
PROCEDURES MANUAL

**ON MONEY LAUNDERING AND TERRORIST FINANCING AND
FINANCING FOR THE PROLIFERATION OF WEAPONS OF MASS
DESTRUCTION**



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1

Introduction and scope.

1.1. Concept of Money Laundering and Terrorist Financing and Financing for the Proliferation of Weapons of Mass Destruction.

According to Colombian legislation, Money Laundering and Terrorist Financing are understood as "the acquisition, safekeeping, investment, transportation, transformation, custody or administration of assets that have their immediate or mediate origin in activities of migrant smuggling, trafficking in persons, extortion, illicit enrichment, kidnapping for ransom, rebellion, arms trafficking, terrorist financing and administration of resources from terrorist activities, trafficking of toxic drugs, narcotics or psychotropic substances, crimes against the financial system, crimes against the public administration, or related to the proceeds of activities carried out under a conspiracy to commit a crime, or giving the assets



This Procedures Manual (hereinafter the Manual) is approved by the Board of Directors of **Carvajal S.A.** and must be complied with by collaborators for the development of all the operations they carry out.

This document also mentions due diligence guidelines regarding the knowledge of customers, suppliers, employees, as well as potential investors.

This manual is applicable to local and international trade operations.

The purpose of this Manual is to establish the procedures for the Prevention of Money Laundering and Terrorist Financing and Financing for the Proliferation of Weapons of Mass Destruction implemented by **Carvajal S.A.**

1.1. Concept of Money Laundering and Terrorist Financing and Financing for the Proliferation of Weapons of Mass Destruction.

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concealing the true nature, origin, location, destination, movement or rights over such assets, or carrying out any other act to hide or conceal their illicit origin".

The Money Laundering and Terrorist Financing process, on a general scale, consists of the following phases:

- **Placement:** Entry of money into the legal market circuits.
- **Stratification:** Carrying out successive operations with the purpose of fractioning, accumulating, concealing and erasing the origin of the money.
- **Integration:** Conversion or investment in assets of apparently legitimate origin.

Financing for the proliferation of weapons of mass destruction: means any act that provides funds or uses financial services, in whole or in part, for the manufacture, acquisition, possession, development, export, transfer of material, fractioning, transport, transfer, deposit or dual use for illegitimate purposes, in breach of national laws or international obligations, when applicable.

1.2. Scope

This Manual includes and incorporates the main requirements established in Colombian and international law, standards and publications in relation to Money Laundering and Terrorist Financing and Financing for the Proliferation of Weapons of Mass Destruction. This Manual also includes the operational aspects and procedures to be carried out for its correct compliance. Therefore, all collaborators must comply with the regulations, specifically those whose activities are especially related to the acceptance and engagement of customers, suppliers, employees and investors must know and comply with the regulations in force.

Carvajal S.A. shall be responsible for proper compliance with local legislation and published policies regarding Money Laundering and Terrorist Financing and Financing for the Proliferation of Weapons of Mass Destruction, and must incorporate such policies and standards into its work procedures. In case of conflict between internal and external rules, whichever is stricter shall always prevail.

1.3. Governing law

This Manual complies with current Colombian legislation on Money Laundering and Terrorist Financing and Financing for the Proliferation of Weapons of Mass Destruction. Thus, this procedure derives from:

- Law 1708 of 2014.
- Law 1121 of 2006.
- Law 599 of 2000.
- Law 222 of 1995.

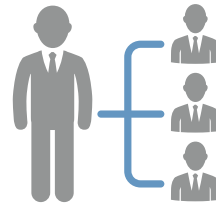
Regarding Money Laundering and Terrorist Financing and Financing for the Proliferation of Weapons of Mass Destruction, with respect to the activity carried out by Carvajal S.A. in addition to the legislation mentioned in the previous section, the following are applicable:

- External Circular issued by the National Tax and Customs Directorate: 170 of 2002.
- Circular 100-5, of 2014.
- UIAF Resolution 285, of 2007 FATF Recommendations. UIAF Resolution 212, of 2009.
- External circular No. 100-000005 dated November 22, 2017.
- External circular No. 100-000016 dated December 24, 2020.
- Decree 830 of 2021.

This Manual will be available for collaborators who wish to consult it on the Intranet and for suppliers and contractors on the Organization's website.

2

Internal Control Bodies



2.1. Compliance Officer

Minimum requirements to be appointed as compliance officer:

- Have a professional degree.
- Proof of at least six (6) months of experience in positions related to ML/TF/FPWMD risk management.
- Have the ability to make decisions to manage the ML/TF/FPWMD Risk and have direct communication with the Board of Directors.
- Have sufficient knowledge of risk management and understand the ordinary course of business.

2.2. Appointment

The compliance officer shall be appointed by the Board of Directors of Carvajal S.A.

2.3. Functions

The functions to be performed by the Board of Directors are as follows:

- Establish and approve the ML/TF/FPWMD policy.
- Approve the ML/TF/FPWMD procedure manual and its updates.
- Select and appoint the compliance officer.
- Analyze in a timely manner the reports on the functioning of the ML/TF/FPWMD system, on the corrective proposals and updates submitted by the Compliance Officer, and make decisions regarding all the issues discussed therein. This shall be recorded in the minutes of the Board of Directors.

- Arrange for and guarantee the technical, logistical and human resources necessary to implement and maintain the SAGRILAFT/FPWMD system in operation, according to the requirements made by the Compliance Officer.
- Verify that the Company, the Compliance Officer and the legal representative carry out the activities designated in the SAGRILAFT/FPWMD.
- The functions to be performed by the legal representative are:
- Submit to the Compliance Officer, for approval by the Board of Directors, the SAGRILAFT/FPWMD proposal and its updates, as well as its respective procedures manual.
- Study the results of the ML/TF/FPWMD Risk assessment carried out by the Compliance Officer and establish the corresponding action plans.
- Efficiently allocate the technical and human resources, determined by the Board of Directors, necessary to implement the SAGRILAFT/FPWMD system.
- Provide effective, efficient and timely support to the Compliance Officer in the design, management, supervision and monitoring of the SAGRILAFT/FPWMD system.
- Ensure that the activities resulting from the development of the SAGRILAFT/FPWMD system are duly documented, so that the information meets the criteria of integrity, reliability, availability, compliance, effectiveness, efficiency and confidentiality.
- Certify compliance with the ML/TF system to the Superintendence of Companies.
- Promote the adoption of corrections and updates to the SAGRILAFT/FPWMD system, as required and at least once every two (2) years.
- Promote and supervise the development of the training plan established for the collaborators of Carvajal S.A. regarding Money Laundering and Terrorist Financing and Financing for the Proliferation of Weapons of Mass Destruction.
- Assess the reports submitted by the internal audit or any body acting as such, and the reports submitted by the statutory auditor, if applicable, and adopt Reasonable Measures to address the deficiencies reported.
- Certify to the Superintendence of Companies, compliance with the provisions of pertinent regulations, as required by the Superintendence of Companies.
- Verify compliance with Due Diligence and Enhanced Due Diligence procedures.
- Design methodologies for classification, identification, measurement and control of the ML/TF risk.
- Conduct the ML/TF/FPWMD risk assessment.
- Report cash operations and suspicious operations to the UIAF.
- Participate in meetings related to ML/TF/FPWMD convened by the competent authorities, for consultative or informative purposes, either with Carvajal S.A. or with any regulated entity in general
- Keep the Compliance Committee, the Audit and Risk Committee and the Board of Directors of Carvajal S.A. permanently informed of any circumstance that could or should alter or modify the policy on Money Laundering and Terrorist Financing and Financing for the Proliferation of Weapons of Mass Destruction carried out by the Organization.

The functions to be performed by the **Compliance Officer** are as follows:

- Ensure effective, efficient and timely compliance with the SAGRILAFT/FPWMD system.
- Submit to the Board of Directors, through the audit and risk committee, a detailed annual report on the fulfillment of its duties, as evidenced in the minutes.
- Respond to and coordinate any requirement, request or diligence of judicial or administrative authority in matters of prevention and control of criminal activities.

- Promote the development of Policies on Money Laundering and Terrorist Financing and Financing for the Proliferation of Weapons of Mass Destruction at Carvajal S.A. Analyze operations that may be related to Money Laundering and Terrorist Financing, detected by the computer tool used for such purpose or communicated internally by any collaborator of the Organization, through the Ethics Line, gathering the necessary information and carrying out additional verification procedures.
- Determine the matters to be discussed at the Compliance Committee meetings and keep minutes of the meetings.
- In the event of unusual operations subject to validation and study, convene the Compliance Committee for an immediate detailed analysis of the operation, once the information has been collected and the necessary additional steps have been taken.
- Any collaborator or third party who reports, in good faith, through such established mechanisms, a violation or non-compliance with the provisions of this document, shall be protected against any type of retaliation.

2.4. Incompatibilities and disqualifications of the compliance officer

The following situations shall be considered as disqualifications and incompatibilities that prevent the compliance officer from performing his/her work with full independence.

A person may not be a compliance officer if he/she:

- Does not meet the profile defined in this manual.
- Is not an employee of the organization.

The following are incompatible with the job:

- Profiles of collaborators belonging to management (member of the Board of Directors, legal representatives) or any corporate bodies, or heads of internal control or auditing.

2.5. Support in Money Laundering and Terrorist Financing and Financing for the Proliferation of Weapons of Mass Destruction.

For the performance and development of the administrative tasks of the Compliance Officer, as described in the previous point, he/she shall have sufficient personal and technical support, in accordance with the entity's operating volume.

In this regard, the need for technical support will consist of the implementation or configuration of adequate computer tools to detect possible operations related to Money Laundering and Terrorist Financing and Financing for the Proliferation of Weapons of Mass Destruction for their corresponding treatment and analysis.

Likewise, taking into account the functions to be performed, he/she must have sufficient support personnel for their development. In this regard, personnel should be made available to assist directly in the day-to-day performance of duties.

Additionally, as the person responsible for reporting any irregularity to the UIAF, he/she must have the support of the company's management, especially the Board of Directors, the President and the Financial Vice President of the Organization.

The Compliance Officer will rely on the critical areas that have a significant participation in the operations of Carvajal S.A. regarding Money Laundering and Terrorist Financing and Financing for the Proliferation of Weapons of Mass Destruction, which are:

Logistics and Purchasing Services Area

Focus on the careful and systematic search for suppliers seeking to be beneficiaries of the purchases made in the company, in compliance with the requirements established for their engagement.

Commercial and Credit Area

Responsible for ensuring that Carvajal S.A.'s customers are carefully selected in compliance with the guidelines set forth in this manual.

Treasury Area

Will ensure payment operations made and received by Carvajal S.A. are registered with the respective supporting documentation, as required pursuant to applicable regulations, and shall also comply with the internal rules and procedures for managing resources in terms of payments and collections.

All transactions involving foreign currency must be made through the Financial Sector. At **Carvajal S.A.** all payment and collection operations will be channeled through entities supervised by the Financial Superintendence, any exception must be approved by the Financial Vice President of the Organization.

2.6. Compliance Committee

In order to improve and establish internal work mechanisms with a clear methodology of actions to be followed, a Compliance Committee will be formed to supervise the adoption and effectiveness of the mechanisms for the Prevention of Money Laundering and Terrorist Financing and Financing for the Proliferation of Weapons of Mass Destruction; additionally, its mission will be to analyze, control and communicate to the UIAF, through the Compliance Officer, all information related to operations or events that may be related to ML/TF/FPWMD, according to the procedure set forth in this manual and in the applicable law.

2.7. Composition and operating regime

The Financial Vice President is at the head of the Committee and acts as chairman. Therefore, the Compliance Committee will be formed as follows:

- Financial Vice President (acting as Chairman).
- Corporate Director of Internal Control.
- Representative of Carvajal Soluciones de Comunicación (Head of commercial or credit area).
- Representative of Carvajal Educación (Head of commercial or credit area).
- Representative of Carvajal Empaques (Head of commercial or credit area).
- Representatives of Carvajal Servicios Compartidos (Treasury Director and Head of Purchasing Operations).
- Representative of Carvajal Tecnología y Servicios (Head of commercial or credit area).

- Representative of Carvajal Espacios (Head of commercial or credit area).
- Compliance Officer (acting as Secretary).

Likewise, the Committee may invite to each meeting whoever it deems appropriate in view of the topics to be discussed at such meetings.

The operation of the Committee shall be governed by the principles of celerity, security, efficiency and coordination both in the internal transmission and in the analysis and communication to the UIAF of all relevant information for the purposes of Money Laundering and Terrorist Financing and Financing for the Proliferation of Weapons of Mass Destruction.

The Committee shall hold regular meetings on a semi-annual basis, and special meetings whenever called by the Compliance Officer, recording each meeting in the corresponding minutes. The meetings of the Committee shall be validly held when at least half plus one of the members and the Compliance Officer are present. Participation in the committee may not be delegated to any other person.

The resolutions and issues discussed shall be adopted unanimously by the members present and shall be recorded in the corresponding minutes, which shall be kept by the Compliance Officer in the minutes file of the Compliance Committee.

2.8. Functions

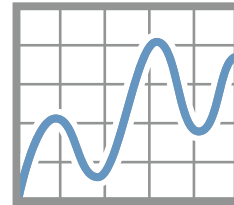
Additionally, the Compliance Committee shall analyze or verify the events or operations reported by the collaborators, deciding whether there is an indication or certainty that there is Money Laundering and Terrorist Financing and Financing for the Proliferation of Weapons of Mass Destruction and acting accordingly under this Manual. In this regard, the functions are as follows:

associated with Money Laundering and Terrorist Financing and Financing for the Proliferation of Weapons of Mass Destruction that have been revealed and making the corresponding follow-up to resolve all of them.

- Establish policies, standards, procedures and controls for the Prevention of Money Laundering and Terrorist Financing and Financing for the Proliferation of Weapons of Mass Destruction.
- Decide on unusual operations that may be reported to the UIAF as suspicious operations.
- Be aware of the results of the statutory auditors' report at the end of the period and the internal audit, establishing an action plan to remedy possible deficiencies that impact the critical areas or possible risks identified
- Adopt precautionary measures, such as the decision to make a certain operation or client conditional on follow-up or, as the case may be, decisions on specific customers or risk sectors.
- Receive annual training sessions, so that they are current with their legal obligations.

3

Risk Management



For ML/TF/FPWMD risk management purposes, Carvajal S.A. will have a risk matrix that will allow it to identify, for each factor, the level of risk to which the company is exposed.

The review and adjustment of the matrix rating must be carried out at least annually, under the responsibility and monitoring of the company's Financial Manager, who, together with the Compliance Officer, will establish the necessary controls to mitigate the risks identified.

The Compliance Officer is responsible for establishing the matrix model to be rated, as well as the risk factors to be assessed.

4

Customer, supplier and collaborator knowledge due diligence policy



The procedures contained in this section are intended to internally regulate the acceptance and knowledge of the counterparty. Knowledge policies help protect the reputation of entities by reducing the likelihood that they will become a vehicle or victim of financial crime. The fundamental aspects of these policies are the identification, verification and acceptance of customers, suppliers and collaborators.

Knowledge of the counterparty does not end with their formal identification, but requires knowledge of the framework in which they operate and careful monitoring of the evolution of their activities. Therefore, in general, when establishing business relationships, the necessary information should be collected from third parties in order to know the nature of their professional and business activity. This activity, which involves the process of updating information and verifying active customers and suppliers, must be carried out every two years.

The measures contained in the due diligence policies issued by Carvajal S.A. must be applied to reasonably verify the veracity of information collected, which are aimed at verifying the activities declared by them, based additionally on documents obtained related to the declared

activity or information obtained not related to such third party, in order to establish the consistency between these and the business operations they perform.

The company will be responsible for carrying out the measures described in this Manual (acceptance and knowledge of customer, as well as risk assessment of potential customer, prior to acceptance), according to the provisions of the Due Diligence Annex.

In the case of suppliers, although the initial selection and negotiation of purchasing suppliers corresponds to the company, such responsibility will correspond to Carvajal Servicios Compartidos S.A.S., as it is in charge of the engagement and formalization of the relationship between them and the company.

Additional due diligence considerations

- **Cash operations:** as a matter of policy, all operations are channeled through the financial sector.
- **E-commerce:** the due diligence process for this channel is defined under the minimum parameters established by the organization and documented in the company's internal procedures.
- **Virtual assets:** the company's policy is not to manage virtual assets.

As part of the risk assessment, the main verifications to be made by Carvajal S.A. are as follows:

Verification of international lists: the following verifications will be made of the third party legal and natural person, as well as of the legal representatives, Board of Directors (if applicable) and Shareholders. Non-inclusion in the list of "Specially Designated Nationals and Blocked Persons" published by OFAC.

- Non-inclusion in the list of terrorist individuals and/or organizations published by the United Nations.

This verification is made at the time of making any type of estimate or contact with third parties. For customers and suppliers already engaged, a monthly re-verification of the entire database of active customers and suppliers will be made, in order to detect if any of them have been subsequently included.

Verification of declared activities: Carvajal S.A. will take the necessary measures to reasonably verify the veracity of information provided by third parties, referring to their professional or business activity. Such measures will consist of establishing procedures to verify the activities declared by third parties.

These procedures will take into account the different level of risk and will be based on documents obtained from third parties related to the activity. See Due Diligence Annex

Identification in case of not acting on their own account and shareholding structure: when there are indications or certainty that customers or suppliers which identification is mandatory do not act on their own account, Carvajal S.A. will collect the necessary information in order to know both the identity of third parties and the persons on behalf of whom they act. In the case of legal entities, reasonable measures will be taken in order to know both the legal representatives and the shareholding structure of the company, i.e., the identity of shareholders or associates having direct participation in more than 5% of its capital stock, contribution or equity interest in the entity.

With this information collected, customers and suppliers will be classified into the following categories:

High-risk customers/suppliers:

- **Customers/suppliers with nationality or residence in a 'High-Risk Country' (non-cooperative countries or countries with a high level of corruption).** The list of high-risk countries that the Entity has established is that published by the OECD and the FATF.
- **Customers/suppliers handling virtual assets.**
- **Customers/suppliers that, according to the business, are considered high-risk under analysis.**

- **Customers/suppliers that, being on the list of "Specially Designated Nationals and Blocked Persons" published by OFAC, have obtained a license from OFAC to be managed by the State.**
- **Politically exposed persons (PEP).**
- **Defined as those nationals or foreigners who, by reason of their position, manage public resources, exercise some degree of public power or enjoy public recognition.**

The status of Politically Exposed Persons (PEP) shall be maintained during the term of office and for two (2) more years from the resignation, removal, dismissal or declaration of termination of the appointment, or any other form of disengagement, or termination of the contract.

4.1. Enhanced Due Diligence:

For counterparties with a high-risk level, an enhanced due diligence process will be applied (a process through which the company adopts additional and more intense measures for the knowledge of the counterparty, its business, operations, products and the volume of its transactions, which are defined in the Due Diligence Annex). Including the criteria defined in the previous point.

4.2. Customers and suppliers not admitted:

In any case, Carvajal S.A. will not admit as customers or suppliers, legal or natural persons involved in:

- Activities related to prostitution or pornography.
- Activities related to drug trafficking.
- Persons of questionable integrity or honesty, particularly those known to be involved in any type of crime.
- Individuals who are included in the OFAC and United Nations lists indicated above.
- Persons with businesses which nature makes it impossible to verify the legitimacy of their activities or the origin of funds.

4.3. Customer and supplier identification and knowledge policy

Customer and supplier identification serves a dual purpose: to comply with legal and internal regulations and to be able to identify whether the customer or supplier belongs to any of the risk groups identified in the customer and supplier acceptance policy.

The information will be obtained according to the risk analysis carried out by the corresponding processes for each counterparty in its creation and/or updating process, which are defined in the Due Diligence Annex.

These identification measures must be applied to customers and suppliers to reasonably verify the veracity of information collected from them. For such purposes, the collaboration of companies that carry out these verifications may be requested.

When there are indications or certainty that customers or suppliers are not acting on their own account, accurate information shall be gathered and analyzed in order to know the identity of the persons on whose behalf they are acting. In the case of legal persons, the necessary and reasonable measures shall be taken to determine the shareholding structure up to the beneficial owner a) Natural person

who, acting individually or jointly, exercises control over the legal entity b) Natural person who, acting individually or jointly, holds, directly or indirectly, five percent (5 %) or more of the capital or voting rights of the legal entity, and/or benefits from five percent (5 %) or more of the yields, profits or Assets of the legal entity; c) When no natural person is identified in paragraphs 1) and 2), the natural person who acts as legal representative, unless there is a natural person who holds greater authority in relation to the management functions of the legal entity).

4.4. Customer and supplier identification and knowledge procedures

The applicable regulations regarding Money Laundering and Terrorist Financing and Financing for the Proliferation of Weapons of Mass Destruction, establish the need to require the correct identification of the customer and supplier, in case of both natural and legal persons, to safeguard the entities from practices aimed at committing crimes related to Money Laundering and Terrorist Financing and Financing for the Proliferation of Weapons of Mass Destruction.

In order to meet these objectives, the regulated entities are required to develop procedures to verify the activities declared by customers and suppliers.

These procedures shall take into account the different level of risk and shall be based on documents obtained from customers and suppliers related to the declared activity or information obtained thereon not related to the customer or supplier, which are defined in the Due Diligence Annex.

Likewise, the regulated entities must apply additional customer and supplier identification and knowledge measures to control the risk of Money Laundering and Terrorist Financing and Financing for the Proliferation of Weapons of Mass Destruction in the business areas.

4.5. Information to be requested

The following are the minimum levels of information required to identify customers and suppliers and verify their activities.

a. Identification of natural person

The following information will be requested from the customer and supplier:

- Full name and surname.
- Identification number: Copy of RUT,

national citizenship ID or foreign ID or document certifying the tax or personal ID number.

- Full name and surname of representative, proxy and ID number (if applicable)
- Address, telephone, and city.

- **Activity description: Main economic activity: commercial, industrial, transportation, construction, agribusiness, financial services, etc., according to the ISIC international code. Declaration of origin of assets and/or funds.**
- **Identification of bank account(s) through which he/she will operate and bank certification of the account for countries in which this figure applies and for countries where this document does not apply, it shall be as defined.**
- **Monthly income and expenses.**
- **Equity.**
- **Detail of other income or non-operating income or income originated in activities other than the main activity.**

b. Identification of legal entities

Legal entities must submit a document evidencing their name, corporate name, domicile and corporate purpose. As well as the respective certificates of existence and legal representation or powers of attorney validating the persons acting on their behalf.

The shareholding or control structure of the company must be known, identifying the beneficial owner (1. Natural person who, acting individually or jointly, exercises control over the legal entity 2. Natural person who, acting individually or jointly, holds, directly or indirectly, five percent (5%) or more of the capital or voting rights of the legal entity, and/or benefits from five percent (5%) or more of the yields, profits or Assets of the legal entity; 3. When no natural person is identified in paragraphs 1) and 2), the natural person who acts as legal representative, unless there is a natural person who holds greater authority in relation to the management functions of the legal entity).

Failure to provide this information may be authorized as long as there is evidence of due diligence on the part of the company to obtain these documents and taking into account that it is a legally established company with a proven track record and the approval of the financial vice president. See Due Diligence Annex.

Thus, the following information will be requested from legal entities:

- Trade name
- Identification number: Copy of NIT, citizenship
- ID (nationals) or foreign ID (foreigners)**.

- **Authorization for consultation and verification of information provided.**
- **Signature of applicant.**
- **Filing date.**

- Full name and surname of the representative, proxy and ID number,
- Address and telephone number of the representative.
- Activity description: Main economic activity: commercial, industrial, transportation, construction, agribusiness, financial services, etc., according to the ISIC international code. Address, telephone, and city of the main office.
- Power of attorney of the persons acting on their behalf, notwithstanding the obligation to communicate their DNI. Shareholding structure and identification of shareholders or partners that directly or indirectly hold more than 5% of the capital stock, contribution or equity interest.
- Type of company: private, public, mixed. Declaration of origin of assets and/or funds. Identification of the bank account(s) through which it will operate and bank certification or letter signed by the legal representative indicating the account information, registering the city where it is located.
- Monthly income and expenses. *
- Equity. *
- Detail of other income or non-operating income or income originated in activities other than the main activity.
- Signature of applicant (legal representative of the entity)
- Filing date.

If the customer or supplier is from abroad, the equivalent documentation or information necessary to validate the data described above will be collected and analyzed.

** The ID of the legal representative will be required only for validation of matches in binding lists to discard any false positives.

*With respect to financial information, the engagement may be authorized without the provision of this information provided that due diligence is evidenced by the company in obtaining this information and that it is a legally established company with a proven track record.

4.6. Additional information for above-average risk customers or suppliers

Additionally, those customers or suppliers that, based on the initial assessment, show a high risk will be identified in the business partner matrix according to the corresponding customer/supplier, in order to

monitor the operations carried out by third parties that show this profile; thus, the operations carried out by these customers or suppliers will be monitored through the timely management of alerts.

4.7. Forms

According to current legislation, Carvajal S.A. must not only identify its customers and suppliers at the beginning of a business relationship, but must also establish additional measures on knowledge of the customer and supplier and the activity carried out by them.

For a better customer and supplier knowledge, the forms established for such purpose, developed by Carvajal S.A., for suppliers, are available on the corporate intranet, and for customers, will be available at the head of the Credit and Portfolio area.

The form shall be completed at the time of entering into business relationships with customers and/or suppliers. The process applied by Carvajal S.A. consists of the following procedures:

- Confirm the true identity of customers and suppliers, and their economic activity.
- Monitor operations carried out with customers and suppliers to detect possible unusual operations that may be related to Money Laundering and Terrorist Financing.
- Document and safeguard all information related to the identification of the customer and the supplier, and the operations carried out by them.
- Update customer and supplier data every two years, contained in databases with active status.

- Verify that no customer or supplier is a terrorist individual, group or entity included in the United Nations Lists and that they are not included in the list of Specially Designated Nationals and Blocked Persons published by OFAC, pursuant to the provisions of the risk assessment.

The information recorded and analyzed in the form will be incorporated into the database of customers and suppliers, which will serve as a source of information and will allow us to prepare a "third party profile" that will serve as a basis for detecting operations that may be related to Money Laundering and Terrorist Financing.

4.8. Verification of information provided

Procedures will be carried out to verify the information recorded by the customer or supplier versus the supporting documentation requested. The procedures for verifying the declared activities will take into account the different level of risk and will be based on documentation obtained from customers and suppliers related to the declared activity or information obtained thereon not related to the third

party. From the beginning of the business relationship, the origin of funds of the future customer and supplier must be clearly understood. In the case of customers and suppliers that are legal entities, it will be verified whether the actual activity of the company corresponds to its corporate purpose and is shown in accordance with its main financial data: equity, income and sales figures.

4. 9. Procedimientos de identificación y conocimiento de colaboradores

Con el fin de analizar el riesgo y criticidad de los cargos, Carvajal S.A. cuenta con un modelo de matriz de riesgo que evalúa los cargos, de acuerdo con las funciones desarrolladas, estableciendo niveles de criticidad.

control estará en cabeza del área de Gestión Humana de la empresa, siendo el responsable de la operación del control Seguridad, quien es el garante de la custodia y evidencia de dicho proceso.

Cada nivel de criticidad cuenta con un protocolo de seguridad que debe ser aplicado previo a la vinculación del candidato, la exigencia de aplicación de dicho

4. 10. Procedimiento de actualización de documentación

In order to analyze the risk and criticality of the positions, Carvajal S.A. has a risk matrix model that assesses the positions, according to the functions performed, establishing levels of criticality.

Each level of criticality has a security protocol that must be applied prior to the engagement of the candidate; the Human Resources area of the company will be responsible for the application of this control, and Security will be responsible for the operation of the control, acting as guarantor of the custody and evidence of this process.

4.10. Documentation update procedure

Carvajal S.A. shall keep customer and supplier identification documentation up to date throughout the term of the business relationship.

To ensure that records are kept up to date, documentation revisions should be made based on the risk assigned to the customer and supplier.

Notwithstanding the foregoing, in the event of significant changes in the customer's or supplier's data or activity, the update will be made immediately.

Regarding collaborators, Carvajal S.A. will encourage and require its collaborators to update the information corresponding to their data, as soon as a new event occurs, or at least once a year; this update will be the responsibility of the Human Resources area of the company and will be made through the means established for such purpose.

5

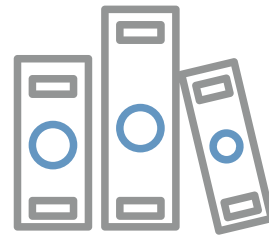
Segmentation



Carvajal S.A. has a segmentation model that incorporates the risk factors that allow it to improve the management related to the ML/TF risk. The segmentation model, as well as its monitoring will be the responsibility of the compliance officer under the methodology he/she deems appropriate.

6

Document retention policy



Carvajal S.A. has established that the documents that support the due diligence process of customers and suppliers will be kept according to current regulations and such process will be established in the document retention tables of the pertinent processes, as well as the corresponding records that adequately accredit the completion of operations.

The aforementioned period shall be counted from the day on which the relationship with a customer ends for the documents related to their identification and from the execution of each operation for the retention of documents or records proving it.

6.1. Document retention procedure

Documents proving the identity of customers and suppliers, as well as documents relating to operations with them carried out by Carvajal S.A. will be kept in electronic or physical form according to the tools established for such purpose.

For each new customer, a file will be opened in which all the physical documentation collected, copies of identity documents, customer creation and update forms will be included.

For new suppliers, all documentation related to the knowledge of the supplier shall be recorded electronically in the tool defined for such purpose.

The Company will be responsible for collecting and analyzing the information and documentation of the customers it intends to engage and Carvajal Servicios Compartidos S.A.S. will be responsible for carrying out such activity in the case of suppliers.

7

Policy for detection, analysis and communication of operations that may be related to Money Laundering and Terrorist Financing.



7.1. Detection and internal communication of unusual operations that may be suspicious

The regulations establish as a requirement the special examination of certain operations. Carvajal S.A. must carefully examine any operation carried out by a natural or legal person which, due to its number, quantity or characteristics, does not fall within the normal systems and practices of the business of a given industry or sector and which, in accordance with the uses and customs of the activity in question, could not be reasonably justified. These operations must be reported to the UIAF as they may be related to Money Laundering and Terrorist Financing activities.

The Carvajal S.A. collaborator who detects an operation with these characteristics shall refrain from executing the operation and shall immediately inform the Compliance Officer or, if he/she desires to remain anonymous, he/she may do so through the ethics hotline.

In any case, the following must be communicated:

- Any operation carried out by a natural or legal person which, due to its number, quantity or characteristics, does not fall within the normal systems and practices

of the business of a given industry or sector and which, in accordance with the uses and customs of the activity in question, could not be reasonably justified.

- Donations that have no apparent beneficial owner of unknown origin or which beneficial owner is domiciled in a high-risk country or jurisdiction.
- Any relevant information on the management of assets or liabilities or other resources, the amount or characteristics of which are not related to the economic activity of its customers and suppliers, or on transactions of its users which, due to their number, the amounts transacted or their particular characteristics, may reasonably lead to suspect that they are using the entity to transfer, manage, take advantage of or invest money or resources derived from criminal activities or destined to their financing.
- When it is detected that the nature or volume of the active or passive operations of a customer/supplier does not correspond to their activity or operating history, according to the profile established at the time of initiating the business relationship.

Any change in customer or supplier behavior, such as:

- Changes in the bank account from which they operate or to which they request the corresponding payments to be made, without prior communication and without sending the bank certification or authorization letter, when applicable, required for such purpose.
- Sending or requesting payment from or to a tax haven.
- Sending or requesting payment from or to a country other than the country of origin or destination of the merchandise without a causal relationship to explain it.
- That the payment instrument, which cancels the import or export is issued or is made to the order or in favor of a person other than the foreign customer or supplier, without a causal relationship to explain it.
- Customers or suppliers who repeatedly report loss or theft of goods in transit from the point of arrival to the warehouse.
- Customers who intend to purchase the Organization's products, when their economic activity is not directly related to them.
- Suppliers whose corporate purpose is not related to the product offered or who do not have the required permits (products with regulatory requirements and foreign trade processes).
- Customers or suppliers who submit allegedly false documents among the documents required for their identification and knowledge.
- Customers or suppliers who have been sanctioned for violations of the exchange or customs regime.
- Inconsistencies in the information related to the existence, identification, address or location of the customer or supplier.

The aforementioned operations are mentioned as examples and may be modified according to new typologies detected in the future, red flags issued by the Competent Authority, or the company's own experience.

The Compliance Committee shall take appropriate measures to maintain the confidentiality of the identity of collaborators and officers who have made a report. For such purpose, the email address to which communications must be sent shall be for the exclusive use of the Compliance Officer. Likewise, the analyzed file will not contain, in any case.

The actions that may be taken in connection with investigations initiated due to a suspicion of possible activities related to Money Laundering and Terrorist Financing must not be disclosed to the customer or to third parties. Failure to comply with this duty of confidentiality may result in legal sanctions and penalties under internal policies established in the Carvajal Organization's Principles and Policies book.

Reporting, in good faith, of information related to activities related to Money Laundering and Terrorist Financing does not constitute a violation of the restrictions on disclosure of information imposed by contract or by any legal or regulatory provision, and does not imply any type of liability for the reporting person.

In addition to the aforementioned analyses, Carvajal S.A. has a computer application that analyzes operations, detecting unusual operations which, according to the analysis and certain established criteria, may be suspicious of being involved in a Money Laundering and Terrorist Financing process.

7.2. Analysis of operations

Upon receipt of a report of an unusual or suspicious operation, either from a Carvajal S.A. collaborator or as a result of the analysis of the computer application, the Compliance Officer shall proceed as follows:

- As a general rule, he/she will make a first contact with the reporting party in order to obtain the maximum amount of information about the customer or supplier's profile both in terms of personal information and business relationship with the Organization.
- He/she will request from the reporting party photocopies of the documentation that justifies the specific operation leading to the communication.
- He/she will proceed to register the communication and assign it a file reference number, consisting of a two-digit code followed by the year of production.
- He/she shall apply procedures so as to maintain the confidentiality of the reporting party and the reported information.
- Likewise, and in any case, additional procedures and investigations will be carried out using all available means.

Once the information is obtained, a detailed pre-analysis will be carried out by the Compliance Officer with the support of the areas involved, which basically aims at detecting:

- Matches with suspicious profiles.
- Inconsistencies and/or disproportionality with respect to the nature and/or volume of the current operation under investigation, in relation to the customer's business activity and/or operating history.
- Unusual operations that may be due to new channels used for Money Laundering and Terrorist Financing.

Once the analysis has been carried out and based on the conclusions drawn therefrom, the Compliance Officer shall convene the Compliance Committee and submit the file, and the Committee shall make the decision it deems appropriate, or shall inform the members of the Committee of the facts and its conclusions by email if it considers that there is no evidence of laundering or unusual operations on the part of the customer or supplier. If any member of the Committee deems it necessary to submit the file for review, he/she shall inform the Compliance Officer, who shall convene a meeting as soon as possible.

As soon as the Compliance Officer concludes on the result of the analysis of the operation, he/she shall proceed to inform the reporting collaborator or officer of the result of the analysis carried out.

7.3. Reporting or filing of analyzed operations

Once the analysis has been carried out, the Compliance Committee will decide on the processing to be given to the file, assigning it one of the following considerations:

File under follow-up: There are no indications, but it is an unusual operation. On a monthly basis, the Compliance Officer, according to the nature of the customer and the operation, shall issue a report on the evolution of the operation under follow-up, based on the information provided by the critical area and complementary data obtained, as appropriate, such as:

- Press clippings
- Information searches made on the internet
- Information reported on the UIAF web page
- In case there are indications or certainty of Money Laundering and Terrorist Financing, the Compliance Officer shall immediately notify the UIAF. The number of files in this status should be limited to a minimum, and the surveillance period should not exceed four months.

File to be reported: There are indications or certainty of any association with Money Laundering and Terrorist Financing. If not yet obtained, the following will be requested from the head of the commercial, credit or logistics services area, as applicable, of the respective company:

- Photocopy of the Contracts related to the operation to be reported
- ID of holders, senders or third parties involved.
- RUT and powers of attorney, certificate of existence and legal representation, in case of legal entities.
- As much historical information as is available on the customer's activity in order to contextualize the customer's overall operational profile.
- In the event that the department or unit does not locate this documentation, it should never be openly requested from the customer, so as not to alert the customer. The department or unit should take note of this, in order to request it when appropriate, so as not to arouse suspicion.

The data on participants and operations, indications of suspicion and description of the steps taken shall be transferred to the SIREL application (form attached as Annex III). Specifically, the following information should be provided:

- List and identification of persons involved in the operations and the concept of their participation therein.
- The known activity of persons involved in the operations and the correlation between the activity of customers and the operations carried out.
- List of operations and their dates, indicating their nature, currencies, amount, purpose and payment or collection instruments used.

- Steps taken to investigate the operations reported.
- Description of circumstances of any kind from which it may be inferred that there is an indication or certainty of Money Laundering and Terrorist Financing or that show the lack of economic, professional or business justification for carrying out the operations.

The communication shall be made by the Compliance Officer to the entity established by regulation, in the manner and through the means set forth for such purpose. Once the file number is available, it will be recorded, archived and reported to the compliance committee.

It is worth clarifying that since it is not a criminal complaint.

File not to be reported: there are no indications and it is not an unusual operation in the customer's sector, or in the customer's usual operations. The Compliance Officer shall record in writing the information obtained regarding the knowledge of the customer and the operation, the analysis carried out and the criteria for deciding NOT to report. Subsequently, a confidential email will be sent to the reporting party, informing him/her of the follow-up given to his/her communication, and finally, the closing date of the file will be added and the file will be archived for a minimum period of five years.

Once the committee has made the decision to report or not to report, this decision shall be evidenced in the corresponding minutes.

8

Monthly Statement of Operations



8.1. Obligation to report

On a monthly basis, pursuant to the provisions of Resolution 212 of 2009 of the UIAF, **Carvajal S.A.** must report to the UIAF:

- All operations carried out in the ordinary course of business and involving payments through the delivery or receipt of cash (bills or coins) for an amount equal to or greater than ten million pesos (\$10,000,000) legal tender or its equivalent in other currencies.

The detection of those operations subject to mandatory reporting will be carried out by means of the computer tool implemented for such purposes by **Carvajal S.A.**

In the absence of such operations, the Compliance Officer shall make a report of absent operations.

8.2. Communication procedure

In those cases in which there are operations that may be reported to the UIAF, the Compliance Officer shall proceed to insert in the SIREL application (Online Reporting System), indicated by the UIAF Executive Service, the data related to such operations, in order to generate and communicate the corresponding report.

If there have been no operations subject to mandatory reporting or suspicious operations, the Compliance Officer, using the SIREL system, shall submit to the UIAF the corresponding report of absent suspicious operations and individual cash transactions, if applicable, according to the period established for the report.

9

Requests from authorities



In accordance with the applicable regulations, commercial confidentiality is not enforceable against requests for information specifically made by the judicial, tax, customs or exchange supervision authorities and the UIAF within the investigations under its jurisdiction, in accordance with the provisions of article 15 of the National Constitution and articles 63 of the Commercial Code, 275 of the Criminal Procedure Code and 288 of the Civil Procedure Code.

9.1. Procedures to be followed

The requests made to Carvajal S.A. by the aforementioned authorities regarding Money Laundering and Terrorist Financing, received at the registered office or in any of the companies of the organization, shall be immediately submitted to the Compliance Officer, who shall respond to such requests within the time limits established by law.

The procedure established by Carvajal S.A. to respond to requests for information received is as follows:

- Check existing files to see if it is a new request or a continuation of a previous request or communication. In the latter case, the file will be reviewed.
- It is registered and assigned a reference number, consisting of a code followed by the year of production.
- As a matter of urgency, the corresponding area will be requested to provide the documentation and information necessary to respond to the request. The response requested by the Compliance Officer must be sent on the same day unless, given its complexity, this is not possible, in which case the maximum response period shall be two days.
- An email is sent to the members of the Compliance Committee, informing them of the request and the sense of the appropriate response.
- The Compliance Officer shall reply to the requesting authority through the means indicated by the latter, within the term established in the request, and shall proceed to close and archive the file.

10

Training



Employees

Carvajal S.A. has designed an annual training plan, which may be carried out through in-person sessions and online training, consisting of:

- Specific training sessions for new collaborators, upon onboarding.
- Annual training for collaborators.

When determining the annual training plan and the contents of the courses, the person in charge of teaching the courses will be determined, according to the given contents.

The Compliance Officer shall ensure that there is a record of attending collaborators.

Training actions will be carried out under the coordination of the Compliance Officer and the supporting documentation will be available to all collaborators in accordance with the means established for such purpose.

In general, training will focus on the following aspects:

- Policies for the acceptance of customers, suppliers and the prevention of Money Laundering and Terrorist Financing, as well as the procedures established to prevent the use of the Organization for the financing of criminal activities.

- Current or future legal requirements.
- Identification of persons or departments in charge of Money Laundering and Terrorist Financing policies.
- Procedures for reporting any suspicion or knowledge of activities related to Money Laundering and Terrorist Financing to the Compliance Officer.
- Possible vulnerabilities or weaknesses of its line of business or products against Money Laundering and Terrorist Financing activities.

Likewise, the training will be adapted each year to the knowledge of the new typologies of Money Laundering and Terrorist Financing as they become known through the publications issued by the UIAF, or other national and international bodies related to the fight against Money Laundering and Terrorist Financing, as well as by the Organization's own experience.

Associates

Training for associates (associates being understood as investors or shareholders) will not be provided when it is not possible to identify the beneficial owner.

It is determined that no training will be provided to other related parties or stakeholders; however, suppliers will be informed of the anti-money laundering policies established by the organization for compliance.

11

Internal Audit



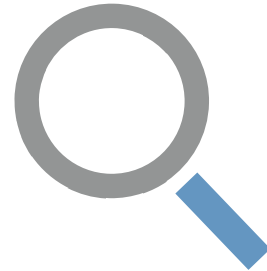
The Internal Audit is responsible for supervising the system of Money Laundering and Terrorist Financing and Financing for the Proliferation of Weapons of Mass Destruction, which consists of the mandatory policies, standards and procedures, ensuring that the operations of Carvajal S.A. are carried out in accordance with current legislation against Money Laundering and Terrorist Financing and Financing for the Proliferation of Weapons of Mass Destruction. For such purpose, Internal Audit will carry out the necessary reviews pursuant to the applicable regulations. At a minimum, such reviews shall be conducted annually. The results of the verifications carried out together with the corresponding report shall be delivered to the Compliance Officer who shall discuss and analyze them in order to submit them to the Compliance Committee and subsequently to the Board of Directors.

The aforementioned reviews include all critical areas regarding the Prevention of Money Laundering and Terrorist Financing and Financing for the Proliferation of Weapons of Mass Destruction, especially the Compliance Committee and the Compliance Officer, and will focus on the verification of their supervision and the necessary coordination of the procedures implemented to ensure the Organization's compliance with the applicable internal and external regulations in force regarding Money Laundering and Terrorist Financing.

In particular, the audit will focus on the review of specific aspects such as compliance with the procedures of identification and knowledge of the customer, supplier and collaborator, retention of the required documentation, detection, analysis and reporting of operations that may be related to Money Laundering and Terrorist Financing, response to requirements from competent authorities, as well as the corresponding monthly reports required by Colombian regulations and the internal training of employees, among others.

12

Statutory Auditor



In accordance with the requirements of Colombian legislation, the measures for the prevention of Money Laundering and Terrorist Financing implemented by Carvajal S.A. may be reviewed during the Organization's statutory auditing process.

Such review shall be carried out in accordance with the Entities' regulatory compliance audit obligation.

The results of the review shall be set forth in writing in an annual report to be submitted to the Compliance Officer.

13

Branches



This manual, approved by the Board of Directors of Carvajal S.A., establishes the minimum standards to be observed by the Company.

It is aimed at all collaborators in critical areas of the Company and those who establish relationships with third parties.

This policy and the rules that develop it are mandatory in the Company.

14

Penalties



14.1. Administrative Penalties

Failure to comply with the orders and instructions given in this Chapter X shall give rise to the appropriate administrative investigations and the imposition of the pertinent administrative penalties on the Regulated Company, the Compliance Officer, the statutory auditor or its administrators, pursuant to the provisions of paragraph 3 of Article 86 of Law 222 of 1995, notwithstanding any actions corresponding to other authorities.

Resolution 285 of 2007, of the Financial Information and Analysis Unit, as amended by Resolution 212 of 2009, addressed to public and private warehouses,

customs brokerage companies, port companies, free trade zone users, carriers, international cargo agents, permanent customs users and highly exporting users, establishes that "failure to comply with the obligation to report suspicious operations and individual cash operations for an amount equal to or greater than 10,000,000 pesos, will give rise to the imposition of the respective penalties by the National Tax and Customs Directorate (DIAN) or the respective competent entity, notwithstanding any applicable disciplinary or criminal actions".

14.2. Criminal Penalties

In criminal matters, in addition to the basic type of money laundering, other conducts have also been typified, related to the non-compliance of measures against Money Laundering and Terrorist Financing:

- Article 323 of the Criminal Code defines money laundering as: "Whoever acquires, safeguards, invests, transports, transforms, stores, retains, guards or administers goods that have their mediate or immediate origin

in activities of migrant smuggling, trafficking in persons, extortion, illicit enrichment, kidnapping for ransom, rebellion, arms trafficking, trafficking of minors, terrorist financing and administration of resources related to terrorist activities, trafficking of toxic drugs, narcotics or psychotropic substances, crimes against public administration, smuggling, smuggling of hydrocarbons or their derivatives, customs fraud or favoring and facilitating smuggling, favoring smuggling of hydrocarbons or their derivatives, or in relation to the proceeds of activities

carried out under a conspiracy to commit a crime, or giving the assets derived from such activities the appearance of legality or legalizing them, hiding or concealing the true nature, origin, location, destination, movement or right over such assets *(or carrying out any other act to hide or conceal their illicit origin)*, shall incur for such conduct alone a prison term of ten (10) to thirty (30) years and a fine of one thousand (1,000) to fifty thousand (50,000) current legal monthly minimum wages.

- The custodial sentences provided for in this article shall be increased by one third to one half when the conduct involves foreign exchange or foreign trade operations, or the introduction of goods into the national territory.

- Article 324 - Specific circumstances of aggravation, indicates that the custodial sentences provided for in article 323 of the criminal code shall be increased from one third to one half when the conduct is carried out by a member of a legal entity, company or organization involved in money laundering and from one half to three quarters when carried out by the heads, administrators or managers of the referred legal entities, companies or organizations.

14.3. Penalties to Collaborators

The collaborators of Carvajal S.A. subject to the application of the measures and procedures set forth in this Manual may be subject to penalties for non-compliance.

Such penalties shall be determined by the Audit and Risk Committee and the Compliance Committee, in exercise of their duties on Money Laundering and Terrorist Financing in the Organization.

14.4. Penalties to Associates

Those third parties or associates with whom Carvajal S.A. has commercial relations must comply with the provisions of this manual, and non-compliance shall be reviewed by the corresponding body and may result in temporary or definitive suspension of commercial relations.

Carvajal



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