

**ANTI-MONEY LAUNDERING
AND COMBATING THE
FINANCING OF TERRORISM
POLICY**

1. PRESENTATION

In accordance with the Group's commitment to have the highest ethical and regulatory standards, the Anti-Money Laundering and Combating the Financing of Terrorism Risk Management System (hereinafter referred to as SAGRLAFT) was implemented to establish measures designed to prevent the activities and operations of Grupo Argos from being used to conceal, manage, invest or use in any form of money or other assets obtained from criminal activities, or to try to give the appearance of legality to transactions and funds related to money laundering and transactions and funds related to money laundering and / or financing of terrorist activities or their crime sources.

2. OBJECTIVE

The main objective of this policy is to lay down the broad parameters of action that must be followed by all employees, managers, shareholders, directors and third parties associated with Grupo Argos, in order to achieve an efficient, effective and timely functioning of SAGRLAFT.

Additionally, this policy seeks to safeguard the reputation of Grupo Argos and protect its stakeholders, establishing the necessary measures and implementing control processes to prevent the activities of the Company from being used for illicit purposes or involved with third parties engaged in activities related to money laundering or financing of terrorism, hereinafter referred to as ML / FT.

3. DEFINITIONS



Due diligence: It is the careful implementation of various activities for the adoption of informed decisions.

Enhanced Due Diligence: It is the due diligence with a higher level of care, diligence and research.

Financing of Terrorism: understood as a crime committed by any person who engages in the conduct described in Article 345 of the Colombian Penal Code.¹

Money Laundering: understood as a crime committed by any person who engages in the conduct described in Article 323 of the Colombian Penal Code.²

Associated third-party: a person that provides services to the company or acts on its behalf, regardless of their contractual relationship. Examples of associated persons include: agents, suppliers, subsidiaries, outsourcers, strategic partners, among others.



Other capitalized terms used in this policy are defined in the **Glossary of the Code of Business Conduct**.

¹ Article 345 of the Penal Code as amended by Article 16 of Law 1121 of 2006 and Article 16 of Law 1453 of 2011. "Financing of terrorism and organized crime groups and administration of funds related to terrorist activities and organized crime. Any person who, directly or indirectly, provide, collect, deliver, receive, manage, contribute, guard or keep funds, assets or resources, or perform any other act that promotes, organizes, supports, maintains, finances or economically sustains illegal armed groups or its members, or domestic or foreign terrorist groups, or domestic or foreign terrorists or terrorist activities."

² Article 323 of the Penal Code as amended by Article 8 of Law 747 of 2002, in turn amended by Article 17 of Law 1121 of 2006, Article 42 of Law 1453 of 2011 and Article 11 of the Law 1762, 2015. "Money laundering. Any person who acquires, safeguards, invests, transports, transforms, stores, conserves, guards or manages assets derived, directly or indirectly, from illegal activities relating to migrant smuggling, human trafficking, extortion, illegal enrichment, kidnapping, rebellion, arms trafficking, trafficking of minors, terrorist financing and management of assets related to terrorist activities, drug trafficking, trafficking of narcotics or psychotropic substances, crimes against the financial system, crimes against public administration, smuggling, smuggling of hydrocarbons and its derivatives, customs fraud or smuggling facilitation, smuggling of oil or its derivatives, in any form, or involved in the proceeds from conspiracy crimes, or give the assets from such illegal activities the appearance of legality or legalizes, hides or disguises the true nature, origin, location, destination, movement or rights over such property or performs any other act to conceal or disguise their illegal origin will be guilty of a crime punishable by between ten (10) and thirty (30) years in prison and a fine between one thousand (1,000) to fifty thousand (50,000) monthly minimum wages.

The same penalty applies for the conduct described in the preceding paragraph concerning assets whose forfeiture has been declared. Money laundering is punishable even when the preceding underlying offense may have been, wholly or partly, perpetrated abroad. The penalty of imprisonment provided for in this Article will be increased by one third to one half when such illegal activities involve foreign exchange or foreign trade transactions, or goods were imported into the national territory "

4. POLICY

The Group's policy is to aim all its efforts at the adequate risk management of ML/FT, following the existing legal framework and international recommendations, especially those issued by the Financial Action Task Force (FATF) and the Latin American Financial Action Task Force (LAFATF). Therefore, the Group will promote and establish an institutional culture of anti-money laundering and counter financing of terrorism, applicable to all its employees, managers, shareholders, directors and associated third-parties.

In order to comply fully with this policy, the Group:



Performs the relevant risk analyzes when making strategic investments in companies, in order to avoid business relationships with third parties engaged in illegal activities of ML / FT or any of their crime sources.



Does not enter into contractual or business relationships with third parties that do not comply with the requirement of providing documentation and information necessary to comply with the risk management regulations regarding ML/FT.



Has procedures in place for hiring employees, managers, directors and third parties.



Monitors the transactions of individuals or corporations, domestic or foreign, including Publicly Exposed Persons (PEPs), that because of their profile or the roles they perform may expose the company to risks of ML / FT.



Complies with the regulations applicable to issuers of securities for shareholder approval purposes.



Has guidelines for segmenting, identifying, measuring, controlling and monitoring risk factors and the associated risks for the company.



Makes portfolio investments only with counterparties that have a ML / FT risk management system in place.



Has a penalty system that regulates the consequences of complying or failing to comply with SAGRLAFT.



Monitors all unusual and suspicious transactions, whether attempted or executed, according to the criteria established by the Group and reports them to the relevant authorities.



Has a training program on issues related to the prevention and control of risks of ML/FT.



Implements simplified, traditional or enhanced due diligence procedures according to the level of risk of the counterpart.



Performs Enhanced Due Diligence when making international transactions whose origin or destination is classified as "Tax Haven" or "International Financial Centers" (in accordance with the list established by the "Organization for Economic Cooperation and Development - OECD") or Non-Cooperative Countries (according to the FATF or other relevant entity).



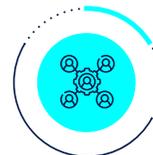
Has guidelines and methodologies for segmenting, identifying, measuring, controlling and monitoring risk factors of ML/FT and the associated risks for the company.



5. SCOPE:

This policy applies to all employees, managers, shareholders, directors, suppliers and associated third parties of Grupo Empresarial Argos. Vice presidents are responsible for taking all necessary measures to ensure that this policy is adopted by affiliate, associate and subsidiary companies.

6. STAKEHOLDERS:



The following are the stakeholders that must be involved in setting up the activities necessary to implement the policy:

- Compliance Director
- Compliance Officer
- Vice-presidents
- President
- Internal Audit
- Conduct Committee
- Audit, Finance and Risk Committee
- Board of Directors

7. RESPONSIBLE FOR CONTROL AND APPROVAL:



This policy may be updated by recommendation of the Audit, Finance and Risk Committee and must be approved by the Board of Directors.

The Audit, Finance and Risk Committee, in cooperation with the Conduct Committee, will review this policy, as necessary, and will propose amendments as it deems appropriate.

7.1 VERSION AND UPDATE:

Considering that this policy has a special impact on third parties and shareholders it must be approved by the Board of Directors and posted on the website. Any modification made to it must have the same level of disclosure.

No.	Chapter	Date	Description Version /Changes
V-001	All	July 28, 2015	

7.2. REVISIONS AND APPROVALS

Approvals	Approval date:
Audit, Finance and Risk Committee - Minutes No. 45	July 28, 2015
Board of Directors - Minutes No. 2645	July 28, 2015