

BANCO LATINOAMERICANO DE COMERCIO EXTERIOR, S.A.

**AUDIT AND COMPLIANCE COMMITTEE
CHARTER**

I. Purpose

The Audit and Compliance Committee (the “**Committee**”) of Banco Latinoamericano de Comercio Exterior, S.A. (the “**Bank**”) is a standing committee of the Board of Directors. The purpose of the Committee is to discharge certain duties established by applicable regulations and to assist the Board of Directors in fulfilling its oversight responsibilities for the financial reporting process, the integrity of the Bank’s financial statements, the system of internal control over financial reporting, the audit process and the process for monitoring compliance with legal and regulatory requirements, and with the Code of Ethics.

II. Organization and Composition

The Committee will consist of at least three independent directors. Director independence shall be determined pursuant to applicable rules and regulations (see appendix). At least one member shall be designated as the “financial expert.” The Committee will shall determine whether at least one of its members meets this requirement.

The Board of Directors shall appoint and remove members of the Committee. Members shall be appointed for a term of one year, but may be re-elected indefinitely.

III. Responsibilities

The Committee will carry out the following responsibilities:

A) Financial Statements

- Review significant accounting and reporting issues, including unusual or complex transactions, and understand their impact on the financial statements. Be informed about regulatory and professional announcements that may have an effect or impact on the financial statements.
- Review with the Bank’s management and external auditors the results of audits of the financial statements.
- Assess whether the quarterly and annual audited financial statements are complete, consistent with the information known by Committee members and adequately reflect the accounting principles. Recommend their approval to the Board of Directors.



- Review the sections of the Bank's Annual Report in Form 20-F prior to its filing with the Securities and Exchange Commission, considering the accuracy and integrity of the information contained therein.
- Receive reports from the external auditors about issues that should be disclosed to the Committee in accordance with generally accepted auditing standards.

B) Internal Control

- Consider the effectiveness of the Bank's internal control system, including information technology security and control.
- Understand the results of internal and external auditors' reviews, especially their significant findings and recommendations, together with management's response.

C) Internal Auditing

- Approve the charter, structure and activities of the internal audit function.
- Review and approve the Internal Audit Manual and report to the Board of Directors about its approval.
- Approve the annual internal audit plan and review the progress made on execution of the plan.
- Understand any restrictions or limitations to the work of Internal Audit and ensure it has the necessary resources needed to perform its function.
- Review the effectiveness of the internal audit function, including compliance with applicable international standards.
- Recommend the appointment, hiring and dismissal of the Head of Internal Audit to the Board of Directors, as well as review his or her annual performance, compensation and succession plan.

D) External Auditing

- Review and approve the external audit plan and inform the Board of Directors.
- Present to Shareholders recommendations regarding the ratification or change of the Bank's external auditors at the annual meeting and approve external auditor fees. External auditors shall report directly to the Committee.
- Review the performance of the external auditors.
- Pre-approve all auditing and non-audit services, including tax advice, provided to the Bank by the external auditors.



- Confirm the independence of the external auditors, obtaining specific statements from them about the relationship between the auditors and the Bank, and present its conclusions to the Board of Directors.
- Meet separately with the Bank's external auditors, at least once a year, to discuss any matters that the Committee or the external auditors believe should be discussed privately.

E) Compliance

- Monitor compliance with laws and regulations that apply to the Bank. The Bank's Compliance Officer reports directly to the Committee.
- Review the findings of any examinations by regulatory agencies, confirming that they have been addressed appropriately, as well as any auditor observations and the corrective measures implemented by the Bank.
- Consider and approve the Anti-Money Laundering and Counter Terrorism Financing Manual and inform the Board of Directors.
- Define and approve the plans, activities, staffing and organizational structure of the compliance area and inform the Board of Directors.
- Understand the process for communicating and disseminating the Code of Ethics to the Bank's employees and obtain information from management about compliance by staff.
- Obtain regular updates regarding new standards, rules and regulations applicable to the compliance function.
- To receive reports from the Bank's Anti-Money Laundering (AML) Committee on the prevention of money laundering, terrorist financing and the proliferation of weapons of mass destruction.

F) Other Responsibilities

- Report regularly to the Board of Directors and annually to the Shareholders Meeting about Committee activities and decisions.
- Perform any oversight activities as may be set forth in the Articles of Incorporation, the Bank's Bylaws and applicable laws that the Committee or the Board of Directors deems necessary or appropriate.
- Institute special investigations as needed.

The Board of Directors has delegated sufficient faculties and powers to the Committee to adopt resolutions of mandatory compliance for performing the duties, functions and responsibilities described in this Charter. Resolutions adopted by the Committee by virtue of the powers vested in it may not, at any time, contradict the Bank's Articles of

Incorporation or Bylaws, this Committee Charter, or the resolutions adopted by the Bank's Shareholders or Board of Directors.

IV. Meetings and Resolutions

The Committee shall meet at least six times a year, as required by the Superintendency of Banks of Panama. Committee meetings shall be convened by the Chairperson or upon the request of two members. Meetings will be held at the time, date and venue determined in the notice of the meeting. Notices of Committee meetings shall contain the meeting's agenda and be provided sufficiently in advance to Committee members, along with the appropriate briefing materials. Committee members may also attend via tele- or video-conference.

In order to have a quorum, attendance by a majority of members is required.

Meetings shall be presided over by the Chairperson or, in his or her absence, by an ad-hoc Chairperson appointed at the meeting.

Adoption of Committee resolutions requires the favorable vote of a majority of its members.

Minutes shall be prepared of Committee discussions and resolutions, numbered and signed by its Chairman and Secretary and be kept in a Minute Book or in electronic format.

The Committee may also adopt resolutions in writing, without convening a meeting, provided that the text of the resolution being adopted has been communicated previously to all Committee members and that the resolution has been adopted by an affirmative vote of the majority of its members. Votes may be cast in writing or electronically, including by fax, and e-mail. Electronic votes require preparation of a written resolution signed by the Committee members who voted in favor of the resolution for recording in the Minutes Book.

V. Authority and Resources of the Committee

The Committee authority to conduct or authorize investigations into any matters within its scope of responsibility. The Committee has the power and authority to:

- Hire independent legal counsel, accountants or other expert advisors to advise the Committee or assist it in conducting an investigation.
- Obtain any information required from the Bank's Employees – each of whom shall be instructed to cooperate with the Committee's requirements - or from any third parties.
- Meet with the Bank's officers, external auditors or external legal counsel as it considers necessary.



VI. Interaction with Bank Management

The Bank's Head of the Internal Audit, Head of the Compliance function, Head of Comprehensive Risk Management, and the President and CEO, as well as any other employees or individuals invited to participate as the Committee considers pertinent shall attend ordinary Committee meetings.

The Head of Internal Audit shall act as Secretary to the Committee and be in charge of preparing the minutes.

VII. Compensation

Committee Members shall receive compensation as determined by the Board of Directors.

VIII. Performance Evaluation

The Committee shall conduct self-assessment of its performance annually.

IX. Review of this Charter

The Committee shall review this Charter at least annually and submit any amendments considered necessary to the Board of Directors for approval.

X. Amendments

This Charter may be amendment by the Bank's Board of Directors when it deems convenient or pursuant to a proposal from the Audit and Compliance Committee.

Latest Revision approved by the Board of Directors at its meeting held on July 19, 2016.



Exhibit I

Criteria for Qualifying as an Independent Director according to current Rules and Regulations in force

A) Superintendency of Banks of Panama

Rules No. 005-2011 and No. 005-2014 on “Corporate Governance” issued by the Superintendency of Banks of Panama (SBP) establishes that an independent director shall be understood that member of the board of directors that:

1. During the five years, he/she is not and has not been employed by the bank, neither by a corporation that is a member to its banking group thereof nor by any of its non-banking affiliates.
2. He/she is not and has not been involved with a consulting or advising company to the bank, neither to any entity that is member to its banking group thereof not to any of its non-banking affiliates.
3. He/she is not and has not been involved with an important customer of the bank, neither to any entity that is member to its banking group thereof not to any of its non-banking affiliates. For the purposes of number, not an important customer is one that, due to his natural person condition, is a bank consumer as is defined in article 199(1) of the Banking Law.
4. He/she is not and has not been involved with a relevant supplier to the bank, neither to any entity that is member of its banking group thereof not to any of its non-banking affiliates. For the purposes of this number, is not a relevant supplier the one whose sales to the bank are under 5% of his/her total sales.
5. He/she has no freelance contact with the bank, with any entity that is member to its banking group thereof nor to any of its non-banking affiliates or with any member of top management.
6. He/she is not employed as company executive where any senior officer of the bank, of any entity that is member to its banking group thereof nor any of its non-banking affiliates, serves the board of directors of said company.
7. He/she is not a relative, up to the fourth degree of consanguinity or second degree of affinity, of a person that (1) is or has been, during the last two years, as an executive officer of the bank, of any entity that is member to its banking group , or of any of its non-banking affiliates; or (2) is or has been during the last two years, a member of the board of directors of the bank, of any entity that is a member of its banking group, or of any of its non-banking affiliates.
8. He/she is or has not been, during the last two years, affiliated or employed by the current or last year auditor of the bank, of any entity that is member to its banking group thereof nor of any of its non-banking affiliates.
9. He/she is not, directly or indirectly, owner of shares issued by the bank, by any entity that is member to its banking group thereof nor by any of its non-banking

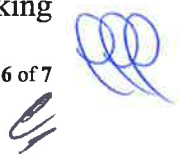


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affiliates, in same proportion or higher than 1% of the total issued and outstanding shares with rights to vote.

B) Section 303A.02 of the New York Stock Exchange (NYSE) Listed Companies Manual

Section 303A.02 of the NYSE Listed Companies Manual states that a director is not independent if:

1. The director is, or has been within the last three years, an employee of the listed company, or an immediate family member is, or has been within the last three years, an executive officer, of the listed company.
2. The director has received, or has an immediate family member who has received, during any twelve-month period within the last three years, more than \$120,000 in direct compensation from the listed company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service).
3. (A) The director is a current partner or employee of a firm that is the listed company's internal or external auditor; (B) the director has an immediate family member who is a current partner of such a firm; (C) the director has an immediate family member who is a current employee of such a firm and personally works on the listed company's audit; or (D) the director or an immediate family member was within the last three years a partner or employee of such a firm and personally worked on the listed company's audit within that time.
4. The director or an immediate family member is, or has been with the last three years, employed as an executive officer of another company where any of the listed company's present executive officers at the same time serves or served on that company's compensation committee.
5. The director is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from, the listed company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million, or 2% of such other company's consolidated gross revenues.

General Commentary to Section 303A.02(b): An "immediate family member" includes a person's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares such person's home. When applying the look-back provisions in Section 303A.02(b), listed companies need not consider individuals who are no longer immediate family members as a result of legal separation or divorce, or those who have died or become incapacitated.

