


BUSINESS TRANSPARENCY AND ETHICS PROGRAM

LADRILLERA CASABLANCA S.A.S

MAY 06, 2024

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INTRODUCTION

LADRILLERA CASABLANCA S.A.S., hereinafter referred to as "the Company," is fully aware of its responsibility to act in accordance with the National Constitution, the laws of the Republic, and the ethical values and principles that enable compliance with the regulations governing its operations, as well as any inherent or complementary procedures related to these activities.

The Business Transparency and Ethics Program aims to convey the commitment of the Company and its senior management to act ethically and transparently with all stakeholders and to conduct operations responsibly. The Company has a zero-tolerance policy for any operations that violate corporate principles and are considered bribery, corruption, or fraud.

The provisions contained in this document are intended to align with the principles, values, and guidelines established in this Business Transparency and Ethics Program, as well as with Law 1474 of 2011, which establishes the Anti-Corruption Statute; Law 1778 of 2016, which sets forth regulations on the liability of legal entities for acts of transnational corruption and other anti-corruption measures; External Circular 10-000003 of 2016, which serves as a guide for implementing Business Ethics Programs to prevent the conducts outlined in Article 2 of Law 1778 of 2016; and Resolution 100-2657 of 2016, which establishes criteria in accordance with the second paragraph of Article 23 of Law 1778 of 2016, as comprehensively amended by Circular 100-000011 of August 9, 2021. Additionally, this document adheres to other regulations related to the risks addressed in this program and applicable to the Company.


The implementation of the BUSINESS TRANSPARENCY AND ETHICS PROGRAM is the responsibility of all Company employees.

1. OBJECTIVE

To present the policy and Business Transparency and Ethics Program defined by the Shareholders' Assembly, designed and implemented as a control mechanism to mitigate risks associated with fraud, corruption, and national and transnational bribery.

2. FOUNDATION

The Company's BUSINESS TRANSPARENCY AND ETHICS PROGRAM is based on a risk management model that enables the identification, segmentation, assessment, individualization, control, and updating of risk factors associated with corruption and transnational bribery.

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Furthermore, the Company is fully aware that, as stated by the Superintendence of Corporations in the comprehensive amendment to External Circular No. 100-000003 of July 26, 2016, and the addition of Chapter XIII to the Basic Legal Circular of 2017, “in a globalized world, countries must strive to maintain a stable and distortion-free economic environment to ensure that national and international businesses or transactions are conducted in a way that allows competitors to access markets freely. Likewise, the careful and proper use of public resources and sound public administration are critical to fulfilling the state’s objectives as established in the Political Constitution and laws.

Such a stable and distortion-free economic environment prevents imbalances in the supply and demand of goods and services. Indeed, the lack of adequate controls to prevent and detect corrupt practices, such as transnational bribery and offering bribes, can lead to unequal relationships among market participants.

According to the Organization for Economic Cooperation and Development (OECD), various forms of corruption, as well as the perception of corruption, can erode trust in governments, businesses, and markets.

Moreover, tolerance of corruption by the state and the business community can lead legal entities and companies to abandon innovation and free competition, giving way to corrupt practices and illegal activities in their operations.


Furthermore, every effort must be made to prevent public officials from being inclined to misuse their functions to promote their personal interests to the detriment of citizens and the community at large. As is well known, such circumstances can have highly negative consequences for economic growth and development. Therefore, combating corruption strengthens trust in institutions, industries, markets, and the country’s economy.”

In this regard, it is essential, as outlined in External Circular No. 100-000003 of July 26, 2016, and the addition of Chapter XIII to the Basic Legal Circular of 2017, to implement a Business Transparency and Ethics Program (PTEE) following the recommendations of the Superintendence of Corporations of Colombia.

3. SCOPE

The Business Transparency and Ethics Program applies to all personnel associated with the Company and all stakeholders, including clients, suppliers, contractors, shareholders, and, in general, anyone with whom the Company has a direct or indirect commercial relationship.

4. FORMALIZATION

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This BUSINESS TRANSPARENCY AND ETHICS PROGRAM was approved by the Shareholders’ Assembly of LADRILLERA CASABLANCA S.A.S. through Minutes No. XXX of [DATE].

5. LEGAL FRAMEWORK

International Standards and Regulations

In line with Colombia’s significant efforts to combat corruption, an international legal framework has been adopted, including the following conventions and agreements:

- a. The Convention on Combating Bribery of Foreign Public Officials in International Business Transactions;
- b. The Inter-American Convention Against Corruption of the Organization of American States (OAS);
- c. The Criminal Law Convention on Corruption of the Council of Europe;
- d. The Civil Law Convention on Corruption of the Council of Europe;
- e. The African Union Convention on Preventing and Combating Corruption; and
- f. The United Nations Convention Against Corruption (UNCAC).

Some of these instruments explicitly promote the adoption of compliance programs and codes of conduct by companies.


For instance, the OECD’s 2009 Recommendation for Further Combating Bribery of Foreign Public Officials encourages member countries to urge companies to develop and adopt adequate internal controls, as well as ethics and compliance programs or measures, to prevent and detect bribery of foreign public officials.

National Regulations

Article 23 of Law 1778 of 2016 establishes the obligation of the Superintendence of Corporations to promote the adoption of transparency and business ethics programs, internal anti-corruption mechanisms, internal audit standards, transparency promotion, and mechanisms to prevent transnational bribery among companies under its supervision.

Paragraph 3 of Article 86 of Law 222 of 1995 authorizes the Superintendence of Corporations to impose sanctions or fines, successive or not, of up to two hundred (200) minimum monthly legal wages (SMMLV) for non-compliance with its orders, the law, or corporate bylaws.

Finally, paragraph 28 of Article 7 of Decree 1736 of 2020 mandates the Superintendence of Corporations to instruct entities under its supervision, in the manner it determines, on the measures they must adopt to promote transparency and business ethics in their practices, ensuring internal mechanisms to prevent acts of corruption, thereby fostering

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more companies, employment, and competitive, productive, and sustainable businesses.

6. DEFINITIONS

Total Assets: All current and non-current assets recognized in the statement of financial position, corresponding to the economic resources controlled by the Company.

Senior Management: Natural or legal persons appointed in accordance with the company's bylaws or any other internal provision and Colombian law, as applicable, to manage and direct the legal entity, whether as members of collegiate bodies or as individuals.

Risk Analysis: The systematic use of available information to determine how frequently events may occur and the magnitude of their consequences.

Partners: Natural or legal persons who have made a contribution in money, labor, or other economically measurable assets to a company or sole proprietorship in exchange for shares, equity interests, stocks, or any other form of participation as provided by Colombian law.

Compliance Audit: A systematic, critical, and periodic review of the proper implementation and execution of the Business Transparency and Ethics Program.

Reporting Channel: The online reporting system for complaints regarding transnational bribery, provided by the Superintendence of Corporations on its website.

Chapter X: Refers to Chapter X of the Basic Legal Circular.

Chapter XIII: Refers to Chapter XIII of the Basic Legal Circular, which includes administrative instructions and recommendations for the adoption of PTEE.

Basic Legal Circular: Circular No. 100-000005 of 2017 issued by the Superintendence of Corporations, including its amendments.

External Circular 100-000003: A guide for implementing business ethics programs to prevent the conducts outlined in Article 2 of Law 1778 of 2016, issued by the Superintendence of Corporations.

Conflict of Interest: A situation where financial, familial, political, or personal relationships or interests may influence the judgment of individuals in the performance of their duties within the organization.

Counterparty or Stakeholders: Any natural or legal person with whom the Company has commercial, business, contractual, or legal ties of any kind. This includes, among others,

shareholders, partners, employees, clients, suppliers, and contractors of goods and services.

Contractor: In the context of a business or transaction, any third party that provides services to the Company or has a contractual legal relationship of any nature with it. Contractors may include, among others, suppliers, intermediaries, agents, distributors, advisors, consultants, and parties to collaboration agreements, temporary unions, consortia, or shared-risk contracts with the Company.

State Contract: As defined in Article 32 of Law 80 of 1993.

Corruption: Any form of bribery, misappropriation of assets, influence peddling, illicit enrichment, or any act involving the misuse of power to obtain private benefits.

Due Diligence: In the context of this Chapter, the ongoing and periodic review and evaluation process that the Obligated Entity must conduct based on the Corruption Risks or Transnational Bribery Risks to which it is exposed.

Employee: An individual who is obligated to provide personal services under an employment or service contract to the Company or any of its subsidiaries.

Company: A commercial company, sole proprietorship, or branch of a foreign company supervised by the Superintendence of Corporations, pursuant to Articles 83, 84, and 85 of Law 222 of 1995.

Adopting Entity: A company that is not an Obligated Entity but voluntarily adopts the PTEE as a good corporate governance practice.

State Entity: As defined in Article 2 of Law 80 of 1993.


Obligated Entity: A company identified in sections 4.1, 4.2, and 4.3 of this Chapter.

Supervised Entity: An Obligated Entity or Adopting Entity that must comply with or voluntarily adopts the provisions of this Chapter.

Risk Factors: Potential elements or causes that generate Corruption Risks or Transnational Bribery Risks for any Supervised Entity.

Total Income: All income recognized in the statement of income for the period, as the primary source of information on the Company's financial performance for the reported period.

Lobbying: Actions aimed at influencing entities to promote decisions favorable to the interests of a company, sector, or association.

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Compliance Manual: The document that outlines the Company's Business Transparency and Ethics Program.

Risk Matrix: A tool that enables the Supervised Entity to identify Corruption Risks or Transnational Bribery Risks.

Corruption Risk Matrix: A tool that enables the Supervised Entity to identify the Corruption Risks to which it may be exposed.

Transnational Bribery Risk Matrix: A tool that enables the Supervised Entity to identify the Transnational Bribery Risks to which it may be exposed.

International Business or Transactions: Business or transactions of any nature with foreign natural or legal persons, whether public or private.

OECD: Organization for Economic Cooperation and Development.

Compliance Officer: A natural person appointed by senior management to lead and manage the Transnational Bribery Risk Management System. The same individual may, if decided by the competent bodies of the legal entity, assume functions related to other risk management systems, such as those concerning money laundering, terrorist financing, personal data protection, and prevention of competition law violations.


Legal Entity: Entities that should implement a Business Ethics Program. The term Legal Entity refers, among others, to any type of company under Colombian law, entities considered controlling under Article 2 of the Anti-Bribery Law, non-profit entities domiciled in Colombia, and any other entity classified as a legal entity under Colombian regulations.

Compliance Policies: The general policies adopted by the Supervised Entity to conduct its business and operations ethically, transparently, and honestly, and to identify, detect, prevent, and mitigate Corruption Risks or Transnational Bribery Risks.

Principles: The principles outlined in section IV of this Guide, aimed at implementing the Transnational Bribery Risk Management Systems.

Business Transparency and Ethics Program (PTEE): The document that includes the Compliance Policy and specific procedures assigned to the Compliance Officer to implement the Compliance Policy, with the aim of identifying, detecting, preventing, managing, and mitigating Corruption Risks or Transnational Bribery Risks that may affect a Supervised Entity, in accordance with the Risk Matrix and other instructions and recommendations established in this Chapter.

Economic Resource: A right that has the potential to produce economic benefits.

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C/ST Risks: Corruption Risks and/or Transnational Bribery Risks.

Corruption Risks: The possibility that, through action or omission, the purposes of public administration are diverted or public assets are affected for private benefit.

Transnational Bribery Risks or ST Risks: The possibility that a legal entity, directly or indirectly, gives, offers, or promises to a Foreign Public Official sums of money, objects of pecuniary value, or any benefit or utility in exchange for the official performing, omitting, or delaying any act related to their functions and in connection with an international business or transaction.

Foreign Public Official: As defined in the first paragraph of Article 2 of Law 1778.

Transnational Bribery Risk Management System: A system aimed at the proper integration of Compliance Policies with the Business Ethics Program and its effective implementation within the legal entity.

Transnational Bribery: The act whereby the company, through its employees, senior management, partners, contractors, or subsidiaries, directly or indirectly gives, offers, or promises to a foreign public official: (i) sums of money, (ii) objects of pecuniary value, or (iii) any benefit or utility in exchange for the official performing, omitting, or delaying any act related to their functions and in connection with an international business or transaction.

Bribery: Offering, giving, or promising (or authorizing someone to offer, give, or promise) an undue benefit, directly or indirectly, with the intent to influence or reward someone's behavior to obtain or retain a commercial advantage.

Supervised Company: A company, sole proprietorship, or branch of a foreign company subject to the supervision of the Superintendence of Corporations.

SMMLV: Minimum monthly legal wage.


7. PRINCIPLES

The principles adopted by the Company, which serve as a guideline for the conduct of our personnel, are:

7.1. PRINCIPLE OF EQUALITY

The ability to treat all individuals (colleagues, clients, authorities, and the community in general) equally, with equal opportunities to exercise their rights and carry out their activities.

7.2. PRINCIPLE OF HONESTY AND TRANSPARENCY

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The ability to act with integrity and quality, with consistency between what is thought, said, and done, without doubt or ambiguity, with objectivity and clarity, following proper channels and always complying with current regulations. At all times, avoiding any conduct that could lead to corruption or any attitude that calls into question transparent behavior.

7.3. PRINCIPLE OF PREVALENCE OF THE COMMON GOOD

The ability to act in a way that decisions and their outcomes benefit the Company, its clients, authorities, and the community in general.

7.4. PRINCIPLE OF PROFESSIONALISM

Understood as the commitment to acquiring and maintaining the knowledge and skills required for the position, using them to provide the highest quality services.

8. VALUES

The ethical values of the Company through which the principles expressed herein are developed are:

8.1. Respect

We recognize and value the worth and qualities of all individuals, embracing differences.

8.2. Integrity

We act in accordance with ethical standards, without lying or deceiving; we communicate intentions, ideas, and feelings openly and directly, respecting confidentiality.

8.3. Commitment


We fulfill our obligations and take responsibility for all aspects, scope, and consequences of those obligations.

8.4. Faith

The conviction that our goals and dreams will be achieved because we work toward them and act to make them happen.

8.5. Enthusiasm

We live and act with passion and love for what we do. We smile, enjoy, and view things from their most positive perspective.

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9. COMPLIANCE POLICIES

9.1. Policy on Preventing Acts of Corruption, National and Transnational Bribery, and Zero Tolerance for Corruption

The Company is committed to preventing acts of fraud, corruption, and national and transnational bribery in the businesses it conducts. Therefore, all operations carried out by the Company must adhere to the highest standards of conduct. This includes, but is not limited to, compliance with all applicable regulations regarding corruption, bribery, fraud, falsification, and, in general, any criminal activity.

- It is strictly prohibited for members of the Shareholders' Assembly, legal representatives, clients, suppliers, employees, and other stakeholders to offer, promise, or authorize, directly or indirectly through a third party, any financial or other advantage, or any object of value, to a public official or any other natural or legal person, with the intent to exert undue influence over them.
- By adopting and disseminating this document, the Company's employees unequivocally declare to all their counterparties that they do not tolerate any form of fraud, corruption, or national or transnational bribery.
- The Company does not distinguish between public officials and private individuals regarding bribery. It declares that bribery is not tolerated.

9.2. Policies on Training, Awareness, and Dissemination


The Company will take all necessary measures to ensure that its counterparties are aware of the Business Transparency and Ethics Program policies and how to comply with them strictly, efficiently, and effectively.

9.3. Policy on Reporting

All Company personnel are informed and trained to report any suspicious activity that undermines the integrity of individuals or the Company itself. Reports can be made through the Company's website or via the Ethics Line, which can be accessed by phone or WhatsApp message. Reports will be made anonymously and will cover any suspicious activity (internal conspiracy, carrying weapons, consumption of psychoactive substances, theft, fraud, bribery, money laundering, terrorist financing, extortion, among others). Anonymous reporting is implemented to protect the reporter and encourage a reporting culture.

9.4. Non-Retaliation Policy

The Company will not discriminate or tolerate any form of retaliation against any person who reports concerns in good faith. However, it is unacceptable and considered a violation of this policy to make a report or provide information knowing it is false or malicious.

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9.5. Policy on Financial and Accounting Management

Regarding the management of petty cash, the Company always maintains a detailed accounting record of the handling, destination, and use of petty cash funds.

- To record a purchase invoice, it must be authorized by the appropriate person.
- Only costs or expenses that meet legal requirements, particularly those stipulated in Article 617 of the Tax Statute, will be recorded.
- The supplier must be duly registered in the system.
- For natural person suppliers, the first purchase must include the RUT (tax identification document), which must be archived for future reference.
- For national invoices, the supplier's issuance and due dates must be observed.
- To record an operating cost, the related business must be invoiced.
- Administrative expenses affecting multiple offices must be authorized by management or the designated person.
- Non-routine or unconventional expenses must be approved by the General Manager or the designated person.
- All cash outflow transactions must be approved with an expenditure document.
- Bank accounts must only be registered with a supplier's document (certification, letter, invoice), and their authenticity must be validated with the financial institution if possible. If the financial institution does not provide information, a record must be kept.
- No bank account may be overdrawn, except in exceptional cases and with authorization from management or the financial department.
- Custody of securities must be handled by the Accounts Receivable area under strict supervision of the General Manager.
- The Financial Department is solely responsible for providing foreign bank account information for payments of invoices in dollars.
- Payment in dollars for national invoices can only be authorized by the Financial Department.
- The credit policy for national clients is a maximum of 30 days; a longer term must be authorized by General Management. For international clients, the maximum term is 60 days, with longer terms requiring General Management approval.
- Credit for national clients must be requested from the Financial Risk Analyst for review and authorization. If excluded, only General Management can authorize it.
- The credit policy for suppliers is a minimum of 30 days; a shorter term must be authorized by Management.
- Only payments from foreign accounts belonging to the invoiced party are accepted to avoid triangulation from unrelated accounts.
- Unidentified deposits equal to or greater than COP 10,000,000 must be reported to the UIAF (Financial Information and Analysis Unit) within six months of detection and after investigation to identify their origin.

9.6. Policies Regarding Stakeholders

- The Company must inform its stakeholders that acts of corruption and/or bribery are not tolerated and ensure they comply with legal requirements and assume their commitments in this regard.
- The Company will not contract or conduct business with a third party if it believes there is a risk that the third party may violate applicable anti-corruption laws or the prohibitions established in this Business Transparency and Ethics Program.
- All fees and expenses paid to third parties must represent appropriate and justifiable compensation for legitimate services provided and must be paid directly to them.
- The Company will not use stakeholders as a means to commit any act of corruption.
- The Company will take all necessary and reasonable due diligence measures to know potential counterparties before engaging in any operation or establishing any business, contractual, or legal relationship of any kind.

9.7. Policy on the Company's Relationship with Clients

- The Company will sell its products to all those who request them and who, in accordance with the law, have the capacity to carry out logistics operations and/or related or complementary activities under legal and ethical conditions, strictly observing the principles of equality, transparency, professionalism, and honesty. However, the feasibility of fulfilling each client's product request must be established in strict compliance with client due diligence regulations and similar obligations, whether legal or applied by the Company.
- The Company will refrain at all times from offering or selling its products under conditions that could reasonably suggest that the product costs exceed the amount charged.
- The Company and its employees will act diligently, effectively, in an informed and professional manner in managing their business and client relationships, strictly adhering to the principles and values contained herein.
- The Company and its personnel must always provide clients with truthful, transparent, and timely information.
- The Company must maintain confidentiality regarding the business of individuals who have purchased its products, provided such business complies with the legal framework.

9.8. Policy on the Company's Relationship with Employees

- The Company will strive to ensure fair and dignified treatment for all employees, providing adequate conditions and resources for the performance of assigned activities and fostering a work environment that respects and supports their personal and family growth.
- Ensure compliance with existing regulations on workplace harassment.

9.9. Policy on the Company's Relationship with the State and Authorities

The Company will conduct itself with due respect, honor, and dignity toward authorities, always considering its values, ethical principles, and respect for the law and its representatives in the exercise of its activities.

- The Company and its employees must act with honesty, good faith, and adherence to the legal regulations governing their commercial activities.
- The Company will collaborate with international, national, and local state entities regarding investigations related to acts of corruption and/or bribery.
- Any relationship with public officials must strictly comply with the applicable laws and regulations.

9.10. Policy on the Company's Relationship with the Law

The Company and its employees must act with honesty, good faith, and adherence to the legal regulations governing their commercial activities.

9.11. Policy on the Company's Relationship with Society

In its activities, the Company must be socially responsible and, as an economic actor, must always meet its legal obligations and exhibit solidarity with society.

9.12. Policy on Donations and Sponsorships

- All donations made by the Company must have a lawful purpose.
- Sponsorships must not be used to obtain an improper commercial advantage in return. Likewise, sponsorships must never reward an improper commercial advantage.
- All donations made by the Company must have a lawful purpose and must follow the following procedure:
 - Inform the Compliance Officer about the donation or political contribution to be made.
 - Verify that the donation has a lawful purpose and is approved.
 - It must be approved by the Company's management.
 - Once the donation or political contribution is made, the accounting department must be informed to record it in the accounting books.

9.13. Policy on Gifts and Bonuses

Company employees must not accept gifts in cash or kind from clients and/or suppliers. Only symbolic items bearing the logo of the sending company are permitted. Similarly, bonuses and/or gifts given to clients by the Company must have an objective justification based on advertising campaigns or recognition for client loyalty, must have a lawful purpose, and must follow the following procedure:

- Inform the Compliance Officer about the bonuses or gifts to be given.

- Verify that the bonuses or gifts have a lawful purpose and are approved.
- They must be approved by the Company's management.
- Once the bonus or gift is delivered, the accounting department must be informed to record it in the accounting books.

9.14. Policy on Travel Expenses

- It is the responsibility of each employee to comply with the Company's policy on expenses related to entertainment, food, lodging, and travel. Employees are expected to exercise good judgment when authorizing the use of or using Company funds and to provide all required supporting documentation.
- Policy on expenses related to entertainment, food, lodging, and travel: Under no circumstances may employees request, accept, offer, or provide gifts, entertainment, food, lodging expenses, travel, or sponsorships to induce, support, or reward improper conduct related to obtaining any business involving LADRILLERA CASABLANCA S.A.S., whether with a public or private entity.

9.15. Policy on Lobbying Activities

- Lobbying must not be used for corrupt or illegal purposes or to improperly influence any decision that represents an advantage for the Company. The purpose of business courtesies is to build goodwill and strong working relationships, never to gain an improper or inappropriate advantage. It is never permissible to pay, even for modest dinners, travel, lodging, or entertainment, with a corrupt purpose or to provide an improper advantage. However, this policy recognizes that courteous business conduct may sometimes include limited courtesies, modest or friendly gifts. For example, giving or receiving symbolic gifts of modest value generally distributed for commercial purposes is typically permitted, as is customary at year-end with employees and clients. In all cases, any gift, dinner, or other expense (regardless of its value) must be pre-approved in writing by management.
- Payments to public officials are not permitted.
- The employee authorized to engage with external parties must be familiar with the anti-corruption guidelines established in the Business Transparency and Ethics Program.

9.16. Policy on Document Retention

The retention of supporting documents that verify national and international transactions or businesses involving the Company, in addition to serving as evidence of the negotiation and accounting record, constitutes probative support for any investigation that competent authorities may conduct. Therefore, these documents must be retained for at least ten (10) years from the date the transaction was identified.

9.17. Policy on Compensation and Commission Payments to Employees and Contractors

The Company only permits the payment of commissions to commercial advisors, based on the achievement of monthly targets. Similarly, payments to suppliers, contractors, etc., are made in accordance with the contract or agreement, and no additional payments are allowed under any circumstances. For operational and administrative employees, payments are made as stipulated in their contracts, with additional payments only permitted for overtime or work on non-working days.

10. CONFLICT OF INTEREST

A conflict of interest is understood as any situation or event in which the personal, direct, or indirect interests of partners, administrators, or employees of the Company are in opposition to the legitimate interests of the Company, leading them to act in their duties for reasons other than the proper and faithful fulfillment of their responsibilities.

Conflicts of interest can manifest in many ways, making good judgment, a sense of belonging, and responsibility toward the Company essential to avoid situations that generate conflicts. The following guidelines address common situations where conflicts may arise:

- Any real or potential conflict of interest must be reported to the appropriate superiors and discussed with them.
- Employees must not receive improper personal benefits as a result of their positions in the Company.
- All employees have a duty to serve the legitimate interests of the Company. They must not take advantage of opportunities, use corporate property or information, or exploit their position for personal gain, nor compete with the organization directly or indirectly.
- Working through one or more family members or friends of the employee in matters that conflict with the employee's role in the Company.
- Employees may not be employees, consultants, agents, owners, or directors of competing entities.
- Favoring one client to the detriment of another.
- Exploiting one's position to obtain additional benefits for oneself or third parties.
- Exceeding one's duties and performing fraudulent acts, even if in the Company's benefit.
- Incentives or benefits for conducting business outside normal and proper conditions must not be offered or accepted.
- Courtesies received (in cash or kind) must not hinder the freedom and independence to choose what is best for the Company and the client, all within the legal framework.

11. ETHICS COMMITTEE AND PROCEDURE (SANCTIONS)

The Company will sanction non-compliance with this Business Transparency and Ethics Program in accordance with this document, the Internal Work Regulations, and will report to the competent authorities in cases where applicable under current regulations.

Issues related to non-compliance with the conduct standards established in this Code will be addressed by the Ethics Committee, composed of the General Manager, Human Development Leader, and Compliance Officer, created for this purpose. This Committee will have the authority to resolve situations, even if not expressly covered in this set of rules, considering the principles and values contained herein.

The duly established Ethics Committee, in accordance with the Company's guidelines, must ensure that all employees have the opportunity to present their defense and provide any evidence they deem necessary.

Sanctions for non-compliance with the Business Transparency and Ethics Program will be consistent with the Internal Work Regulations or as determined by Management. If the Company discovers violations of such laws, it may refer the matter to the competent authorities, which could result in sanctions, fines, imprisonment, or other liabilities for the offenders.

12. ROLES AND RESPONSIBILITIES

12.1. Shareholders' Assembly or Board of Directors

Responsible for always acting with due diligence in any matter or decision related to acts of corruption or the Business Transparency and Ethics Program. Promote a culture of "zero tolerance" for acts of corruption within the Company. Order appropriate actions against directors and partners with management or administrative functions who violate the provisions of the Business Transparency and Ethics Program.

Likewise, the Shareholders' Assembly or Board of Directors is responsible for establishing and defining Compliance Policies, including instructions for the design, structuring, implementation, execution, and verification of actions aimed at effectively preventing and mitigating corrupt practices.

In this regard, the Shareholders' Assembly or Board of Directors undertakes the following actions:

- a. Issue and define the Compliance Policy.
- b. Appoint the Compliance Officer.
- c. Approve the document outlining the PTEE.
- d. Commit to preventing C/ST Risks, ensuring the Obligated Entity conducts its business ethically, transparently, and honestly.
- e. Ensure the provision of economic, human, and technological resources required by

the Compliance Officer to fulfill their duties.
f. Order appropriate actions against partners with management or administrative functions, employees, and administrators who violate the PTEE.
g. Lead an effective communication and training strategy to ensure the dissemination and understanding of Compliance Policies and the PTEE among employees, partners, contractors (based on risk factors and the Risk Matrix), and other identified stakeholders.

12.2. Legal Representative / General Manager

The legal representative will have the following responsibilities:

- a. Present, together with the Compliance Officer, the proposed PTEE for approval by the Board of Directors or the highest corporate body.
- b. Ensure the PTEE is aligned with the Compliance Policies adopted by the Board of Directors or the highest corporate body.
- c. Provide effective, efficient, and timely support to the Compliance Officer in designing, directing, supervising, and monitoring the PTEE.
- d. Certify compliance with the provisions of this Chapter to the Superintendence of Corporations when required.
- e. Ensure that activities resulting from the PTEE are properly documented, ensuring the information meets criteria of integrity, reliability, availability, compliance, effectiveness, efficiency, and confidentiality. Supporting documents must be retained in accordance with Article 28 of Law 962 of 2005 or any regulation that modifies or replaces it.

12.3. Compliance Officer

In addition to the functions assigned to the Compliance Officer in each Obligated Entity's PTEE, they must, at a minimum, perform the following:

- a. Present, together with the legal representative, the proposed PTEE for approval by the Board of Directors or the highest corporate body.
- b. Submit reports to the Board of Directors or, in its absence, the highest corporate body at least once a year. These reports must include an evaluation and analysis of the PTEE's efficiency and effectiveness and, if applicable, propose improvements. They must also demonstrate the results of the Compliance Officer's and the Obligated Entity's management in complying with the PTEE.
- c. Ensure the PTEE is aligned with the Compliance Policies adopted by the Board of Directors or the highest corporate body.
- d. Ensure the effective, efficient, and timely compliance with the PTEE.
- e. Implement a Risk Matrix and update it based on the Obligated Entity's needs, risk factors, the materiality of C/ST Risks, and the Compliance Policy.
- f. Define, adopt, and monitor actions and tools to detect C/ST Risks, in accordance with the Compliance Policy to prevent C/ST Risks and the Risk Matrix.
- g. Ensure the implementation of appropriate channels to allow any person to report,

confidentially and securely, non-compliance with the PTEE and potential suspicious activities related to corruption.

h. Verify the proper application of the whistleblower protection policy established by the Obligated Entity and, for employees, the workplace harassment prevention policy in accordance with the law.

i. Establish internal investigation procedures to detect non-compliance with the PTEE and acts of corruption.

j. Coordinate the development of internal training programs.

k. Verify compliance with the due diligence procedures applicable to the Obligated Entity.

l. Ensure proper archiving of supporting documents and other information related to the management and prevention of C/ST Risks.

m. Design methodologies for the classification, identification, measurement, and control of C/ST Risks that will form part of the PTEE.

n. Evaluate compliance with the PTEE and the C/ST Risks to which the Company is exposed.

o. Promote the adoption of corrective measures and updates to the PTEE when circumstances require it, at least every two (2) years. To this end, they must present proposals and justifications for suggested corrective measures and updates to the Shareholders' Assembly or the highest corporate body, as applicable.


12.4. Statutory Auditor

The statutory auditor must report any act of corruption they become aware of in the course of their duties to the competent authorities. This is in accordance with Article 32 of Law 1778 of 2016, which adds paragraph 5 to Article 26 of Law 43 of 1990, imposing an express obligation on statutory auditors to report suspected crimes against public administration, the economic and social order, or economic assets detected in the course of their duties to criminal, disciplinary, and administrative authorities, even despite professional secrecy, as follows:

"5. Statutory auditors shall have the obligation to report to criminal, disciplinary, and administrative authorities acts of corruption as well as the suspected commission of a crime against public administration, a crime against the economic and social order, or a crime against economic assets detected in the exercise of their duties. They shall also inform the company's corporate bodies and management of these facts. The corresponding reports must be submitted within six (6) months from the time the statutory auditor became aware of the facts. For the purposes of this article, the professional secrecy regime applicable to statutory auditors shall not apply."

In fulfilling this duty, the statutory auditor must pay special attention to alerts that may indicate suspicion of an act related to potential corruption.

12.5. Ethics Committee

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The Ethics Committee is the governing body of the Business Transparency and Ethics Program, responsible for ensuring its proper application and implementing necessary corrective measures to ensure management aligns with the program’s principles and values.

12.6. Human Team

All Company employees must ensure transparent management in their respective areas and throughout the Company.

13. CONTROL AND SUPERVISION OF THE SYSTEM

The Company has the following mechanisms to control and supervise compliance with the Business Transparency and Ethics Program:

13.1. Compliance Officer

The Compliance Officer will oversee the management of corruption and transnational bribery risks in the businesses or transactions in which the Company participates and where any red flags are identified.

13.2. Internal Audit

Internal audit plans must include annual audits of compliance with the Business Transparency and Ethics Program and established due diligence procedures to verify the accuracy of accounting records and ensure that transfers of money or other assets between the Company and its counterparties do not conceal direct or indirect payments related to bribes, gifts, kickbacks, or other corrupt practices.

14. REPORTS

All stakeholders are obligated to immediately report:

- A possible act of corruption or bribery within or related to the Company.
- Any activity or indication of activity that violates national or international regulations or this Business Transparency and Ethics Program and is related to the Company.
- Reports must be made through the established channels: the Company’s website and the Ethics Line.

Reports must include at least:

- All relevant background information and supporting documents, if available.
- The reasons and grounds for believing there is a possible act of corruption within or related to the Company or an activity or indication of activity that violates

national or international regulations or this Business Transparency and Ethics Program and is related to the Company.

14.1. Initiation of Investigation

Whenever a transaction or operation that may involve fraud, bribery, transnational bribery, or corruption is identified, an investigation will commence, following these steps:

1. Identify the related risk event.
2. Compile sufficient and necessary information for analysis (due diligence and public information).
3. Verify if prior investigations exist regarding the same counterparty.
4. Create an electronic folder with related information.
5. Request additional information if needed.
6. Analyze the justification provided by the counterparty regarding the reported operation or transaction.
7. The analysis may yield the following results or conclusions: a. The operation or transaction is duly justified. b. The operation or transaction could not be justified and is deemed suspicious. c. No conclusion can be reached due to insufficient information.

14.2. Conclusion of the Operation or Transaction Analysis

Upon completion of the analysis and depending on the conclusion, the Compliance Officer will take one of the following actions:

1. **Operation or transaction duly justified:** Document and close the case.
2. **Operation or transaction not justified:** Classify as suspicious, present to the Ethics Committee, and report to the UIAF.
3. **No conclusion due to insufficient information:** Place under monitoring.

In any case, any report of possible corruption or bribery received through any other means must be referred to the Compliance Officer, who will conduct the relevant investigation with the support of the Company's Legal Department, General Management, Administrative and Financial Management, or Human Resources Director, as applicable.

14.3. Red Flags

The responsibility for identifying and verifying red flags lies primarily with employees, administrators, and directors. Below is a non-exhaustive list of red flags:

a. In the analysis of accounting records, operations, or financial statements:

1. Invoices that appear false, do not reflect the reality of a transaction, are inflated, or include excessive discounts or refunds.
2. Operations abroad with highly sophisticated contractual terms.
3. Transfers of funds to countries considered tax havens.
4. Operations lacking logical, economic, or practical explanation.
5. Operations outside the ordinary course of business.
6. Operations where the identity of the parties or the origin of funds is unclear.
7. Assets or rights included in financial statements that lack real value or do not exist.

b. In the corporate structure or business purpose:

1. Complex or international legal structures without apparent commercial, legal, or tax benefits, or owning and controlling a legal entity without a commercial purpose, particularly if located abroad.
2. Legal entities with structures involving national trusts, foreign trusts, or non-profit foundations.
3. Non-operational companies under Law 1955 of 2019 or those that, due to their business activities, may be considered "shell entities" that reasonably serve no commercial purpose.
4. Companies declared as fictitious suppliers by the DIAN (Tax Authority).
5. Legal entities where the ultimate beneficiary cannot be identified.

c. In the analysis of transactions or contracts:

1. Frequent use of consultancy or intermediation contracts.
2. Contracts with contractors or state entities that appear legal but lack clear contractual duties and obligations.
3. Contracts with contractors serving a single client.
4. Unusual losses or gains in contracts with contractors or state entities, or significant changes without commercial justification.
5. Contracts with variable remuneration that is unreasonable or includes payments in cash, virtual assets, or in kind.
6. Payments to Politically Exposed Persons (PEPs) or persons close to PEPs.
7. Payments to related parties without apparent justification.

15. EVALUATION OF RISKS RELATED TO TRANSNATIONAL BRIBERY

The management of risks related to bribery, transnational bribery, fraud, and corruption will follow the methodology used by the Company. The leader of each process will identify the aforementioned risks in their operations or businesses derived from their area. Once situations that may generate risks are identified, they will be segmented according to their risk source, and a documented analysis of each will be prepared to implement necessary controls and facilitate monitoring. Based on this, a selected group of experts will develop a risk matrix, identifying each risk source and risk event, assessed

by likelihood and impact. At least one control will be established for each identified risk, and actions to monitor system compliance will be defined.

If a risk of bribery, transnational bribery, fraud, or corruption not included in the risk matrix is identified, it must be reported to the Compliance Officer via corporate email using the established format, who will issue a formal written opinion.

16. DUE DILIGENCE PROCEDURES

Engagement and Contracting of Counterparties

Employees authorized to make national or international purchases or negotiations must conduct due diligence to thoroughly know third parties, particularly their connections with government entities or public officials, before finalizing the purchase or negotiation.

17. DISSEMINATION AND TRAINING

To ensure understanding and emphasize the importance of complying with the Business Transparency and Ethics Program, all Company employees receive information about this program during the induction process upon joining the Company, and it is permanently published on the Company's officially established communication channels.


To ensure that all stakeholders have access to and are aware of the Compliance Policies and the PTEE, the PTEE Manual will be available on the Company's website with unrestricted access for all clients, suppliers, contractors, and employees.

To ensure proper communication and education about the PTEE, it must be disseminated within the Company and to clients, suppliers, and contractors at least once a year. It will also be part of the induction and re-induction plans for employees, with training on the PTEE aimed at providing the knowledge and skills required to implement it appropriately, equipping them with the tools and procedures to effectively address the challenges of combating corruption.

For international businesses or transactions in jurisdictions where Spanish is not an official language, the PTEE and Compliance Policies must be translated into the official languages of the countries involved to ensure maximum dissemination.

The reporting channels provided by the Superintendence of Corporations for reporting acts of transnational bribery or corruption will also be disseminated and integrated into the program, available at the following links:

https://www.supersociedades.gov.co/delegatura_aec/Paginas/Canal-de-Denuncias-Soborno-Internacional.aspx

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<http://www.secretariatransparencia.gov.co/observatorio-anticorrupcion/portal-anticorrupcion>

17.1. Communication Channels

As a mechanism for reporting all types of illegal conduct that violate the PTEE and the Company's corporate policies, all counterparties can submit confidential reports through the Company's website and the Ethics Line.

18. ANNEXES

- Law 1778 of 2016
- External Circular 10-000003 of 2016
- Decree 2685 of 1999
- Resolution 4240 of 2000
- Circular 100-000011 of August 9, 2021

19. NON-COMPLIANCE

19.1.

Non-compliance with this policy will be considered a serious offense, subject to disciplinary and legal measures applicable to the offending employees, including termination of any contractual relationship with the Company.

19.2.

Non-compliance with this policy may also result in administrative, civil, or criminal liability for the offending partners, leading to fines, sanctions, compensations, or criminal penalties, as well as complementary sanctions such as prohibitions from holding or performing functions in a position, restrictions on access to loans, subsidies, or government incentives, loss of assets, and, in the case of legal entities, corporate dissolution.

20. ENTRY INTO FORCE

This Anti-Corruption Policy will take effect immediately upon its approval.