

Transparency and Business Ethics Manual - PTEE (by its spanish acronym)



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1. INTRODUCTION

PHARMETIQUE S A (Hereinafter the Company) is committed to the development of its businesses through a management model based on socially responsible principles, guidelines and objectives and in compliance with its values and ethical principles, it expresses its position of “Zero Tolerance against fraud, corruption and bribery” as an unbreakable policy of organizational work.

2. PURPOSE

- **General Purpose:**
Prevent or promptly detect the occurrence of internal and external fraud, through the implementation of preventive or corrective actions that are considered necessary to control the factors that generate them.
- **Specific purposes:**
 - Promote the design and implementation of controls that facilitate the prevention of internal and external fraud.
 - Lead the procedures required to timely detect internal and external fraud.
 - Reduce the level of exposure to internal and external fraud risks.
 - Strengthen the culture of internal control in the Company.

3. DEFINITIONS

- **Risk analysis:** Process to understand the nature of the Risk and determine its level. Provides the bases to decide on the treatment of the Risk.
- **Associates:** These are those natural or legal persons who have made a contribution in money, work or other assets valued in money to a company or sole proprietorship in exchange for quotas, interest shares, shares or any other form of participation that they contemplate. Colombian laws.
- **Compliance Audit:** It is the systematic, critical and periodic review regarding the proper implementation and execution of the PTEE (by its spanish acronym).
- **Contractor:** Refers, in the context of a business or transaction, to any third party that provides services to the organization or that has a contractual legal relationship of any nature with it. Contractors may include, among others, suppliers, intermediaries, agents, distributors, advisors, consultants and persons who are parties to collaboration contracts, temporary unions or consortia, or joint venture contracts with the Company.
- **Corruption:** Obtaining a particular benefit through action or omission, improper use of a position or power, or resources or information.
- **Due Diligence:** Constant and periodic review and evaluation process that the Obligated Entity must carry out in accordance with the Risks of Corruption or Risks of Transnational Bribery to which it is exposed.
- **Cybercrime:** Illegal activities carried out to steal, alter, manipulate, dispose of or destroy information or assets (such as money, securities or dematerialized assets) of companies, using computer and technological tools.
- **Collusion:** Improper agreement with other people to commit an illegal act.
- **Conflict of interest:** Situations in which the judgment of a subject, in relation to a primary interest for him or her, and the integrity of his or her actions, tend or may be unduly influenced by a secondary interest, economic or personal issues. These can be of three (3) types:

Actual conflict of interest: When the person has a particular interest in relation to a certain professional judgment or discernment and is effectively already in a situation in which he or she has the obligation to offer this judgment.

Potential conflict of interest: This occurs when the person has a particular interest that could influence when making a professional judgment from the position or position they occupy, but is not yet in a situation in which they must offer said discernment.

Apparent conflict of interest: When the person does not have a conflict of interest—neither real nor potential—but someone else could conclude, reasonably and even if only tentatively, that they do have one.

A conflict of interest is incurred through an intermediary person, when the following subjects are parties to the corresponding acts:

- The spouse or permanent partner of the collaborator.
 - The relatives of the collaborator, his spouse or his permanent partner, up to the second degree of consanguinity or civil relationship, and second degree of affinity.
 - Companies in which the collaborator or any of the persons mentioned in the previous paragraphs hold the capacity of controllers, in accordance with article 260 of the Commercial Code.
 - The companies represented simultaneously by the collaborator.
 - Persons who exercise direct or indirect control over the company in which the collaborator exercises his or her functions or those subordinate to said controlling entities.
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- **Event:** Incident or situation that occurs in the company during a particular interval of time. Event presence or change of a particular set of circumstances.
 - **Risk Factors:** These are the possible elements or causes that generate the Risk of Corruption and Transnational Bribery.
 - **Transparency line:** Tool designed to prevent and detect events of Fraud, opacity or Corruption, in addition to timely monitoring irregularities involving collaborators, suppliers, clients and third parties.
 - **Risk Matrix:** Tool that allows identifying Corruption Risks or Transnational Bribery Risks.
 - **International Business or Transactions:** International business or transaction is understood to be business or transactions of any nature with foreign natural or legal persons under public or private law.
 - **Compliance Officer:** Natural person who must comply with the functions and obligations established in current regulations. It may also assume functions in relation to other risk management systems.
 - **Transparency and Business Ethics Program (PTEE by its Spanish acronym):** It is the document that includes the Compliance Policy, the specific procedures in charge of the Compliance Officer, aimed at putting the Compliance Policy into operation, to identify, detect, prevent, manage and mitigate Corruption Risks or Transnational Bribery Risks that may affect the Company.
 - **Corruption Risks:** It is the possibility that, by action or omission, the purposes of public administration are diverted, or public assets are affected for a private benefit.
 - **Risks of Transnational Bribery or Transnational Bribery Risk:** It is the possibility that a legal entity, directly or indirectly, gives, offers or promises sums of money, objects of pecuniary value or any kind to a Foreign Public Official.

4. TYPOLOGIES OF FRAUD

Frauds can be divided into three main categories:

- *Financial statement fraud*: It is the deliberate misrepresentation of the financial position of the company, which is achieved by the intentionally erroneous presentation of figures or disclosures or the omission of the same in the financial statements to deceive the users of the financial statements.
- *Misappropriation or embezzlement of assets*: Theft or improper use of assets of the Company or under the responsibility of collaborators for their own benefit or that of third parties, generating losses for the Company. This typology involves the management of cash, fixed assets and reserve information management including cybercrime.
- *Corruption and Bribery*: Corruption schemes occur when officials use their influence in a business operation to obtain some benefit for themselves or another person.

5. FRAUD GENERATING FACTORS

Fraud risk factors do not necessarily signal the existence of fraud; however, they are often present in the circumstances when fraud exists and can help identify potential fraud risks.

The combinations of these three factors make up the fraud triangle; each time this triangle is completed, a fraud materializes.



Grafic No. 2 Fraud Triangle

1. **Pressures (or incentives)**: Pressures may be real or perceived, for example: personal financial pressures or pressures to achieve corporate objectives or goals. On the other hand, there may be incentives that increase the likelihood of fraud, for example: management bonuses structured based on the achievement of financial objectives.
2. **Rationalization**: It is the process by which the person committing fraud legitimizes or justifies the crime. It often involves an attitude or feeling of entitlement or the belief that the company can allow it. Example: A fraudster may rationalize a theft by saying the company makes millions, I would lose only a few thousand and I really need the money.

3. **Opportunity:** Opportunities to commit fraud can manifest themselves in different ways. This can be through the implementation of inadequate controls or the circumvention of control or monitoring activities. Additionally, low perception of detection or senseless consequences for inappropriate behavior within the organization creates greater opportunities for fraud to occur.

6. STAGES

6.1. Risk identification

The Company's Transparency and Business Ethics Program will be developed based on the internal and external context of the Company in which it carries out its operations to determine possible C/ST Risks to which it is exposed.

In the analysis of the context, the following factors may be considered:

- The size, structure and delegated decision-making authority of the organization.
- The places and sectors in which the organization operates or plans to operate.
- The nature, scale and complexity of the organization's activities and operations.
- The business model of the organization.
- The entities over which the organization has control and entities that exercise control over the organization.
- The organization's business partners.
- The nature and extent of interactions with public officials; and
- Applicable statutory, regulatory, contractual and professional duties and obligations.

This identification will be carried out by the Compliance Officer in conjunction with the process leaders.

The identification of corruption and transnational bribery risks will be based on one of the ISO 31010 methodologies known as "Brainstorming". Depending on the situations, they may be combined with the "Ishikawa diagram" or "five whys" methodologies. It is a decision of professional judgment of the Compliance Officer to choose the best alternative.

The identified risks will be included in a risk matrix which will be prepared with the guidelines of the Risk Management Manual, which is prepared with ISO 31000 – Risk Management.

For the proper identification of risks, the following aspects will be considered:

1. Identification of all processes and interested parties with whom you interact.
2. The methodology for identifying risks will be the "Brainstorming" technique contemplated in ISO 31010. Depending on the situations, it may be combined with other methodologies such as "Ishikawa diagram" or "five whys". The following rules will be considered:

Suspend judgment: Eliminate all criticism. No critical comments are allowed on the ideas put forward. All ideas are noted. Evaluation is reserved for later.

Think freely: Thinking outside the box, thinking outside the box can lead to new solutions. Some unconventional ideas become practical.

Quantity is important: The greater the number of ideas, the more opportunities there are to choose from, adapt or combine.

The multiplier effect: Participants can suggest improvements to each other's ideas or get a better idea from two others.

1. To carry out what is indicated in the previous point, the following factors must be considered, without being limited to them, whether they are under your control:
 - Tangible and intangible sources of risk
 - Causes and events
 - Threats and opportunities.
 - Vulnerabilities and capabilities.
 - Changes in the external and internal contexts.
 - Consequences and their impacts on objectives.
 - Limitations of knowledge and reliability of information.
 - Biases, assumptions and beliefs of the people involved.
2. For new processes or projects, the identification of C/ST risks must be carried out. The same applies to changes in processes.
3. The following risk factors must be considered: Country risk - Economic sector risk - Third party risks – Others.

6.2. Risk measurement or assessments

At this stage, risks will be measured by the probability of occurrence and their impact if they materialize. To carry out this stage, all the guidelines of the Risk Management Manual must be considered.

At this stage, the inherent risk profile (before controls) will be determined.

6.3. Control and Monitoring

The Company will take measures to control the inherent risks to which they are exposed to reduce the probability of occurrence and/or the impact in case they materialize.

The controls will be included in the different policies and procedures of the organization and will oversee the leaders of the processes.

The methodology to evaluate the design and operation of the controls will be in the Risk Management Manual.

In any case, this methodology will consider the following aspects:

1. Responsibility for the control
2. Type of control (Manual / Automatic)
3. Nature of the control (Preventive / Detective)
4. Frequency of the control
5. Activities that make up the control (Documented / Undocumented)
6. Implementation of the control (Low / Medium / High)

The implementation of the control refers to the execution of the control by those responsible. In the event of observations or deviations in the execution of this, the leader of the process must implement the necessary actions so that said control operates normally and avoid materialization of the risks.

At this stage, the residual risk profile will be determined (after controls)

Some of the controls that must be established within the organization for the prevention of fraud, bribery and corruption are the following:

- **Strategic controls**

Senior management will conduct high-level reviews of issues of high criticality for the organization, such as monitoring compliance with the corporate strategy, which may be through monitoring the budget or indicators established in the Balanced Scorecard.

- **Segregation of duties**

Processes require the implementation of controls that involve segregation of duties, where an employee has no control over two or more phases of an operation, which reduces the opportunities for him or her to be able to perpetrate or conceal errors or fraud in the normal course of his or her duties.

- **Controles contables**

La Gerencia debe garantizar la definición de una política contable y la implementación de los procedimientos necesarios para llevarla a cabo. La política y los procedimientos deben cumplir con los requisitos normativos vigentes y con el marco de información financiera.

Se debe contar con controles tales como:

- ✓ Monitoreo del procedimiento de pagos a terceros.
- ✓ Verificación de registros contables (arqueos, conciliaciones, inventarios, circularizaciones, controles tributarios).

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- **Controles de seguridad de la información**

La Gerencia, debe velar por la implementación de políticas, procedimientos y controles que garanticen que la información cumpla con los criterios de seguridad (confidencialidad, integridad y disponibilidad), calidad (efectividad, eficiencia y confiabilidad) y cumplimiento de las disposiciones normativas vigentes.

- **Controles del recurso humano**

La Gerencia debe garantizar la implementación de controles efectivos en los procesos de selección, vinculación y promoción del recurso humano, tales como:

- ✓ Adecuación de competencias, verificación de antecedentes, entre otros.
- ✓ Monitoreo al cumplimiento del plan de vacaciones.
- ✓ Monitoreo de la rotación interna y externa.
- ✓ Valoración del clima laboral.

- **Controles de los proveedores**

El líder a cargo del área de compras y contratación debe garantizar la implementación de políticas y procedimientos que permitan controlar la contratación de proveedores y monitorear la calidad de sus entregables, entre estos controles se pueden mencionar:

- ✓ Seguimiento al cumplimiento de las políticas de contratación.
- ✓ Promover la selección objetiva a través de la definición de criterios de evaluación.
- ✓ Controles de vinculación de acuerdo con los lineamientos establecidos en el SAGRILAF.
- ✓ Establecimiento de acuerdos de confidencialidad y cumplimiento de otros requisitos relacionados con la administración de la seguridad de la información.

- **Auditoría de controles**

Las actividades de control antifraude pueden ser preventivas o detectivas. El Oficial de cumplimiento realizará revisiones periódicas mediante análisis de estados financieros para determinar variaciones materiales, segmentación por los factores de riesgos y Ley de benford entre otras metodologías de revisión.

7. ELEMENTS

7.1. Policies

7.1.1. Zero Tolerance for fraud, corruption and transnational bribery Policy

The Company's policy is "Zero Tolerance" against fraud, corruption and transnational bribery and to this end, it will take the necessary measures in order to avoid and combat these situations through the implementation of appropriate mechanisms, systems and controls that allow their prevention, detection and treatment.

To comply with this policy:

- Top Management permanently leads actions that promote an organizational culture in accordance with the guidelines set forth in this transparency and business ethics program.
- Top Management promotes a culture of transparency in the contracting and selection processes of clients, seeking to establish a relationship with contractors, clients and suppliers based on institutional values.
- Top management, collaborators and/or service providers do not participate in any form of fraud, bribery or corrupt practices, directly or indirectly, and take the necessary measures to combat them, regardless of any form or typology in question.
- It is not tolerated that any of its interest groups obtain economic, commercial or any other results in exchange for violating the law or acting dishonestly.
- The Company does not maintain relationships with any type of third party (collaborators, service providers, suppliers or third parties, etc.) who have been convicted of illegal activities related to fraud, corruption or bribery.
- The Company segments, identifies, measures, controls and monitors the risk factors related to the Risk of Corruption, Opacity and Fraud and systematically and periodically evaluates the exposure to the risks related to these crimes, to implement effective administrative measures.
- It is the obligation of every employee to promptly report real or unrelated situations with fraud, bribery or corruption.

7.1.2. Transparency and integrity policy

The Company establishes, under the declaration of three (3) fundamental principles, the actions of its interest groups:

Principle of good faith: Act with diligence and care, permanently ensuring respect for people and compliance with the law. Priority is given to the general interest and not the personal one.

Principle of honesty: It is the virtue that characterizes people by respect for good customs, moral principles and the property of others. It is the constant action of avoiding appropriating what is not one's own.

Principle of loyalty: It is the fulfillment of the obligations of any interested party towards the company and does not defraud the trust placed by the Company.

To comply with this policy:

- Senior Management and other collaborators will set an example of the applicability of the ethical principles of this transparency and business ethics program, both in the execution of the functions of their position and in internal relations and in actions towards third parties. We will work under the culture of BEING honest and LOOKING honest.
- An institutional culture aimed at strengthening transparency as a value and principle of all actions is established and promoted throughout the Company.
- A channel is made available to all interest groups for the reception and recording of signs or incidents due to possible improper acts committed by its collaborators, service providers and/or other interest groups.
- All reports of acts related to the risk of Corruption, Opacity and Fraud are managed in a timely manner, regardless of their amount or the personnel involved, guaranteeing confidentiality, objectivity, non-retaliation, respect, transparency, independence and autonomy of the responsible for evaluations.
- Any interest group may report their complaint anonymously if they wish. For complainants who wish to provide their personal data, the confidentiality of the information will be always guaranteed. To this end, the investigation or reporting processes will mention, indicate or insinuate the complainant.

7.1.3. Anti-retaliation Policy

- No whistleblower will suffer negative consequences for preventing, rejecting or reporting acts of this nature. When appropriate, the organization will inform the competent authorities of any conduct that contradicts the provisions of these guidelines and will also undertake and accompany pertinent legal actions.

7.1.4. Policy for linking clients, suppliers, collaborators and shareholders

- Any third party (customer, supplier, collaborator or shareholder) with whom the Company will have a relationship must be consulted on restrictive lists.
- No relationships will be formalized with third parties (client, supplier, collaborator or shareholder) who have criminal judicial matters in progress.
- Third parties (customer, supplier, collaborator or shareholder) who have completed the criminal judicial sentences imposed may not be linked to the company without a favorable opinion from the legal area and the Compliance Officer.

7.1.5. Gifts, hospitality and hospitality policy

- No collaborator will accept or request gifts, money, gifts, entertainment or present or future benefits from any person, whether natural or legal, so that they can be benefited in any way, directly or indirectly, by compliance or non-compliance with the regulations. current.
- No employee may use their position in the company to request any kind of personal favor, payment, discount, travel, accommodation, gifts or loans from suppliers, clients or interest groups. These practices are prohibited.
- Some of the items that may be accepted without prior authorization are low-cost gifts such as agendas, pens, calendars, mugs, caps or small promotional items.

7.1.6. Remuneration policy (includes commissions)

- In the Company, the definition of salary compensation will be based on the functions and responsibilities within the organization, the salaries offered by the market and the evaluation of the performance of the collaborators.
- All remunerations will be subject to legal provisions.
- Variable and/or extralegal compensation will be defined and approved by the Board of Directors and Management.

7.1.7. Interaction with Government Officials Policy

- When interactions occur with Government Officials, collaborators or third parties representing the interests of the Company, they must comply with all applicable laws, use their good judgment and common sense, and act in accordance with the procedures established in the organization such as the Code of Conduct, the SAGRILAF manual and any related document.
- Any collaborator designated third party or Partner, when interacting with Government Officials for the purpose of conducting business, must act with integrity and honesty, and be open and transparent about the purpose of the meeting, their identity, and if there are conflicts. of interest.

7.1.8. Payment for facilitations policy

- No employee is authorized to pay any value, regardless of the amount, to third parties to ensure or expedite a procedure or action necessary or required in the company.

7.1.9. Donations and contributions policy

- All donations and political contributions, both in money and in kind, must be approved by the Board of Directors.

7.2. Due Diligence Procedures

7.2.1. Procedure for linking third parties

- Before linking any third party (client, supplier, collaborator or shareholder), the leader of the responsible area must consult restrictive lists and inform the Compliance Officer when the reports generate some type of alert of criminal judicial processes and no linking will be made. until obtaining the concept from the Compliance Officer.
- Exceptions from what is indicated in the previous paragraph are purchases of goods and services less than or equal to the equivalent of a current legal minimum wage. Third parties will be consulted on lists when they cumulatively exceed fifteen (15) minimum salaries during the same year.

- The third party (customer, supplier, collaborator or shareholder) who, directly or through an intermediary, promises, offers or grants a gift or any unjustified benefit to favor him or a third party will not be linked to the Company. You must immediately report to the Compliance Officer within a period of no more than 48 hours.
- Any third party (client, supplier, collaborator or shareholder) who has criminal proceedings must be sent to the Compliance Officer for analysis so that the viability of their relationship can be determined.
- The leader of the process or person responsible for linking third parties (client, supplier, collaborator or shareholder) must be aware of the warning signs related to this document or any other that draws their attention and must immediately report it to the Compliance Officer to that can determine if the third party can be linked to the Company.

7.2.2. Procedures for Interaction with Government Officials

- Before carrying out any type of contract with a state entity, the interested agency must inform the Legal area and the Compliance Officer to take the necessary measures to comply with all laws and regulations applicable to the country and the Government Institution. respective, as well as with the best possible practices to protect the Company and its partners from actual or potential conflicts of interest or from incompatibilities and inabilities regulated by law.
- In meetings with government officials there must be at least two (2) company collaborators, to guarantee transparency.
- Any collaborator, third party representative of the Company or Partner who interacts with a Government Official must complete the Interactions with Government Officials Form within seventy-two (72) hours after the meeting.
- The Compliance Officer will review completed Interactions with Government Officials Forms and monitor this database and compliance with this Policy. Each area of the Company that has interactions with Government Officials is responsible for providing information on interactions with Government Officials to the Compliance Officer.

7.2.3. Procedure for gifts, attention and hospitality

- For reasons of courtesy in the business relationship, gifts can be received under the guidelines established in the code of conduct.

7.2.4. Donations and contributions procedure

- Before giving or receiving donations, you must consult restrictive lists and report alerts generated in said reports to the Compliance Officer.
- Present the reasons for the donation or contribution to the Board of Directors for approval or rejection.

7.2.5. Investigation Procedure

➤ Shareholders, clients, suppliers, collaborators and interest groups can report the occurrence of irregular conduct and behaviors that go against the rules of conduct, norms and institutional values, of which they are witnesses or suspect, for the following reasons: channels:

- Web Form enabled on the Company's Home Page
- Email: OCgrupocarval@cvconsultor.com

Any complaint must be made in good faith and contain sufficient background information to allow an investigation to proceed.

The reports must contain at least the following information:

- ✓ Explicit desire to maintain anonymity or not.
- ✓ Classification of the complaint according to the following:
- ✓ Relations with shareholders / Fraud and Bribery / Conflicts of interest / Damage to corporate image / Misuse of resources / Theft / Suspicious behavior / Non-compliance with regulations / Revelation of information / Fraudulent reports / Workplace and Sexual Harassment / Work Environment / Money Laundering / Threats / Environmental Damage
- ✓ The people involved, if they have been identified.
- ✓ Approximate date(s) on which the event(s) occurred.
- ✓ Whether or not it accompanies documents as evidence (photos, videos, documents, among others)
- ✓ Likewise, the reporter may describe in detail the aspects that he considers necessary in his complaint. As an example: place where the event occurred, name and/or position of those involved, name of possible witnesses and any other details related to the event.

The Compliance Officer will oversee receiving the reports and will be in permanent communication with the Corporate Audit Director, who will carry out the investigation process.

Those complaints that do not have enough information to investigate or do not correspond to conduct contrary to what is described in the objective of this procedure, will be closed, leaving a record for internal recording purposes of the reason for closure.

The reporter may be made aware, in a general manner, at any time of the status of his or her report without this implying the actions or results of the investigations carried out.

7.2.5.1. Investigation

The investigation process will be the responsibility of the Corporate Audit Director.

The Compliance Officer will inform the Corporate Audit Director about the complaints received to begin the investigation process and may rely on other areas to obtain additional information or assign the case, always maintaining the confidentiality of the complaint.

During the investigation, the existence or not of the reported facts will be objectively verified and, if its effectiveness is verified, the identification of those responsible and their participation will be verified.

The investigator(s) will collect as much information as possible, analyzing the evidence that has been presented if it is lawful and does not affect the fundamental rights of people.

Among the activities to be carried out during the investigation process are: taking statements from those involved and witnesses, going to the place where the event occurred, requesting information from the management or leadership involved, among others, all of which must be recorded in papers. of work and carried out under strict confidentiality and confidentiality of the content of the report and of the reporter who requested anonymity (all depending on the case investigated).

During the investigation, legal advice or other professionals may be requested.

When the person or persons reported are identified and justified according to the merit of the investigation, they will be given the opportunity to make their defense, for which the investigator will summon them and establish a period that may not exceed five business days. .

The investigation process will be carried out within a period of 30 business days from receipt of the complaint, extendable for a maximum of 30 days at the request of the investigator, if the complainant has not identified the person or parties involved, or for other reasons that justify it.

Once the investigation is completed, the activities carried out and the dates, the evidence analyzed, the people involved (if they have been identified), the degree of participation, the actions to follow or a proposal for sanctions, if applicable, and the signing of the people who carried out the research.

The sanctions to be applied will be in accordance with what is indicated in the Code of Conduct, as well as what is established in the Internal Work Regulations, which will be proportional to the offense committed, without prejudice to the corresponding civil and criminal responsibilities.

7.2.5.2. Presentation of Results

A report will be presented to the Audit Committee on the reports presented, the actions taken, as well as the status of open, closed and in-process reports.

7.2.6. A Compliance audit of the PTEE (by its Spanish acronym) program

The Company appoints a Compliance Officer who will be responsible for auditing and verifying compliance with the transparency and business ethics program.

The Compliance Officer must have the suitability, experience and leadership required to manage the Risk of corruption and transnational bribery and will be proposed by the Manager.

The designation will be carried out by the Company's Board of Directors and the Superintendence of Companies will be informed within the established deadlines, documentation and instructions.

7.3. Warning Signs

Below are some warning signs that can help identify corruption and Transnational Bribery risks. It is the obligation of all collaborators to report to the Compliance Officer when they observe any of these situations or others that they consider:

- ***In the analysis of accounting records, operations or financial statements:***
 - ✓ Invoices that appear to be false or do not reflect the reality of a transaction or are overvalued and contain excessive discounts or refunds.
 - ✓ Foreign operations whose contractual terms are highly sophisticated.
 - ✓ Transfer of funds to countries considered tax havens.
 - ✓ Operations that do not have a logical, economic or practical explanation.
 - ✓ Operations that are outside the ordinary course of business.
 - ✓ Transactions in which the identity of the parties or the origin of the funds is not clear.
 - ✓ Assets or rights, included in the financial statements, that do not have a real value or that do not exist.
 - ✓ Transactions inappropriate to the nature of the organization
 - ✓ Unexpected decreases in treasury balances
 - ✓ High amounts in expense accounts to be justified by employees
 - ✓ Improper use of company credit cards
 - ✓ Payments for overtime unrelated to the activity
 - ✓ Unreasonable oscillations in the buy/sell ratio
 - ✓ Asset sales, divestments below market price
 - ✓ Important differences with sectoral references
- ***In the corporate structure or corporate purpose:***
 - ✓ Complex or international legal structures without apparent commercial, legal or fiscal benefits or owning and controlling a legal entity without commercial objectives, particularly if it is located abroad.
 - ✓ Legal entities with structures where there are national trusts or foreign trusts, or non-profit foundations.
 - ✓ Legal entities with “offshore entities” or “offshore bank accounts” structures.
 - ✓ Non-operational companies under the terms of Law 1955 of 2019 or that due to the development of business can be considered “paper” entities, that is, they do not reasonably fulfill any commercial purpose.
 - ✓ Companies declared as fictitious suppliers by the Tax Regulator.
 - ✓ Legal entities where the Final Beneficiary is not identified
- ***In the analysis of transactions or contracts:***
 - ✓ Frequent use of consulting contracts, intermediation contracts, and the use of joint ventures.
 - ✓ Contracts with Contractors or state entities that give the appearance of legality but do not reflect precise contractual duties and obligations.
 - ✓ Contracts with Contractors that provide services to a single client.
 - ✓ Unusual losses or gains in contracts with Contractors or state entities or significant changes without commercial justification.
 - ✓ Contracts that contain variable remunerations that are not reasonable or that contain payments in cash, in Virtual Assets or in kind.
 - ✓ Payments to Politically Exposed Persons (PEP) or close to PEP.
 - ✓ Payments to related parties (Partners, Employees, Subordinated Companies, branches, among others) without apparent justification.

- ***Within the organization:***
 - ✓ Lifestyles not in line with the income received
 - ✓ Employees reluctant to take vacations
 - ✓ Employees who constantly start their work shift early and work until late at night.
 - ✓ Employees with negative reactions when asked about the functioning of controls or transactions.
- ***In the organization and corporate culture:***
 - ✓ Absence or weakness of leadership
 - ✓ Little independence between government and management
 - ✓ Lack of transparency
 - ✓ Absence of objectives or unrealistic objectives
 - ✓ Perception of lack of internal and external equity
 - ✓ Lack of training and promotion opportunities
 - ✓ Non-existence of evaluation and recognition systems
 - ✓ Weak or non-existent internal controls
 - ✓ Little respect for regulations

7.4. Responsibilities

7.4.1. Board Of Directors

- Issue and define the organization's Transparency and Business Ethics Manual.
- Define the profile of the Compliance Officer
- Designate the Compliance Officer
- Approve the organization's Transparency and Business Ethics Manual.
- Assume a commitment aimed at preventing the Risks of corruption and transnational bribery to carry out business in an ethical, transparent and honest manner.
- Ensure the supply of the resources required by the Compliance Officer to carry out his or her work.
- Order the pertinent actions against the different interest groups when any of the above violates the provisions of the Manual.
- Lead an appropriate communication and pedagogy strategy to guarantee effective dissemination and knowledge of the Transparency and Business Ethics Manual.

7.4.2. Manager

- Submit to the Compliance Officer, for approval of the Board of Directors
- Ensure that the transparency and business ethics program is articulated with the Compliance Policies adopted by the Board of Directors.
- Provide effective, efficient and timely support to the Compliance Officer in the design, direction, supervision and monitoring of the PTEE (by its acronym in Spanish).
- Propose the Compliance Officer, for appointment by the Board of Directors.
- Certify before the Superintendence of Companies compliance with the provisions of the regulations related to the PTEE (by its acronym in Spanish).
- Ensure that the activities resulting from the development of the PTEE (by its acronym in Spanish) are duly documented, so that the information meets criteria of integrity, reliability, availability, compliance, effectiveness, efficiency and confidentiality.

7.4.3. Oficial de Cumplimiento

The Company will appoint a Compliance Officer responsible for leading and managing the transparency and business ethics program.

To perform this position, the Compliance Officer must comply with the following:

Profile:

- Professional in administrative careers such as, but not limited to: Public Accounting, Business Administration, Economics.
- Experience as an auditor, preferably in auditing firms, for at least one (1) year.
- Have sufficient knowledge regarding risk management of corruption and transnational bribery.
- Have a domicile in Colombia

Incompatibilities and Disabilities

- Not having any type of family or affinity relationship with any collaborator within the entity, regardless of the collaborator's position within the organization.
- Not belong to the administration, to the corporate bodies or to belong to the tax audit body (act as a tax auditor or be linked to the tax audit company that exercises this function, if applicable) or who performs similar functions or does its work. times in the company.
- Not serve as Compliance Officer, principal or alternate, in more than ten (10) Companies, certifying the above in addition that he/she does not act as such in companies considered to be competitors.

Conflict of interest

- Situations that generate conflicts of interest in the Compliance Officer will be reported to the Board of Directors for the respective decision making.

Other Requirements

- Understand the ordinary course of the Company's activities.
- Enjoy the ability to make decisions to manage the risk of corruption and transnational bribery and have direct communication with, and report directly to, the Board of Directors.

Funciones:

- Present the PTEE (by its acronym in Spanish) proposal with the Manager for the approval of the Board of Directors.
- Present, at least once a year, reports to the Board of Directors. At a minimum, the reports must contain an evaluation and analysis of the efficiency and effectiveness of the PTEE (by its acronym in Spanish) and, if applicable, propose the respective improvements. Likewise, demonstrate the results of the management of the Compliance Officer and the company's administration, in compliance with the PTEE (by its acronym in Spanish)
- Ensure that the PTEE (by its acronym in Spanish) is articulated with the Compliance Policies adopted by the Board of Directors.
- Ensure effective, efficient and timely compliance with the PTEE (by its acronym in Spanish).
- Implement a Risk Matrix and update it according to the company's own needs based on regulations.
- Define, adopt and monitor actions and tools for the detection of Risk of corruption and

transnational bribery Risk, in accordance with the Compliance Policy to prevent Risk of corruption and transnational bribery Risk and the Risk Matrix.

- Ensure the implementation of appropriate channels to allow anyone to confidentially and securely report non-compliance with the PTEE (by its acronym in Spanish) and possible suspicious activities related to Corruption.
- Verify the proper application of the whistleblower protection policy established by the organization
- Establish internal investigation procedures in the company to detect non-compliance with the PTEE (by its acronym in Spanish) and acts of Corruption.
- Coordinate the development of internal training programs.
- Verify compliance with the applicable Due Diligence procedures.
- Ensure the proper filing of documentary supports and other information related to the management and prevention of Risk of corruption and transnational bribery Risk.
- Design the methodologies for classification, identification, measurement and control of Risk of corruption and transnational bribery Risk that will be part of the PTEE; and
- Carry out the evaluation of compliance with the PTEE (by its acronym in Spanish) and the Risk of corruption and transnational bribery Risk to which the organization is exposed.

7.4.4. Revisor Fiscal (External Audit)

In compliance with his duty, the Revisor Fiscal (External Audit) must pay special attention to alerts that may give rise to suspicion of acts related to a possible act of Corruption.

The tax auditor must report to the competent authorities any act of Corruption that he or she becomes aware of during his duties.

The functions of the Statutory Auditor will be subject to the different regulatory provisions.

7.4.5. Other employees

- Report to the Compliance Officer any situation that you observe, have knowledge of or suspect related to issues of fraud, corruption and transnational bribery. This information can be obtained through the different channels provided for this purpose.

7.5. Outreach and training

The Company, through the Compliance Officer, will develop different mechanisms to publicize the transparency and business ethics program, among which the publication of the program on the intranet and website that helps prevent fraud and corruption in the Company stands out.

Training will be carried out annually for all employees, by the means that the organization considers most suitable and effective. Compliance Officer will document the training carried out.

7.6. Communication Channels

The email OCGrupoCarval@cvconsultor.com is available to report any situation that goes against the company's policies and procedures or any possible act of Corruption or express any concern related to this matter. to the office of the Compliance Officer.

This channel guarantees the confidentiality of complainants, for this, the complainant can report the situation anonymously or if they prefer to provide some contact information, this will be maintained under the administration of the Compliance Officer.

To ensure that whistleblowers are subject to retaliation for having reported possible violations of the Law or the transparency and business ethics program, including workplace harassment, complaints will be handled only by the Compliance Officer who will carry out the respective investigation processes without mentioning the sources of the complaint.

7.7. Reporting complaints

The regulator is Superintendencia de Sociedades. This entity provides the following link to report situations of transnational bribery:

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

For acts of corruption the regulator has provided the following link:

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