political purposes or any other causes deemed appropriate to support.



## **Market Information**

### **Information on essential aspects of the company**

The company will make relevant information available to the authorities responsible for inspection, supervision, and control, the Colombian Stock Exchange, and investors in a timely and sufficient manner, as required by the Public Securities Market. In particular, shareholders will have access to the books and documents required by law during the period before the Ordinary General Assembly of Shareholders, as mandated by the law. Additionally, reports from the Board of Directors, the General Manager, and the Auditor will be distributed on the occasion of the General Assembly.

As an issuer registered in the Securities Market, the company will strictly comply with providing eventual information under the strict terms and conditions established in the regulations governing the matter.

Investors can refer to the National Registry of Securities and Issuers, where they will find all the necessary financial, administrative, and legal information about the company to make informed decisions about their investments.

### **Mecanisms for information collection and provision**

Information about the company's performance is prepared and presented in accordance with legal prescriptions and accounting standards. Shareholders are informed about:

- a) The business objectives set by the management for the fiscal year.
- b) Reports concerning the management of the company's main departments, such as the financial and control areas, detailing investment management policies and transactions involving the company's own shares and other securities, the legal department, and the commercial area.
- c) Relevant reports from the Auditor.
- d) Ongoing or resolved lawsuits and litigations during the period.
- e) The company has a website with the address [www.colombina.com](http://www.colombina.com), where updated information on financial statements, portfolio composition, general information for shareholders, relevant information for investors, financial analysts, and other interested parties, including potential investors, is provided.

### **Programs to disseminate the rights and obligations of shareholders and other investors, and mechanisms for adequate attention to their interests**

The company has a General Secretariat through which shareholders, investors, and the general public can obtain information about the company, and this department will also



process inquiries and complaints from shareholders. The contact information can be found on the corporate website under the link "Contact with Shareholders."

### **Compliance with recommendations adopted by the company in the Country Code Implementation Report**

Shareholders, directors, and employees of the company will be obliged to comply with the recommendations voluntarily adopted by the company when expressly indicated in the Country Code Implementation Report.

### **Connection with the Central Securities Depository**

The company will connect online with a Central Securities Depository when deemed necessary or, at its discretion, hand over the management of the share registry book to a Central Securities Depository.

### **Publication**

The General Manager of the company will take measures to make shareholders, investors, and the market aware of their rights and obligations, as well as the existence and content of this code. The text of this code will be made available to shareholders at the company's headquarters or through any other electronic means that allows access to its content.

### **Validity**

This code will take effect from the date of its approval by the Board of Directors and its publication on the Colombina corporate website.