

**ANTI-FRAUD, BRIBERY  
AND CORRUPTION  
POLICY**



**GRUPO ARGOS**

Investments that transform

## 1. PRESENTATION

Grupo Argos has adopted the 10th Principle of the United Nations Global Compact, which states that “business should work against corruption in any form, including bribery and extortion.”

Therefore, and with Grupo Argos’ commitment to integrity, which means acting at all times in a responsible, honest, straight, serious, transparent manner, and in accordance with internal and external regulations, the Group has designed a Fraud, Bribery and Corruption Risk Management System, (hereinafter SARFC for its acronym in Spanish), in order to establish control measures aimed at preventing any form of fraud, bribery or corruption.

The Group’s Anti-Fraud, Bribery and Corruption Strategy includes, among other elements and related systems, the Code of Conduct, the Internal Control System and Self-Control and The Anti-Money Laundering and Combating the Financing of Terrorism Risk Management System, SAGRLAFT (for its acronym in Spanish).

Also, the Group has included specific guidelines on the prevention of fraud, bribery and corruption, according to international practices, such as the Foreign Corrupt Practices Act - FCPA), issued by the US Congress, which has extraterritorial reach for entities doing business in or with that country.

## 2. OBJECTIVE

The main objective of this policy is to set 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 minimize the occurrence of situations associated with the risk of fraud, bribery and Corruption.

Additionally, this policy seeks to establish guidelines for segmenting, identifying, measuring, monitoring, investigating and correcting situations of fraud, bribery and corruption, by promoting a culture of compliance, safeguarding the reputation of the Group and upholding the values underpinning the Code of Conduct.

## 3. DEFINITIONS

**Corruption:** defined by International Transparency as “the abuse of entrusted power.” It is a dishonest activity in which an Employee, Manager, Shareholder, Director or Supplier acts contrary to the interests of the entity and abuses his or her position of trust for personal gain or to gain an advantage for him or herself or for a third party. It also involves corrupt practices of an entity or a person purporting to act on its behalf in order to secure a direct or indirect benefit inappropriate for the entity<sup>1</sup>.

**Fraud:** according to the **Code of Conduct**, fraud is "Any intentional act or omission designed to deceive others; carried out by one or more persons for the misappropriation of assets or to deprive another of property, whether tangible or intangible, to the detriment of another and generally due to the affected person’s lack of knowledge or malice." Fraud is the generic term for a criminal conduct committed through an unlawful act or omission, intentionally or negligently,

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<sup>1</sup> Definition taken from the Australian Standard "AS 8001-2008 - Control of fraud and corruption." Non-official translation

by third parties, employees or directors of a public or private organization, which is almost always specified in the Penal Code<sup>2</sup>.

**Bribery:** It is understood as the act of paying a secret commission to another individual, and it includes: (i) the act of offering, promising or giving an economic, or otherwise, advantage by employees, managers, shareholders, directors or persons associated to the Group intended to induce the improper performance of a business or public service, particularly when such an offer, promise or payment is considered dishonest, illegal or a breach of trust, for the benefit of the Group or a third party (active bribery ); and (ii) the act of soliciting, agreeing, receiving or accepting an economic benefit (or otherwise) by an employee, manager, shareholder, director or person associated to the Group, with the intention to perform an inappropriate function or activity and involving a dishonest, illegal act or a breach of trust (passive bribery).

**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.

#### 4. POLICY

The Group has a policy of zero tolerance of Fraud, Bribery and Corruption. Therefore, it is constantly seeking to implement best practices against these activities in all markets in which it operates. In order to comply fully with this policy, the Group:

- When making any kind of contribution, donation or sponsorship to charities, foundations, associations, non-government organizations or non-profit institutions, Grupo Argos always makes sure they are done for a lawful purpose and that they never serve to cover up acts of fraud, corruption or bribery.
- Only makes contributions destined to financing electoral campaigns, parties or political movements that have the sole purpose of fostering democracy. Furthermore, these contributions will always be adjusted to the legislation in force, shall be in accordance with the maximum limits established by the competent authority and will never aim at obtaining undue advantages.
- Refrains from participating in any form of fraud, bribery or corrupt practices, either directly or indirectly.
- Takes the necessary measures to combat fraud, bribery and corruption in any form or type.
- Promotes and establishes an anti-fraud, anti-bribery and anti-corruption institutional culture across the organization.
- Does not tolerate that its employees, directors, shareholders, managers, suppliers and associated third-parties, obtain economic, business benefits or any other kind of benefits, in exchange for breaking the law or acting dishonestly.
- Creates an environment of transparency, integrating the different systems designed for prevention, detection and response to Fraud, Bribery and Corruption, maintaining appropriate communication channels to address such issues within the organization, and coordinating all actions necessary to prevent, detect and respond to potential situations of fraud, bribery and corruption.

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<sup>2</sup> RODRIGUEZ CARDENAS, Juan Pablo.

- Has clear rules of conduct in place to prevent the promotion of any form of fraud, bribery and corruption, and to properly handle the gift-giving and receiving, contained in its Code of Conduct. These guidelines and rules of conduct are understood as part this policy.
- Prioritizes activities for the prevention of Fraud, Bribery and Corruption, while maintaining ongoing efforts to detect and correct situations relating to these issues.
- Does not maintain relationships with employees, officers, directors, suppliers or associate third parties who have been convicted of criminal activities involving fraud, bribery or corruption.
- Has guidelines and methodologies for segmenting, identifying, measuring, controlling and monitoring risk factors of Fraud, Bribery and Corruption and the associated risks for the company.
- Assesses signs of potential fraud, bribery or corruption, under the principles of confidentiality, integrity, transparency, objectivity, independence and autonomy of those responsible for the assessments.
- Timely addresses all allegations of acts of fraud, bribery or corruption, regardless of their magnitude or the personnel involved, ensuring confidentiality, objectivity, respect and transparency. There will be no adverse consequences for reporting, preventing, rejecting or denouncing an act of this nature.
- Has procedures in place for hiring employees, managers, directors and third parties.
- Has a **Transparency Hotline**<sup>3</sup>, through which allegations of breach of the provisions of the Code of Conduct are received, including acts of fraud, bribery and corruption, as well as consultations on the SARFC.
- Complies with the regulations applicable to issuers of securities for shareholder approval purposes.

## 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.

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<sup>3</sup> Tel: 01-8000-126-166, email: grupoargos@lineatransparencia.com

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