



**CORPORATE GOVERNANCE REPORT
TITULARIZADORA COLOMBIANA S.A.
2021**

INTRODUCTION

Titularizadora Colombiana S.A. is a *sociedad anónima* (a company limited by shares) —a technical and administrative service provider created in 2001 with the initial purpose of promoting the development of a secondary mortgage market in Colombia by issuing securities that would allow channeling a considerable percentage of the institutional savings toward financing home purchase. Afterwards, Titularizadora was enabled under Law 1753-2015 §169—National development plan, PND—for conducting the securitization of non-mortgage assets as a funding mechanism in the capital markets, which expanded its business and framework of action, and helped strengthen its role as an issuer in the exchange market.

Titularizadora has placed 68 issues since it was incorporated and holds the management of 38 *universalidades* as of December 31, 2021. During 2021, Titularizadora conducted three (3) issues summarized below:

Mortgage assets:

Issue	Originator	Date of issue	Underlying asset	Issue amount
TIPS PESOS N-21	Davivienda	June 24, 2021	Mortgage Loans	COP 326,404,400,000
TIPS UVR U-5	Davivienda	October 7, 2021	Mortgage Loans	843,555,000,000 UVR equivalent of COP 241,643,415,612

Non-mortgage assets:

Issue	Originator	Date of issue	Underlying asset	Issue amount
TIV V-2	Finanzauto	February 26, 2021	Vehicle Loans	COP 51,000,000,000

The active role of Titularizadora in the exchange market gained it the *Superintendencia Financiera de Colombia*'s recognition of its capacity as a renowned and recurrent issuer in September 2015, a condition that it retained during 2021 by fulfilling the applicable legal requirements as stated in letter dated February 19, 2021 from the *Superintendencia Financiera de Colombia*.

Titularizadora's shareholders are financial institutions, insurance companies, or parties related to them, for a total of eight shareholders of Colombian nationality of good standing and renowned in the local and regional markets, permanently and actively interacting with the Company's Board of Directors and Management.

Concerning the relationship with investors, Titularizadora has pursued a constant, agile, timely, and sufficient interaction since its incorporation. The Investor Care Office, under the responsibility of the Investment Director's office and the corporate website www.titularizadora.com provide a permanent communication channel for investors to receive proper guidance about financial information of the issues, the assets' performance and valuation, risk analysis, relevant information, and cash flow projections, amongst others, which enable investors to manage their investment and make informed decisions. In like manner, article 33 in the Articles of Association provides for an Investors Committee that comprises representatives of the institutional investor's community, with an active role that includes the follow-up to the legal compliance with the Corporate Governance Code and the awareness of the outstanding issues and the underlying assets of the issues.

Regarding this effort about the investors, for the ninth consecutive year the Colombian stock exchange (*Bolsa de Valores de Colombia*) granted the IR certification to Titularizadora. This recognition is obtained among others for providing an easily reachable website with information in Spanish and English, that can be accessed for looking up relevant matters of the Company and business such as (i) shareholding structure, (ii) composition of the Board of Directors, (iii) financial information of the Company and the issues, (iv) corporate documents and (v) relevant information.

Finally, it is worth of noting that since its incorporation, Titularizadora has pursued implementing appropriate good governance standards, considering its nature and particular conditions as issuer, in such a way that shareholders and investors have tools, mechanisms, and information for knowing sufficiently about the performance of the Company and the universalidades managed by the Company. In this context this report reflects how the corporate governance activities were carried out during 2021 by outlining in detail the main aspects of (i) ownership structure of the Company; (ii) general shareholders' meeting; (iii) management structure of the Company; (iv) transactions with related parties and conflict of interest; (v) Internal Control System; (vi) interaction with investors; (vii) relationship with the statutory audit (*revisoría fiscal*); (viii) reporting of best corporate practices implementation and (ix) amendments to corporate documents.

I. Company's Ownership Structure

Below are described Titularizadora's capital, structure, shareholding composition, and type of shares in 2021.

1. Capital

The subscribed and paid-in capital of the Company amounted to COP 59,855,375,000.00 represented in 59,855,375 ordinary shares, each entitled to equal rights. No operations were conducted in 2021 to change the authorized, subscribed and paid-in capital of Titularizadora.

2. Shareholding Structure

a. Shareholders:

In 2021, no changes occurred in Titularizadora's shareholders or their equity share in the Company. Titularizadora's shareholders as of December 31, 2021 held the following number of shares and equity share in the Company:

Shareholder	Number of shares	Equity share
Bancolombia S.A.	16,151,497	26.98%
Banco Caja Social S.A.	16,072,773	26.85%
Banco Davivienda S.A.	16,072,773	26.85%
Banco Comercial AV Villas S.A.	7,570,225	12.65%
Scotiabank Colpatría S.A.	3,800,369	6.35%
Compañía de Seguros Bolívar S.A.	78,723	0.13%
Compañía Inversora Colmena S.A.	78,723	0.13%
Compañía de Seguros de Vida Alfa S.A.	30,292	0.05%
Total	59,855,375	100.00%

b. Management owned stock

Neither any member of the Board of Directors nor any member of Titularizadora's Management owns any Company's shares. The Corporate Governance Code subsection number 7.6 item b sets forth restrictions to the Directors or Managers' purchase of shares or securities issued by this Company.

The Company's current capital percentage breakdown, shareholding structure, and related matters and their periodic updates as applicable, are available to any interested party at the corporate website www.titularizadora.com

c. Shareholder's Agreement

Titularizadora has a Shareholders Agreement in effect since 2001, to which all the Company's shareholders are parties. This Agreement defines the shareholders' responsibilities and Titularizadora's corporate governance structure, operation, and general outlines. The Shareholder's Agreement is published and available to investors on the corporate website www.titularizadora.com

II. General Shareholders Meeting

In 2021, Titularizadora's General Shareholders Meeting took place in accordance with the Articles of Association, the Corporate Governance Code, and any other applicable rules that determine how this body's sessions operate and develop.

The main aspects of Titularizadora's Shareholders Meeting held in 2021 are:

1. Ordinary Shareholders' Meeting

a. Notice of the meeting

The Ordinary Shareholders Meeting took place on March 26, 2021 upon prior notice of the meeting sent in writing by the President of the Company to each shareholder on March 3, 2021 both in physical and by email, in compliance with all the requirements specified in the corporate documents and in accordance with the provisions of the Code of Commerce and the other applicable laws and regulations.

By the notice of the meeting the following was submitted to the shareholders for consideration, (i) proposed agenda stating point for point the subjects to be addressed at the meeting; (ii) proposals of agreements for each item of the agenda associated with the matters relevant to the Shareholders Meeting; (iii) two exhibits of special powers of attorney, one of attorney whereby the shareholder grants wide powers to the power-holder for participating and voting in any proposals submitted to the Shareholders' Meeting for consideration and another exhibit of power of attorney designed for shareholders to indicate specifically their vote in for the Agreement Proposals received. The information necessary for the exercise of the right to inspection under the applicable laws and regulation is also available to the Shareholders.

The notice of the meeting also established that the shareholders may submit new Agreement Proposals to the President of the Company within five (5) calendar days following the date of receipt of the notice of the meeting, accompanied with the applicable justification. Let it be noted that no new agreement proposal was received within the term indicated in the notice of the meeting.

Finally, by the notice of the meeting, shareholders were informed that under article 21 of the Articles of Association and article 1.3.2 of the Corporate Governance Code of Titularizadora, shareholders might propose the introduction in the agenda of one or more subjects for discussion, by submitting their proposal to the President of the Company within five calendar days after the receipt date of the meeting notice, which must be accompanied by the corresponding justification. Let it be noted that no such proposal was received within the established period.

b. Attendance

The ordinary General Shareholders Meeting was held on March 26, 2021 within the term provided for in article 20 of the Articles of Association and in the Code of Commerce and was attended by all the shareholders of Titularizadora that represented 59,855,375 shares equivalent to 100% of the subscribed capital of the Company.

In addition, the following Bondholders' Legal Representatives of Titularizadora's issues of mortgage- and non-mortgage-backed securities received the notice of and attended the meeting, Alianza Fiduciaria S.A., Itaú Fiduciaria S.A., Renta 4 Global Fiduciaria S.A., Fiduciaria Colpatria S.A., and Credicorp Capital Fiduciaria S.A. The firm Deloitte & Touche Ltda., Titularizadora's statutory auditor (*revisor fiscal*) was convened to and attended the meeting.

The Ordinary General Shareholders' Meeting was held virtually through the Teams - Microsoft tool, under the terms of Law 222 of 1995 and under the provisions of Decree 398 of 2020, which regulates the development of non-face-to-face meetings of shareholders' meetings, general shareholders' meetings or boards of directors, by the declaration of a state of health emergency decreed by Resolution 385 of March 12, 2020, and its subsequent extensions.

c. Principal Decisions of the Shareholders Meeting

The General Shareholders Meeting of Titularizadora considered and approved unanimously the following matters of their competence at their ordinary session in 2021:

- i) Management Report
- ii) Report on Audit Committee's activities and Internal Control System performance
- iii) Corporate Governance Report
- iv) Statutory Auditor's Report
- v) Main Financial Statements as of December 31, 2020
- vi) Profit Distribution Project
- vii) Designation of members of the Board of Directors – 2021-2023 Period and fixing of fees
- viii) Designation of the Revisor Fiscal (Statutory Auditor) – 2021-2023 period and fixing of fees

d. Relevant Information

The notice of the meeting and the decisions adopted by the General Shareholders' Meeting were duly published as relevant information in accordance with article 5.2.4.1.5. of the Decree 2555 of 2010.

2. Special Meetings

No special Shareholders' Meeting was held in 2021.

3. Mecanismos de Comunicación con los Accionistas

Shareholders' requests are processed through the Shareholder Care Office of the General Secretariat of the Company, which is in charge of responding to the requests filed under Corporate Governance Code Chapter 8. During 2021, the Company's Shareholders filed no formal requests.

III. Management Structure of the Company

1. Board of Directors

Titularizadora's Board of Directors consists of five (5) principal directors and five (5) alternate directors, who were re-elected by the Ordinary General Shareholders' Meeting, held on March 26, 2021, for two years (2021-2023). For the appointment process of the Board of

Directors, the procedure for the formation of the Board of Directors was fully implemented with the participation of the Appointment, Compensation, and Ethics Committee in accordance with the guidelines of the Board of Directors Succession Policy and the provisions of paragraph 2.1.2., literal C of the Corporate Governance Code.

As of December 31, 2021, the Board of Directors was composed as follows:

Line	Principal Director	First designation date	Alternate Director	First designation date	Line attendance 2021* %
1	José Humberto Acosta Martín	2014	Hernán Álzate Arias	2016	100%
2	Efraín Forero Fonseca	2001	Álvaro Carrillo Buitrago	2001	100%
3	Beatriz Elena Arbeláez Martínez	2020	Oscar Eduardo Gómez C.	2014	100%
4	Diego Fernando Prieto Rivera	2013	Nicolás García Trujillo	2020	92%
5	Juan Camilo Ángel	2008	Jaime Alberto Upegui	2018	100%

* The recording of this data considers all the meetings held in 2021 (12 meetings in total) taking the attendance by line.

In 2021, the Chair of the Board of Directors was Efraín Forero Fonseca and the Secretary was Ricardo Molano Leon, Secretary General of Titularizadora.

As to the functions performed by Dr. Efraín Forero Fonseca during 2021 as the Chair of the Board of Directors, the 2021 work plan prepared jointly with the President of the Company stands out, which includes a timetable and topics that were validated by the Board of Directors. The Chair of the Board of Directors performed the functions and activities provided in article 34 of the Articles of Association.

Regarding the functions performed by the respective Secretary of the Board of Directors during the year 2021, we must remark that the Secretary was in charge of that the notices to the meetings of the Board of Directors were issued in compliance with the legal and statutory provisions. Likewise, the Secretary was in charge of submitting the available information on the issues to be considered for discussion at the meetings, as well as preparing the minutes of the meetings, attesting to the authenticity of copies, and decisions of the body, as required.

In this context, the meeting timeline of the Board of Directors was fulfilled, providing the corresponding process of notice of the meetings including prior sending of the available information related to the agenda together with minutes of the meetings for previous sessions. Accordingly, the methodology defined for the meetings and the criteria for the determination of the topics agreed to in the annual work plan were developed.

a. Meetings of the Board of Directors

During 2021, Titularizadora's Board of Directors held 12 meetings, as follows:

Date	Type of Meeting	Minutes of the meeting No.
January 21, 2021	Not Physical Attendance	224
February 18, 2021	Not Physical Attendance	225
March 18, 2021	Not Physical Attendance	226
April 22, 2021	Not Physical Attendance	227
May 20, 2021	Not Physical Attendance	228
June 17, 2021	Not Physical Attendance	229
July 22, 2021	Not Physical Attendance	230

August 19, 2021	Not Physical Attendance	231
September 16, 2021	Not Physical Attendance	232
October 21, 2021	Not Physical Attendance	233
November 18, 2021	Not Physical Attendance	234
December 9, 2021	Not Physical Attendance	235

The meetings of the Board of Directors examined topics such as (i) financial information of the Company; (ii) performance of issues; (iii) risk management reports and reporting; (iv) local and international market performance; (v) mortgage and real estate sector performance; (vi) information for the Ordinary Shareholders' Meeting; (vii) evolution of the consumer portfolio, and (viii) the impact of the Tax Reform in the mortgage sector, among other matters related to the Company. In like manner, they analyzed strategic topics such as (i) follow-up on the most important financial goals and indicators; (ii) investors market development; (iii) President's succession process; (iv) long-term trends of the real estate sector; and (v) internationalization, among others.

b. Professional Profile

The Directors have wide experience in management positions, knowledge and leadership relevant to their activities and to economic sectors aligned with the Company's corporate purpose.

The Succession Policy and the profile of the Directors are published on Titularizadora's website www.titularizadora.com

c. Compensation

The remuneration of the Board of Directors consists in a fixed component paid as fees for the Directors' attendance to the meetings, which is submitted for consideration to and fixed by the Shareholders Meeting. The remuneration of the Board of Directors meets the criteria established in the Remuneration Policy and the Corporate Governance Code and does not include any recognition in the form of variable components related to the good performance of the Company. In 2021, the total sum paid to the Directors for participation in the Board was COP 194,490,000 and for attendance to the Board committees it was COP 59,380,500.

The Remuneration Policy of the Board of Directors is published on Titularizadora's website www.titularizadora.com

d. Evaluation

The Board of Directors conducted an evaluation of their activities in 2021, using the self-evaluation mechanism, to the effect that each Director could vouch their own opinion and considerations about the activities of this body. The result of the evaluation is shared with the Corporate Governance Committee and the Board of Directors.

e. Attributes of the members of the Board of Directors

Titularizadora deems important that a person designated as a member of the Board of Directors has the professional competencies, good standing, and experience required for the proper performance of its corporate purpose and adequate operation of the corporate

governance. The functions of the Board of Directors are clearly determined in article 30 of the articles of association, which are available on the Titularizadora's website www.titularizadora.com

f. External Consultancy to the Board of Directors

The Articles of Association in article 28 provides the possibility for the Board of Directors to have and advisor to provide support the development of the strategic and technical plan of the Company. During 2021, the Board of Directors of the Company did not have any external advisory, except for the accompaniment of the firm Korn Ferry in the implementation of the succession plan of the President of the Company.

g. Relevant Information

The decisions adopted by the Board of Directors about corporate governance were duly published as provided in Article 5.2.4.1.5 of Decree 2555 of 2010.

h. Policy approved by the Board of Directors

During the year 2021, the Board of Directors considered and approved Policies or modifications to the same in the terms indicated below:

- (i) Modification to the Investment Policy (Minute of the meeting No. 229 of June 17, 2021)
- (ii) Modification to the Liquidity Risk Policy (Minute of the meeting No. 229 of June 17, 2021)
- (iii) Modification to SARO Policy (Minute of the meeting No. 229 of June 17, 2021)
- (iv) Accounting Policy for Related Party Disclosures IAS -24 (Minute of the meeting No. 230 of July 22, 2021)
- (v) Modification of SARLAFT Policy (Minutes of the meetings No. 230 of July 22, 2021 and No. 231 of August 19, 2021)
- (vi) Modification of the Investment Classification Policy (Minute of the meeting No. 232 of September 16, 2021)
- (vii) Anti-corruption policy (Minute of the meeting No. 233 of October 21, 2021)

2. Board of Directors' Support Committees

Titularizadora's Board of Directors has five committees composed of members of the Board to support the Board's activities, namely:

Composition	Audit Committee	Investment Committee	Appointment, Compensation and Ethics Committee	Corporate Governance Committee	Real Estate Board Committee
Directors	- Hernán Álzate Arias - Beatriz Elena Arbeláez - Álvaro Carrillo Buitrago	- Álvaro Carrillo Buitrago - Beatriz Elena Arbeláez - Hernán Álzate Arias	- Efraín Forero Fonseca - José Humberto Acosta	- Diego Fernando Prieto - José Humberto Acosta	- Álvaro Carrillo Buitrago - Juan Camilo Ángel - Diego Fernando Prieto

Management	_____	- Alberto Gutiérrez Bernal* - Andrés Lozano Umaña** - Ana María Salcedo Ospina	- Alberto Gutiérrez Bernal* - Andrés Lozano Umaña**	- Alberto Gutiérrez Bernal* - Andrés Lozano Umaña**	- Alberto Gutiérrez Bernal* - Andrés Lozano Umaña**
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* Dr. Alberto Gutiérrez Bernal served as President of the Company and was a member of the respective Committees until July 19, 2021.

** Dr. Andrés Lozano Umaña became a member of the respective Committees as of July 21, 2021, due to his appointment as President of the Company.

The purpose of the committees is to deepen the analysis, the supervision, and the development of the policies outlined by the Board of Directors for the critical operational areas assigned to each committee; functions and duties are set forth in the Corporate Governance Code and respective committee rules of operation.

The committees performed the corresponding management and activities according to their respective rules of operation and Chapter 2 of the Corporate Governance Code.

a. Attendance

The attendance of Directors to the committee meetings in 2021 was:

Committees	Meeting dates	Committee members who attended the meetings
Audit Committee	February 18, 2021	- Hernán Álzate Arias - Beatriz Elena Arbeláez - Álvaro Carrillo Buitrago
	May 20, 2021	
	August 19, 2021	
	August 31, 2021	
	November 17, 2021	
	December 2, 2021	
Investment Committee	June 4, 2021	Hernán Álzate Arias -Álvaro Carrillo Buitrago -Beatriz Elena Arbeláez -Alberto Gutiérrez Bernal* -Ana María Salcedo Ospina
	September 13, 2021	-Hernán Álzate Arias -Álvaro Carrillo Buitrago -Beatriz Elena Arbeláez -Andrés Lozano Umaña** -Ana María Salcedo Ospina
	October 20, 2021	
	December 3, 2021	

Appointment, Compensation and Ethics Committee	March 4, 2021	- Efraín Forero Fonseca - José Humberto Acosta - Alberto Gutiérrez Bernal*
	March 12, 2021	
	August 6, 2021	- Efraín Forero Fonseca - José Humberto Acosta - Andrés Lozano Umaña**
	October 6, 2021	
Corporate Governance Committee	February 12, 2021	- José Humberto Acosta - Diego Fernando Prieto - Alberto Gutiérrez Bernal*
Real Estate Board Committee	May 18, 2021	- Juan Camilo Ángel - Álvaro Carillo Buitrago - Alberto Gutiérrez Bernal* - Diego Fernando Prieto
	June 9, 2021	
	October 14, 2021	- Juan Camilo Ángel - Álvaro Carillo Buitrago - Diego Fernando Prieto - Andrés Lozano Umaña**

* Dr. Alberto Gutiérrez Bernal served as President of the Company and was a member of the respective Committees until July 19, 2021.

** Dr. Andrés Lozano Umaña became a member of the respective Committees as of July 21, 2021, due to his appointment as President of the Company.

(i) **Audit Committee**

The Audit Committee held six (6) meetings in 2021. The main subjects addressed were (i) analysis of the financial statements as of the closing of the fiscal year 2020; (ii) analysis of risk profiles for the market, liquidity, operational, and asset laundering prevention risks; (iii) review and approval of audit plans for 2021; (iv) review of the results of the audits conducted by Internal Control; (v) analysis of reports and comments submitted by the statutory audit of the Company and by the external audit of the *universalidades*; (vi) follow-up to the progress in the implementation of improvement plans defined by the process owners; (vii) follow-up on the development of the update project Hitos+ and (viii) knowledge of the requirements of the control bodies and the due addressing thereof by the Company.

(ii) **Investment Committee**

The Investment Committee held four (4) meetings in 2021. The main topics addressed by this Committee in that session were (i) the current composition and evolution of the company's portfolio and valuation at market prices amid the situation generated by the pandemic; (ii) modification of the TIN securities investment policy; (iii) Regulations of the Investment Committee; (iv) adjustments to the liquidity risk management system SARL; (v) modifications to the Financial Resources Management Manual; (vi) classification of own portfolio investments; (vii) *warehousing* procedure of assets on the Titularizadora Balance Sheet and (viii) credit and counterparty quotas 2021 of Titularizadora and *universalidades*.

(iii) Appointment, Compensation and Ethics Committee

The Appointments, Compensation, and Ethics Committee held four (4) meetings in 2021. The main topics addressed by this Committee were: (i) assessment of the 2020 goals; (ii) review of the variable compensation model; (iii) validation of profiles and nomination of members of the Board of Directors 2021-2023; (iv) determination of the 2021 goal and (v) aspects related to the appointment of the new president of the Company.

(iv) Corporate Governance Committee

The Corporate Governance Committee held a meeting on February 12, 2021. The main topics addressed by this Committee were: (i) review and approval of the Corporate Governance 2020 Report; (ii) review of the “Código País” 2020 Report; (iii) requirements of the *Superintendencia Financiera*; (iv) adjustments to the Corporate Governance Code and (v) Board of Director's evaluation.

(v) Real Estate Board Committee

The Real Estate Board Committee held three (3) meetings in 2021. The main activity developed by the Committee consisted in supporting the review of the businesses that were previously evaluated by the Real Estate Advisory Committee to be recommended for evaluation and decision by the Board of Directors.

Finally, at the beginning of each year, the Committees submit a report of the activities conducted in the previous year to the Board of Directors, in the terms outlined in the Corporate Governance Code.

(vi) Risk Management System

Regarding the functions and activities related to Risk Management, the Securitization Company does not have a risk committee. However, the Board of Directors directly fulfills these functions and has policies, procedures, and organizational structure necessary for the management, measurement, and control of the market, credit, liquidity, operational and money laundering, and terrorist financing risks. In this sense, it has appointed an Investment Committee composed of three independent members of the Board has to meet at least three times a year, in charge of evaluating the structure of the company's Balance Sheet; overseeing compliance with the policies related to the management and administration of the Company's liquid assets; establishing risk coverage strategies; evaluating the market and liquidity risk management systems and approving the methodology of credit and counterparty quotas.

In turn, within risk management, the necessary mechanisms are contemplated to guarantee an adequate administration and coverage of the risks associated with the Company and the execution of its corporate purpose, considering as a fundamental tool the creation of different specialized committees to support the Board of Directors in the evaluation and monitoring of such risks, namely: the Operational Committee - SARO and the Asset and Liability Management Committee - ALCO.

In 2021, the Company executed continuous review and update processes of its risk management systems; an activity that included the stabilization and profiling of the alerts and limits defined for liquidity risk control and the implementation of the SFC's external circulars 025 and 027 of 2020, related to operational risk and money laundering risk, respectively.

The risk of asset laundering and terrorism financing is managed by the Compliance Officer supported by the departments and areas of the Company, reporting directly and permanently to the Board of Directors, and this officer is responsible for evaluating and studying the actions taken by the Company to maintain the AL/TF risk levels within the limits set by the Board of Directors.

3. President

In 2021, Dr. Alberto Gutiérrez Bernal retired from his position as President of the Company and principal legal representative, who resigned effective July 19, 2021. Accordingly, the Board of Directors implemented the succession plan for the President taking into consideration the provisions of the Company's corporate documents and concluded with the appointment of Dr. Andres Lozano as President of the Company and principal legal representative as of July 21, 2021. The succession plan was accompanied by a firm specialized in these issues (Korn Ferry) to evaluate profiles and candidates and with the participation of the members of the Appointments, Compensation and Ethics Committee and two additional members of the Board of Directors. Dr. Lozano underwent the corresponding possession process before the Colombian Financial Superintendence.

IV. Conflict of Interest and Related Party Transactions

Considering the vital importance for the Titularizadora Colombiana of the decision-making process in the Board of Directors, the Company regarded that it should be subject to the highest standards of corporate governance.

In this regard, during 2021, Titularizadora Colombiana managed potential conflicts of interest related to the actions presented by the Board of Directors. In this sense, there is a process of information disclosure of the conflict of interest situation and a duty to abstain from acting or participating in the corresponding decision by the member or participant involved in the conflict of interest situation. Therefore, the deliberations and decisions correspond to the members who are not in a conflict of interest situation.

The notes to the financial statements include the details of the transactions carried out by the Titularizadora with related parties. Likewise, it is specified that in 2021, were not carry out operations with related parties that can be considered material and are outside the ordinary course of business of the Company.

V. Internal Control System

During 2021, the Company continued the stringent application of the policies and elements comprising the Internal Control System - ICS, including risk management implemented by the Company, such as market risk, liquidity risk, credit, operational risk, and asset laundering and terrorism financing risk. In particular, the Company incorporated the regulatory requirements on SARO and SARLAFT defined in the SFC's external circulars 025 and 027 of 2020.

On the other hand, the Company maintained special monitoring on the activities and control measures implemented on the occasion of Covid-19, permanently following up on the risks derived from the pandemic, their corresponding management, and reporting to the respective committees and instances.

Management Report 2021 contains the main activities conducted within the Internal Control System of the Company and mentions the actions and tasks performed within each of the risk management systems. Likewise, annual reports were issued on the activities carry out by the Audit Committee and by the Internal Control Director's Office, in which the adequate performance of the ICS is reported. These reports will be submitted to the consideration of the Board of Directors in order to be presented to the Ordinary General Shareholders' Meeting in 2022.

The notes to the financial statements include the disclosure of the policies applied and the risk levels determined by the Board of Directors of Titularizadora Colombiana.

VI. Interaction with Investors

Since its incorporation, Titularizadora has kept constant communication with its investors by training underwriters (brokers and financial analysts) and investors (Front and Middle Office areas) permanently through the Investor Relations Office that reports to the Investments and Market Development Director's office. Likewise, additional steps are being taken in the Roadshow held for each issue allowing a greater and more specialized contact with investors.

Titularizadora timely and accurately published on its website the financial information related to the outstanding issues of the Company and the corporate and issue documents. It is relevant to note that on the occasion of the effects derived from the pandemic caused by COVID-19, the management with investors was focused on maintaining direct and timely communication with investors (both their risk and portfolio management areas), underwriters and research areas, to transmit the impact and the risks that the pandemic situation generated in the issues, as well as the mitigation mechanisms of the financial structure. Likewise, throughout the year, the favorable evolution of the indicators of the current issues was shared, through a detailed monthly report, one-on-one meetings with the different entities on several occasions, and in-depth workshops on financial structuring (portfolio valuation, selection criteria, hedging mechanisms) and the certification of originators; which explain the favorable behavior of the issues, despite the stress generated by the pandemic situation, and a virtual event in which was analyzed the evolution of the housing market at the national level and of the mortgage portfolio financing.

Overall, Titularizadora is provided with an Investors Committee whose members are designated by the Company's Board of Directors upon criteria that ensure an appropriate representation of the different communities of institutional investors. In 2021, the composition of the Investors Committee was:

INVESTORS COMMITTEE COMPOSITION (Investors representatives)		
Representatives of Institutional Investors		Titularizadora's Representatives
Juan Pablo Córdoba Committee Chair Bolsa de Valores de Colombia		Efraín Forero Fonseca Board Member
Miguel Gómez Martínez Fasecolda		Alberto Gutiérrez Bernal** Chair Andrés Lozano Umaña*** Chair
Santiago Montenegro Trujillo Asofondos		
Hernando José Gómez Asobancaria		
German Arce Zapata Asofiduciarias		
Jaime Humberto López* Asobolsa		

* Dr. Jaime Humberto López began to be part of the Investors Committee in his capacity as President of Asobolsa as of the December 1, 2021 meeting, taking into consideration the designation made by the Board of Directors in that sense.

** Dr. Alberto Gutiérrez Bernal served as President of the Company and was a member of the Investors Committee until July 19, 2021.

*** Dr. Andrés Lozano Umaña became a member of the Committee on July 21, 2021, due to his appointment as President of the Company.

Titularizadora's Investors Committee held the following meetings in 2021:

Date	Type of meeting	Minutes of the meeting No.
February 3, 2021	Not Physical Attendance	116
March 3, 2021	Not Physical Attendance	117
April 7, 2021	Not Physical Attendance	118
May 5, 2021	Not Physical Attendance	119
June 2, 2021	Not Physical Attendance	120
July 7, 2021	Not Physical Attendance	121
August 4, 2021	Not Physical Attendance	122
September 1, 2021	Not Physical Attendance	123
October 6, 2021	Not Physical Attendance	124
December 1, 2021	Not Physical Attendance	125

The mission of this committee is to follow up the compliance with the standards contained in the Corporate Governance Code by obtaining information about the position of the Company, the issues, and their underlying assets, maintaining permanent communication with Titularizadora.

VII. Revisoría Fiscal (Statutory Audit)

By means of the Minutes of the Meeting No. 037 of March 26, 2021 corresponding to the Ordinary General Shareholders Meeting of Titularizadora Colombiana S.A., the firm Deloitte Auditores y Consultores Ltda. was designated as the statutory auditor (*revisor fiscal*) for 2021-2023. Thus, the firm Deloitte Auditores y Consultores Ltda. performed the function of statutory auditor (*revisor fiscal*) of the Company and external auditor of the *Universalidades* in 2021. In the designation process, all the Company's Corporate Governance parameters have been taken into consideration.

In consideration for their services, the statutory auditor firm received in 2021 one hundred and forty-five million five hundred and twenty-five thousand ninety-seven pesos (COP 145,525,097) for the audit of the Company, and eight hundred and forty-four million, nine hundred and ninety-four thousand, seven hundred and fifty-three pesos (COP 844,994,753) in fees for the audit conducted on the *Universalidades*.

Revisoría Fiscal (Statutory Audit) (Company)	External Audit (<i>Universalidades</i>)	Firm Participation Percentage** (Titularizadora Statutory Audit)	Firm Participation Percentage** (Titularizadora External Audit)
\$145,525,097*	\$844,994,753*	0,11 %	0,65 %

* IVA (sales tax) included.

**This corresponds to the percentage that the payments made by Titularizadora represent in the Statutory Auditor's income calculated on the total income reported by the Firm in FY 2020.

VIII. Report of Best Corporate Practices Implementation

Further to External Circular 028 of 2014, Titularizadora submitted to the Superintendencia Financiera de Colombia the "Report of Best Corporate Practices Implementation—Nuevo Código Pais" within the term provided by the Circular for such purpose. The survey was completed taking into account the Company's corporate governance documents and practices.

The report has been published on the Company's website www.titularizadora.com

IX. Amendments to Corporate Documents

During 2021, the Corporate Governance Code was amended as in terms of (i) include the Operations Director as a member of the ALCO Committee as a replace the VP of business development; and (ii) include functions regarding liquidity risk management for the Board Investment Committee and the ALCO Committee. The Board of Directors approved the above modifications on February 18, 2021. The Company's other corporate documents were not subject to amendments.

The documents have been published on Titularizadora's website www.titularizadora.com