



CORPORATE ANTI-CORRUPTION POLICY

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Corporate Anti-Corruption Policy



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1. PROCESS

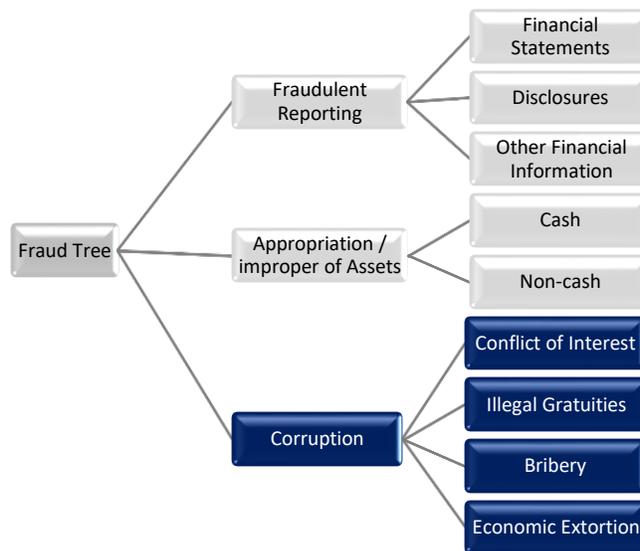
Control – ABAC – Regulatory Risk

2. INTRODUCTION

Corruption is an action that can considerably affect the image and reputation of Grupo Aval Acciones y Valores S.A., hereinafter Grupo Aval, and its subsidiaries, in addition to violating the law, the trust of Employees, Investors, Shareholders, Suppliers, Customers and in general, the business scenario. Aware of these consequences, Grupo Aval and its subsidiaries (hereinafter “Group”) are committed to the highest ethical standards in its interrelations with stakeholders and to compliance with local laws and regulations and those applicable thereto as an issuer of securities in local and international markets¹.

In response to this commitment, this Anti-Corruption Policy is established as a mechanism to promote the development of coordinated actions to prevent corruption, promote transparency among the administration, dissuade misconduct and encourage the commitment of its stakeholders against corruption.

In this sense, with the classification of the fraud scheme and in order to identify the guidelines of this policy, its scope will be focused only on corruption:



¹ U.S. Sentencing Guidelines Manual, Chapter 8 (November 2012)
 Foreign Corrupt Practices Act FCPA (1977)
 Sarbanes-Oxley Act of 2002, Sections 301, 404, 406, 806 (2002)
 NYSE Corporate Governance Rules, Section 303A
 FCPA A Resource Guide to the U.S. Foreign Corrupt Practices Act Second Edition, July 2020
 Law 1474 / 2011 of the Congress of the Republic of Colombia (Anti-Corruption Statute)

The Anti-Corruption Policy is designed under the internal control reference framework established by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission, in order to control and manage corruption events and support Grupo Aval and its subsidiaries in the achievement of their operational, financial and compliance objectives. Under this framework, the policy includes the components of control environment, risk assessment, control activities, information and communication, and monitoring activities.

The Policy aims to consider the guidelines required by applicable local and foreign regulations, in relation to anti-corruption issues and factors, to ensure proper compliance with such standards, as well as with the Group's internal policies.

This Anti-Corruption Policy establishes the structural components as a framework to prevent, detect, investigate and correct corruption events. It also assigns general roles and responsibilities in the process of risk identification; design, implementation and assessment of anti-corruption controls and in the management of investigations related to corruption events.

3. GENERAL OBJECTIVE

Integrate the elements or components of the internal control system, as well as the guidelines of the Senior Corporate Risk and Compliance Vicepresidency, through the Regulatory Compliance Department (Compliance Officer), to identify, prevent, minimize the probability of occurrence and manage corruption events in Grupo Aval and its subsidiaries, by directing and promoting the principles and values established in relation to business ethics and corporate policies.

3.1 SPECIFIC OBJECTIVES

- Promote an ethical culture within Grupo Aval and its subsidiaries aimed at mitigating risks of corruption and in relations with third party intermediaries.
- Establish the guidelines of the mechanisms to prevent, detect, investigate and effectively and timely remedy corruption events in Grupo Aval and its subsidiaries.
- Direct the framework to mitigate risks of corruption through an effective and timely process of identification, assessment and implementation of anti-corruption controls.
- Incorporate international best practices and the respective regulatory guidelines, applying the provisions of both local anti-corruption regulations and the U.S. Foreign Corrupt Practices Act (FCPA), consistent with the fact that Grupo Aval is listed on the New York Stock Exchange.
- Encourage the employees of Grupo Aval and its subsidiaries to be aware of and act in a manner consistent with civil and criminal liability both in Colombia and abroad that may arise from non-compliance with these regulations.

4. SCOPE

The Anti-Corruption Policy must be applied by all Employees, the Board of Directors and Officers of Grupo Aval (hereinafter, the "Officers"), so that their actions and the performance of their duties observe the principles established to promote transparency and trust in the internal relations of the Company, with third parties/stakeholders and society, with subsidiaries and in certain circumstances extends to third party intermediaries as indicated.

This Policy is also expected to be adopted by Grupo Aval’s subsidiaries and affiliates, according to the size and complexity of their respective operations. It is also expected that, as far as possible, best efforts will be made to ensure that these principles are followed in those entities in which we do not have a controlling shareholding, and by our suppliers and counterparties.

5. GLOSSARY

- **Senior Management:** Board of Directors, CEO and Vice Presidents of Grupo Aval and those acting as such in its subsidiaries.
- **Administration:** CEO and Vice Presidents of Grupo Aval and those acting as such in its subsidiaries.
- **Associate:** an entity over which an investor has significant influence but not control.²
- **Employees:** workers including Senior Management, trainees and apprentices of Grupo Aval and its subsidiaries.
- **ABAC Relevant Employee:** any employee of Grupo Aval or its subsidiaries in charge of controls identified as key in the ABAC Risk - Key Control matrices, as well as their direct managers and area Vice Presidents. Members of Senior Management, understood as CEOs, area Vice-Presidents, members of the Board of Directors, the Corporate Affairs Committee in the case of Grupo Aval, Audit Committee (or those acting as such). Employees from Commercial, Legal and Administrative areas with negotiating power in purchasing processes, employees in charge of approving accounting records and defining accounting policies, Human Resources in charge of hiring and salary allocations, Internal Auditors, employees from risk areas in charge of ABAC programs and others identified by the second line.
- **Bailment³:** is a contract in which one of the parties delivers to the other, free of charge, movable or immovable property, for it to use and return the same property after the end of said use.
- **Conflicts of Interest:** these are situations in the decision-making process in which the Company’s officers confront their personal interests or their own benefit with those of the Company, its suppliers, shareholders, investors or Stakeholders and/or third parties, which could affect their ability to decide objectively and in the best interest of the Company.

Personal benefit is understood to be that derived from any decision for the benefit of the employee, his/her spouse, life partner or his/her relatives within the second degree of consanguinity, second degree of affinity or first civil degree, or his/her de facto or de jure partner(s). In this case, there is an obligation for the Employee to disclose and manage the Conflict of Interest.

For the purposes of this policy, the following is understood:

² IFRS 28

³ ARTICLE 2200 of the Colombian Civil Code

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Degrees of consanguinity: the legal concepts related to the degrees of consanguinity and affinity are defined in the Colombian Civil Code. Special emphasis will be placed on Articles 35, 42, 43, 44, 45, 46 and 47 in order to establish a mechanism to correctly identify and manage ABAC risks, especially in relation to the concept of Conflict of Interest.

Kinship by consanguinity: Article 35 of the Colombian Civil Code defines it as “the relationship or connection existing between persons who descend from the same trunk or root, or who are united by blood ties.” To this extent, it relates to immediate family members, through family ties.

Therefore, kinship by consanguinity can be interpreted as a Straight Line (relationship between Parents and Sons, Grandchildren and Grandparents)⁴ or Oblique, Transversal or Collateral Lines (between Siblings, Nieces, Nephews, Aunts and Uncles)⁵. In this sense, when reference is made up to a second degree of consanguinity in its definition, it is extended as follows: Between a Person and his or her Sons, Grandchildren, Parents, Siblings and Grandparents (including first and second degree of consanguinity).

Kinship by affinity: Article 47 of the Colombian Civil Code defines it as “that which exists between a person who is or has been married and the legitimate blood relatives of his/her spouse. The line or degree of legitimate affinity of a person with a blood relative of his/her husband or wife, is determined by the line or degree of legitimate consanguinity of said husband or wife with said blood relative.” To that extent, it refers to persons with whom a related relationship is acquired by marriage or common-law marriage.

To that extent, a person’s kinship by affinity is interpreted as a straight line between: (i) The spouse; (ii) Legitimate sons of the spouse before the couple’s marriage; or Oblique, Transversal or Collateral lines⁶; (iii) Between legitimate siblings of the spouse; (iv) Grandparents of the spouse; among others. In this sense, when it refers up to the second degree of affinity, it is extended as follows: between a person and his/her spouse, children of the spouse before the couple’s marriage, siblings of the spouse and parents of the spouse.

- **Public or Political Contribution:** contribution to a political campaign, political party (without necessarily being during a campaign period) or to a person linked to either.
- **Private corruption:** dishonest activity in which an Employee or Contractor, directly or through an intermediary, promises, offers or awards to executives, administrators, employees or advisors of a company, association or foundation a gift or any unjustified benefit for personal benefit or that of a third party, to the detriment of that company, association or foundation⁷.
- **Corruption:** dishonest activity in which an Employee or Contractor uses his/her position to obtain an undue benefit for him/herself or for the Company or an undue advantage for the Company, for him/herself or for a third party.

⁴ Colombian Civil Code: Article 43. Straight lines ascending and descending

⁵ Colombian Civil Code: Article 44. <Collateral line>

⁶ Colombian Civil Code: Articles 44, 45 and 46

⁷ Anti-Corruption Statute, Law 1474/2011 - Article 16.

- **Thing of value:** a “thing of value” is to be understood as any payment in cash or in kind, that can be considered of value such as travel and reimbursement of expenses, scholarships and sponsorships, gifts in kind, donations or contributions, favorable contracts, investment opportunities, stock options, positions in joint ventures and subcontracts, tax benefits, information and promises of future employment, discounts, and recreational activities, among others, regardless of the amount.
- **Donation:** act of generosity by which a natural or legal person freely disposes of a thing in favor of another who accepts it.
- **Subsidiaries:** are the Grupo Aval entities, among which Banco de Bogotá, Banco Popular, Banco de Occidente and Banco AV Villas, Corficolombiana and Porvenir stand out as its main business units.
- **Public official:** means any person acting in an official capacity or under the authority of a government (national, departmental, municipal, both at the centralized and decentralized levels) to perform government responsibilities, on behalf of the government, agency, department, regulatory authority, or any government-owned or government-controlled commercial enterprise.
- **Foreign Corrupt Practices Act or FCPA:** The Corrupt Practices Act, as amended, 15 U.S.C. §§ 78dd-1, et seq. (FCPA) was enacted for the purpose of making it unlawful for certain classes of individuals and entities to make payments to foreign government officials to assist in obtaining or retaining business.
- **Joint Venture:** also called Joint Agreement. It is an agreement between the shareholders or between the owners of a business, an activity or an operation, in which control has been shared; joint control can only exist when there is no absolute control by one of the parties⁸. It can be of two types: Joint Operation (Owners have rights to the assets as well as the liabilities; e.g.: Consortia) and Joint Venture (Owners have rights to net assets; e.g.: Temporary joint ventures).
- **ABAC Officer:** high-level employee designated by each entity who is responsible for ensuring the proper execution of the anti-corruption program, also known as the ABAC Program.
- **Control Bodies:** are internal control bodies, such as the Internal Audit Department and the Audit Committee, the Risk Committee, the Corporate Affairs Committee in the case of Grupo Aval, and external bodies such as the Statutory Auditor and External Auditor, as well as government entities with control and oversight powers such as the Financial Superintendence of Colombia, the U.S. Securities and Exchange Commission and the U.S. Department of Justice, the Superintendency of Companies, and the Superintendency of Public Utilities, among others.

⁸ IFRS 11

- **Relatives:** parents, siblings, spouse, sons and other family members up to the second degree of consanguinity.
- **Related Parties**⁹: are the individuals or legal entities that have, with all or some of the entities that make up the Financial Conglomerate, or with the individual overseen entity if it is not part of a Financial Conglomerate, management ties of direct or indirect ownership equal to or greater than 5% and the companies where any of the aforementioned persons has a direct or indirect share equal to or greater than 10%.
- **Sponsorship:** financial support provided in exchange for publicity.
- **Policy:** documented and communicated rules or instructions, through which general guidelines are drawn up to meet the strategic objectives.
- **Corrupt Practice:** in the context of applicable local regulations and the FCPA, and for the purposes of this policy, a corrupt practice is considered to be the intention, attempt and/or payment or gift of any kind, of money and/or “something of value” that is intended to retain or obtain an advantage in obtaining and/or retaining business. The adjective corrupt is linked to making it clear that the offer, authorization of payment, promise, gift, or donation is intended to induce the recipient to misuse his/her position and/or powers to try to benefit the offeror.
- **ABAC Program:** compliance scheme aimed at preventing the materialization of the risk of corruption, known internationally as the ABAC Program for its acronym in English for “Anti-bribery and Anti-corruption.” It includes from the definition of policies and guidelines to monitoring.
- **Gratuities and undue payments:** through gifts and the giving of things of value, but also offers and promises of payment of anything of value, provided that there is a corrupt purpose that a person, directly or indirectly, on his own account or through a third party, will perform or omit an activity.
- **Gifts and invitations:** promotional items such as umbrellas, caps, pens, calendars and agendas, which are representative of a business image, as well as invitations to events related to the ordinary line of business, such as breakfasts, lunches, dinners, cocktail parties, workshops, seminars, trips and, in general, activities for the demonstration of services or products.
- **Commercial Relationship:** is the one in which some type of commercial agreement is entered into between two or more parties, such as opening bank accounts or products, granting loans, advising, consulting, providing services, labor contracts, maintenance contracts, works contracts, concession contracts, associations, collaboration agreements and joint ventures, among others.
- **Risk:** any event, threat, act or omission that at any time may compromise the achievement of the strategic and corporate objectives of Grupo Aval and its subsidiaries. It is not limited to

⁹ As indicated in the **CODE OF BEST CORPORATE PRACTICES - CÓDIGO PAÍS**

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negative developments or unexpected events; it also includes the absence or missed of opportunities.

- **Red Flag:** is a fact, information or particular circumstance surrounding the performance of a transaction, activity, tie and behavior by third parties, customers, employees, suppliers, among others, which may indicate corruption and for which additional analysis is required.
- **Foreign Public Servant¹⁰:** is any person holding a legislative, administrative or judicial office in a State, its political subdivisions or local authorities, or a foreign jurisdiction, regardless of whether the individual has been appointed or elected. This is also considered to be any person who exercises a public function for a State, whether within a public agency, a State enterprise or an entity whose decision-making power is subject to the will of the State. Any official or agent of a public international organization also has this status.
- **Bribe:** is the act of offering, promising, requesting or accepting anything of value in cash or in kind (amenities, gifts, products and services), with the corrupt purpose of obtaining or achieving an improper benefit or advantage for personal benefit or that of a third party or to influence an act or decision.
- **Third Party Intermediaries (TPI):** any external party (individual or legal entity) used by Grupo Aval and/or its subsidiaries, directly or indirectly, to carry out a particular or periodic transaction for the purpose of selling products or services of Grupo Aval and its subsidiaries, or to purchase goods and/or services for Grupo Aval and its subsidiaries as an agent or intermediary through agents and/or public entities as counterparties. Intermediaries can be defined as independent organizations or individuals acting on behalf of the entity and over which the entity has a controlling influence. These partners often perform day-to-day business activities, such as obtaining licenses, permits or other authorizations, and are involved in business development. Intermediaries – e.g., business development consultants, sales representatives, customs agents, lawyers, accountants – are usually local allies who have a strong knowledge of local customs and business practices and an extensive personal network.
- **Vice-Presidency of Risk and Compliance (Regulatory Compliance Management / Compliance Officer) or the departments acting as such:** are the areas or departments in charge of ensuring compliance with the Anti-corruption Policy by their entities. The Banks, Porvenir and Corficolombiana, subsidiaries of Grupo Aval, must ensure that their subsidiaries adopt the policies and other methodologies indicated in this Policy, in accordance with their economic activity.

6. REGULATION

- **Law 1778/2016**

Whereby rules are issued on the liability of legal entities for acts of transnational corruption and other provisions are issued in the fight against corruption, including the sanctions regime.

¹⁰ Definition according to Article 2 "Administrative Liability of Legal Entities" Paragraph 1 of Law 1778:

- **International Standard ISO 37001 Anti-Bribery Management System**

This standard specifies the requirements and provides guidance to organizations for establishing, implementing, maintaining, reviewing and improving an anti-bribery management system.

- **Colombian Criminal Code and Colombian Anti-Corruption Statute (Law 1474/2011)**

The Colombian Criminal Code classifies embezzlement, bribery, extortion, improper execution of contracts and illicit use of connections, among others, as crimes against public administration. The Colombian Anti-Corruption Statute also establishes rules aimed at strengthening mechanisms for the prevention, investigation and punishment of acts of corruption and the effectiveness of public management control.

- **Foreign Corrupt Practices Act or FCPA**

The Corrupt Practices Act, as amended, 15 U.S.C §§ 78dd-1, et seq. (“FCPA”), was enacted for the purpose of making it unlawful for certain classes of individuals and entities to make payments to foreign government officials to assist in obtaining or retaining business.

The FCPA is a law that prohibits U.S. companies and Securities Issuers registered with the Securities and Exchange Commission (SEC) or any of their subsidiaries, regardless of where their operations and employees are located, from directly or indirectly facilitating the payment of bribes to public officials abroad in order to benefit from this action. The following entities are specifically prohibited from making improper payments:

Issuers: are companies that hold securities registered in the United States or that are required to file reports with the Securities and Exchange Commission (SEC).

U.S. companies:

Non-issuing entities domiciled in the United States or governed by U.S. regulations, as well as U.S. citizens and residents.

Non-compliance can result in heavy penalties ranging from fines to placement under court supervision or court-ordered liquidation, apart from personal criminal penalties.

Specifically, the FCPA’s anti-bribery provisions prohibit the willful use of the mail or any instrumentality of interstate commerce corruptly in furtherance of any offer, payment, promise to pay, or authorization of the payment of money or anything of value to any person, while knowing that all or a portion of such money or thing of value will be offered, given or promised, directly or indirectly, to a foreign official to influence the foreign official in his or her official capacity, induce the foreign official to do or omit to do an act in violation of his or her lawful duty, or to secure any improper advantage to assist in obtaining or retaining business for or with, or directing business to, any person. Since 1977, the anti-bribery provisions of the FCPA have applied to all U.S. citizens and certain foreign issuers of securities. With the enactment of certain amendments in 1998, the anti-bribery provisions of the FCPA now also apply to

foreign companies and individuals who cause, directly or through agents, an act in furtherance of such corrupt payment to take place within the territory of the United States. The FCPA also requires companies whose securities are listed in the United States to comply with its accounting provisions. See 15 U.S.C. § 78m. These accounting provisions, which were designed to operate in conjunction with the FCPA's anti-bribery provisions, require corporations covered by the provisions to (a) make and keep books and records that accurately and fairly reflect the corporation's transactions and (b) design and maintain an appropriate system of internal accounting controls.

- **Sarbanes-Oxley Act (SOX)**

U.S. law issued in 2002 with the following objectives: to improve the internal control environment of companies listed on U.S. stock exchanges; to define and formalize the responsibilities of the CEO (Chief Executive Officer), CFO (Chief Financial Officer) and financial auditors for compliance; and to prevent accounting and reporting errors.

- **Other anti-corruption regulations in force in other jurisdictions**

7. CONTROL ENVIRONMENT

7.1 STATEMENT OF COMMITMENT

Grupo Aval and its subsidiaries are committed to a zero tolerance policy against corruption in any of its modalities (see the fraud tree), which promotes a culture to fight it and allow it to conduct its business and operations with high ethical standards, in compliance with the laws and regulations in force. For this purpose, Grupo Aval and its subsidiaries commit to:

- Managing, in accordance with established principles and in a structured and strategic manner, the risks of corruption associated with the business and its relationship with third party intermediaries.
- Continuously promoting an ethical culture as an essential element for the prevention, detection, investigation and remediation of corruption.
- Preventing damage to the company's image and reputation by adopting and complying with provisions that prohibit actions constituting corruption.
- Accurately reporting information and recording transactions and having internal controls to ensure that shareholders' assets are properly monitored and safeguarded.

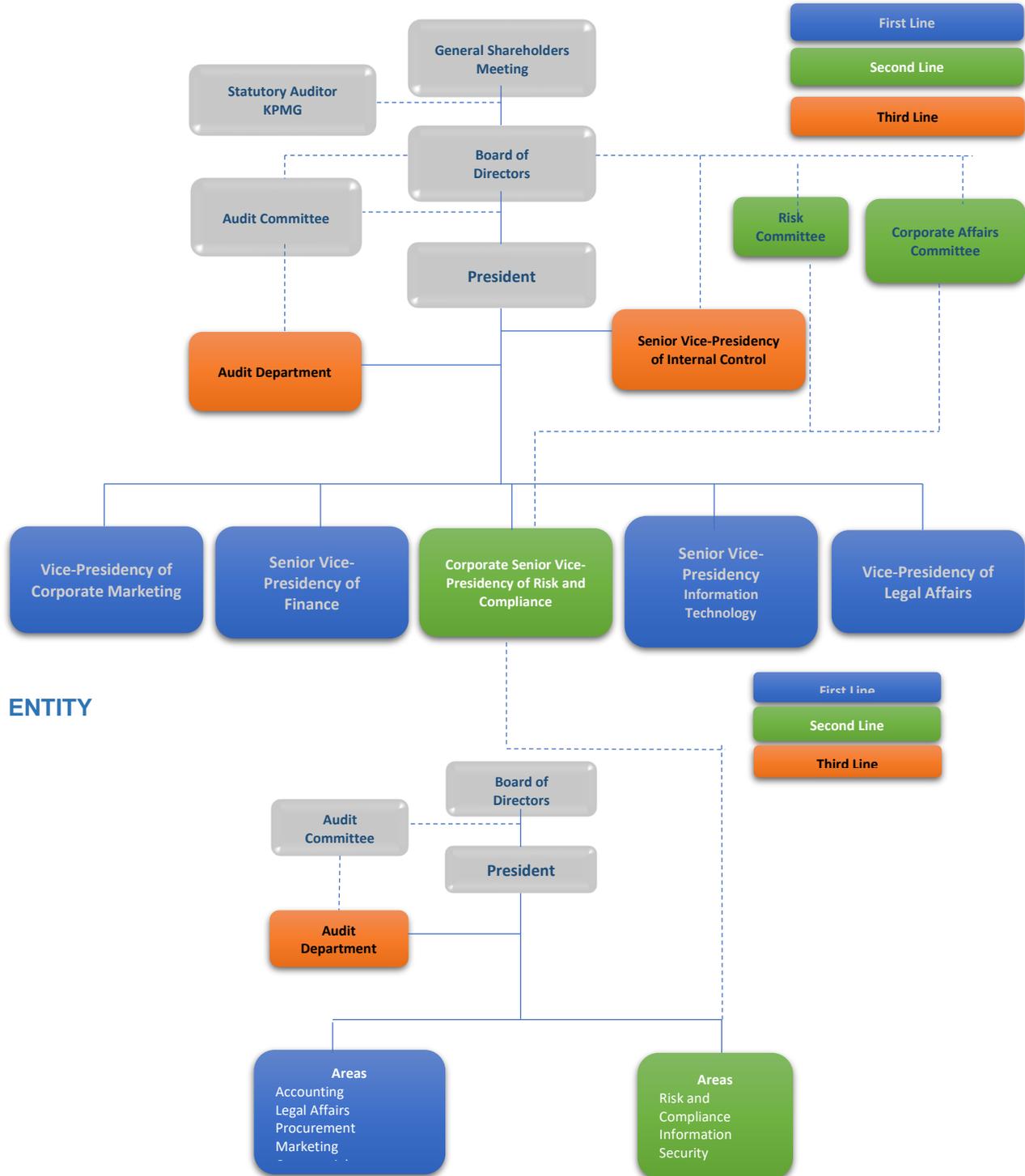
The Management of Grupo Aval and its subsidiaries are committed to anti-corruption management and are responsible for monitoring compliance with this policy. Management and the Control Bodies are also responsible for ensuring that corruption risks are managed and incidents are reported and properly investigated, as well as for taking the corresponding sanctioning actions as a deterrent to new acts of corruption.

All Employees are responsible for applying the criteria defined in this policy and for adjusting their actions in accordance with the corporate values and guidelines established in the **Code of Ethics and Conduct**. They are also responsible for informing and/or reporting potential cases of corruption of which they may become aware.

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7.2 ORGANIZATIONAL CHART OF RESPONSIBILITY REGARDING THE POLICY GRUPO AVAL



7.3 POLICY OWNER

- Grupo Aval's Board of Directors is responsible for approving the Corporate Anti-Corruption Policy, as well as its subsequent amendments.
- Grupo Aval's Corporate Senior Corporate Risk and Compliance Vicepresidency is in charge of designing and monitoring compliance with the Anti-Corruption Policy. To do so, Grupo Aval relies on the management of the Regulatory Compliance Department (Compliance Officer), as well as on the collaboration and coordination with its functional equivalents in the subsidiaries.
- The Management of each subsidiary is responsible for promoting an anti-corruption culture and ethical behavior, communicating the importance and responsibility of all employees in the process of preventing and reporting events of corruption, and securing the necessary resources to ensure compliance with the objectives of the Anti-Corruption Policy, as well as adopting the best international practices and corporate guidelines.
- The Committee determined by the Board (Risk Committee, or the one acting as such) (Corporate Affairs Committee in the case of Grupo Aval), the Audit Committees of Grupo Aval and its subsidiaries must ensure the existence of an anti-corruption policy and ensure its compliance, follow up on the result of the assessment of anti-corruption controls, monitor the management of the Ethics and Conduct Committee (or the one acting as such) in the process of investigating allegations of corruption when applicable, and propose adjustments and updates to this policy within their respective subsidiaries in accordance with the amendments made by Grupo Aval to this policy or by decision of the entity, provided that the updates issued by Grupo Aval are maintained.
- Grupo Aval and its subsidiaries are responsible, through their second line, for developing and implementing a communications plan aimed at all their employees, to disseminate the most relevant aspects of the Anti-Corruption Policy and its related policies or procedures. This can be done with the support of its administrative, human resources and communications areas, or the ones acting as such.
- The Internal Audit areas of Grupo Aval and its subsidiaries are responsible for assessing the effectiveness and compliance with the Anti-Corruption Policy through the relevant mechanisms. See the Information and Communication - Internal Audit section.
- The Ethics Committees of Grupo Aval and its subsidiaries (or the ones acting as such) are responsible for determining the corrective, preventive or disciplinary actions that result from the investigation processes.
- The Senior Corporate Risk and Compliance Vicepresidency of Grupo Aval and its equivalents in subsidiaries must participate in the process of identifying and assessing risks of corruption, and defining and updating the corporate guidelines to identify, assess and mitigate risks of corruption.
- The Management, Control Bodies and Employees of Grupo Aval and its subsidiaries are responsible for knowing and understanding the Anti-Corruption Policy, knowing and

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understanding the actions that may constitute corruption, executing the anti-corruption controls under their responsibility, reporting incidents and cooperating with the investigations that may arise therefrom.

- Grupo Aval and its subsidiaries are responsible for incorporating the guidelines and instructions established in this policy into their own ABAC programs, through a qualified employee with appropriate decision-making authority, who must be appointed by the President of the entity.

7.4 PARTIES RESPONSIBLE FOR IMPLEMENTATION AND MONITORING

Subsidiaries must design the functions and responsibilities in general for all risks following the three lines of defense scheme, that is, considering (i) the management of each line of business, (ii) the management of the risk and compliance areas, and (iii) the management of the independent reviewer.¹¹

7.4.1 First Line

The first line in the prevention of corruption is made up mainly of the areas that manage the business, such as those that have direct contact with private and public clients, with public officials who may directly or indirectly influence the management of the entities, as well as with the accounting records (commercial, administrative, procurement and financial areas). This means that the governance of the Anti-Corruption Policy recognizes that front-line management is responsible for identifying, assessing, managing and controlling the risks inherent to the products, activities, processes and systems for which it is responsible. This line must understand and apply the policies and processes and have sufficient resources to effectively perform these tasks. To this end, subsidiaries must:

- Clearly specify policies and processes in writing and communicate them to employees.
- Include a clear description of employees' obligations and the instructions they must follow, as well as guidelines for the entity's activity to comply with the regulations.
- Apply the provisions of both local anti-corruption regulations and the U.S. Foreign Corrupt Practices Act (FCPA), consistent with the fact that Grupo Aval is listed on the New York Stock Exchange. Grupo Aval's officers are therefore aware of the civil and criminal liability both in Colombia and abroad that may arise from non-compliance with these regulations.
- Define internal procedures to detect and report transactions that may show any indication of corrupt acts.

¹¹ New Código País: Measure No. 29: Control Architecture Monitoring. "Leveraging COSO Across the Three Lines of Defense", July 7, 2015, COSO in collaboration with the Institute of Internal Auditors, published this document, Using/Leveraging COSO Across the Three Lines; a document that presents how roles and responsibilities related to risk management and control can be assigned and coordinated, in order to minimize gaps in controls and duplication of activities and responsibilities within an organization for the fulfillment of established objectives.

- Adapt, with the support of the second line, the programming and content of the training programs for the staff of the different sections, in line with their needs and the entity's risk profile. Training needs will vary depending on employee roles and job responsibilities, as well as seniority.
- The organization and materials of training courses must be tailored to the specific role or responsibility of each employee to ensure that they have sufficient knowledge and information to effectively implement anti-corruption policies.

For the same reasons, new employees must receive training as soon as possible after being hired. Refresher courses must be provided to ensure that the staff remember their duties and to keep their knowledge and skills up to date. The scope and frequency of this training must be adapted to the risk factors to which employees are exposed according to their responsibilities and to the level and nature of the risk present in the entity.

7.4.2 Second Line

The second line assigns responsibilities to the Risk and Compliance areas. These areas must continuously monitor compliance with obligations regarding Corruption Risk, supporting Process Owners (First Line) in the identification of risks and key controls sufficient for their mitigation, as well as in the qualification of the attributes of each control in order to determine the Residual Risk that must be subject to monitoring. This involves assessing control attributes to conclude whether they are operating in a consistent and systematic manner, so that any major failures can be reported to senior management or to the Board of Directors, the Audit Committee and/or Risk Committee of the subsidiary entities. To this end, it must question the business areas using appropriate corruption risk management tools, carrying out risk measurement activities and using technological tools and red flags. The employee assigned to these tasks must be the contact for all matters in this area for internal and external authorities, including oversight or jurisdictional authorities. In the same sense, ABAC best practices have involved the second line in the assessment of compliance with the control elements that mitigate the risk of corruption in donations, sponsorships, contributions to public and/or political campaigns, acquisitions, mergers and joint ventures, among others. Considering the foregoing and given the relevance of the role of the second line in supporting Management, it is responsible for giving its approval in the sense of indicating whether the operations comply with the requirements established in the internal and corporate policies or, on the contrary, if the lack of compliance is generating a risk exposure in addition to that of each operation. Each entity is required to assess the volume of the operations of each type (donations, sponsorships, campaign contributions, etc.) in order to establish the quantitative and qualitative characteristics (for example, materiality of the transaction, degree of risk because they involve public entities or officials, among others) so that the second line can give its opinion, prioritizing, from the standpoint of exposure to risk within the normal flow of transactions that represent the greatest risk. Such analysis must have the technical and documentary support duly approved by the Vice President of Risk and Compliance (or the person acting as such).

The entity's commercial interests must in no way conflict with the effective performance of the aforementioned duties. Regardless of the size of the entity, potential conflicts of interest must be

avoided. In the event of any conflict, there must be processes in place to ensure that corruption issues are objectively considered at the highest level.

The Employee in charge is responsible for reporting directly to senior management or to the Board of Directors/Audit Committee. This Employee should also be responsible for monitoring and reporting red flags and/or transactions showing any indication of corruption. The Employee must also have sufficient resources to effectively perform all his/her functions and play a central and proactive role in monitoring compliance with this Policy. To do so, he/she must be fully familiar with the policies in force, their legal and regulatory requirements and the risks derived from the business.

7.4.3 Third Line

The third line plays an important role in independently assessing corruption risk management and controls, as well as the entity's processes and systems, reporting to the Audit Committee or similar oversight body through periodic assessments of the effectiveness of compliance with related policies and processes. The internal audit that is to perform these reviews must be competent and properly trained, and not involved in the development, implementation and operation of the risk/control structure. This review may be performed by the audit or by staff independent of the process or system under review, but may also involve suitably qualified external parties. The entity must implement processes for conducting audits on:

- a. Adapting policies and processes to address identified risks;
- b. The effectiveness of the implementation of the entity's policies and processes by staff;
- c. The effectiveness of compliance monitoring and quality control, including parameters or criteria for automatic alerts; and
- d. The effectiveness of training programs for relevant staff.

In view of the foregoing, the particular roles and responsibilities are as follows:

7.4.4 General Responsibilities at the Entity Level

The Entity must:

- Continuously monitor business relationships and transactions with a higher risk of exposure to possible corrupt practices, as this is an essential aspect of sound and effective risk management; the scope of this monitoring must be based on the risk identified in the assessment conducted by the entity. It must reinforce the monitoring of customers, third party intermediaries and/or higher risk transactions and maintain cross-sectional oversight of products or services in order to identify and mitigate emerging risk patterns.
- Have systems in place to detect red flags that may indicate corruption. When designing scenarios to identify such signals, the entity must consider the risk assessment at the entity level, the information gathered in its work to get to know its customers, officers and/or third parties and intermediaries, among others.

- Using information on knowledge about customers, employees and third party intermediaries, be able to identify transactions that make no apparent economic sense, that involve large cash deposits or that are not normal and expected transactions, especially if they occur regularly over an extended period of time.
- Implement robust due diligence policies and processes for transactions with customers and third party intermediaries identified as having the greatest exposure to corrupt transactions.
- Ensure that it has information management systems, commensurate with its size, organizational structure or complexity, based on materiality and risk criteria, that provide business units (e.g., business managers) and risk and compliance officers (including investigative staff) with the timely information needed to identify, analyze and effectively follow up on any indications of corruption.
- Refrain from doing business with individuals or legal entities whose ethics are or have been questioned, since their involvement may affect the entity’s reputation in the market, exposing the brand and assets.

7.4.5 Board of Directors, Committee appointed by the Board of Directors of the Entities

It is responsible for:

- Clearly understanding the risks of corruption. The information on the assessment of these risks must be received by the Board of Directors, by the Committee it delegates, either through the Audit Committee, the Risk Committee, and/or any other Committee or body in which members of the Board of Directors participate, in a timely, complete, understandable and accurate manner.
- Receive periodic reports with regard to relevant cases of corruption that have been identified, as well as the investigative measures and final conclusions on them.
- Finally, it must be informed of the measures taken in the event that Management has confirmed any case of corruption.
- Provide the technical and human resources necessary to implement and keep the Anti-Corruption Program up and running¹².
- Have the technical competencies to ensure the effective management of policies and processes, taking into account the entity’s governance structure.

7.4.6 Accounting and Financial Areas in the Entities and Grupo Aval

The FCPA contains explicit provisions relating to two main pillars of control: 1) Anti-Corruption Provisions and 2) Accounting Provisions.

¹² International Standard ISO 37001 Anti-Bribery Management System - Section 5.1 “Leadership and Commitment” item 5.1.2 “Senior Management” of the international standard.

Accounting provisions consist of two main components. First, under the “books and records” provision, issuers must make and keep books, records and accounts that, in reasonable detail, accurately and fairly reflect an issuer’s transactions and dispositions of the issuer’s assets.

Second, under the “internal controls” provision, issuers must devise and maintain a system of internal accounting controls sufficient to ensure management control, authority, and accountability over the company’s assets. Although the accounting provisions were originally enacted as part of the FCPA, they do not apply only to bribery-related violations. Rather, the accounting provisions ensure that all public companies account for all of their assets and liabilities accurately and in reasonable detail, and form the backbone of most accounting fraud and issuer disclosure cases brought by the Department of Justice and the SEC.

The Accounting Provisions impose certain internal controls on issuers and prohibit individuals and companies from knowingly falsifying and/or altering an issuer’s accounting books and records, and they can lead to civil and criminal penalties.

Therefore, the accounting and financial areas, as part of the first line, have following responsibilities:

- Assume the “general responsibilities” discussed in this chapter.
- Design and execute the controls that mitigate the risks contemplated in general terms under the accounting provisions described in the FCPA, in the corresponding matrix, with the support of the Senior Corporate Risk and Compliance Vicepresidency, or the department acting as such, and review their operation.
- Ensure that all transactions carried out in the entity are recorded in accordance with the applicable accounting principles.
- Perform checks aimed at validating that the supporting documents of the transactions are consistent with the transaction and correspond to reality.

7.4.7 Grupo Aval Senior Corporate Risk and Compliance Vicepresidency

As part of the second line, its responsibilities include the following:

- Design and analyze report forms for red flags, indications, action plans and conclusions.
- Report the current status of the Corruption Risk Management to the Corporate Affairs Committee on issues that are considered to be of major importance.
- Support the first line (process owners) in the risk identification and control design.
- Establish guidelines in accordance with the best practices defined by the Corporate Affairs Committee.

- Submit risk assessment information to the Board of Directors and/or the Corporate Affairs Committee in a timely, complete, understandable and accurate manner.

7.4.8 Responsible for the ABAC Program in the Entities and Grupo Aval

Directly responsible in the second line for:

- Defining and developing the ABAC program through which this Policy is complied with and its compliance is monitored.
- Analyzing and monitoring the entity's operations ensuring the implementation of the entity's ABAC programs.
- Submitting Management Reports to the Senior Corporate Risk and Compliance Vicepresidency of Grupo Aval with the frequency indicated by the latter.
- Adopting and disseminating best practices, in accordance with Corporate guidelines.
- Conducting the corruption risk assessment together with the process owners.
- Submitting to the Board of Directors, or the body acting as such, the requirements in terms of IT, technology, physical, human and financial resources necessary for the performance of its duties¹³.
- Promoting an anti-corruption culture within the entity.
- Monitoring the effectiveness of the ABAC Program.

In order for the person responsible for monitoring compliance with the Anti-Corruption Policy (Second Line) (Compliance Officer or the person acting as such) to perform his/her role in an independent and diligent manner, he/she must be an employee reporting directly to the entity's Senior Management, which ensures he/she has "appropriate decision-making authority" as required by the Policy. In the same sense, depending on each entity's degree of exposure to ABAC risk, it is recommended that such employee has an alternate to replace him/her with the same attributions and responsibilities in the event of temporary absence.

7.4.9 Internal Audit (or the department acting as such)

- This department is responsible for verifying the design and operation of the risk/control matrix, in accordance with its autonomously defined operation plan.
- It reports its findings to both the process owners for remediation and to the person responsible for the Program.

¹³ International Standard ISO 37001 Anti-Bribery Management System - Section 5.1 "Leadership and Commitment" item 5.1.2 "Senior Management" of the international standard.

8. GENERAL GUIDELINES AND INSTRUCTIONS

8.1 CODE OF CONDUCT AND ETHICS

Grupo Aval and its subsidiaries have a **Code of Ethics and Conduct** that sets out the general guidelines for the behavior of its Employees and Officers, so that their actions are in line with corporate values, the obligations assumed by virtue of the relationship of employment and the ethical principles that are essential to ensure transparency in internal relations, with third parties and with society. The Code of Ethics and Conduct is communicated and made available to all Employees and Officers and each of them confirm their knowledge and understanding thereof at least annually.

8.2 STAFF SELECTION

Grupo Aval and its subsidiaries have selection and hiring procedures through which they aim to attract and retain the best talent, with the personal, intellectual and professional conditions required to achieve their strategic objectives. Grupo Aval and its subsidiaries promote the transparency and objectivity of these processes and carry them out without any type of discrimination or pressure on candidates.

8.3 ANTI-RETALIATION AND PRESUMPTION OF GOOD FAITH

Grupo Aval and its subsidiaries ensure protection against retaliation against an Employee, officer or third party who reports an event or potential event of corruption, provides information in good faith about unethical conduct or cooperates with a duly authorized investigation.

In the event of retaliation, it would violate the fundamental obligation of all Employees of Grupo Aval and its subsidiaries to act with the utmost efficiency, competence and integrity, as well as to fulfill their duties and perform in the manner most favorable to the interests of the company.

It is sufficient for employees to act in good faith and have reasonable grounds to believe that a potential corruption event or a possible breach of each entity's ethical policies has occurred. Depending on the circumstances and to the extent possible, evidence or precise information that leads to the conclusion that there is unethical conduct or an act of corruption must be provided.

Individuals who believe they have been subjected to retaliation must report all information and provide the documentation available to them directly to the Ethics Committee (or the committee acting as such) using the mechanisms defined below.

If the existence of a retaliation against anyone who has reported an act of corruption or breach of ethical policies is established, Grupo Aval or its subsidiaries, as appropriate, must take the appropriate and necessary measures in order to remedy the negative consequences resulting from the retaliation. The person who has carried out an act of retaliation, when an investigation proves its existence, may be subject to administrative or disciplinary measures, notwithstanding any applicable judicial measures when appropriate.

8.4 GIFTS AND INVITATIONS

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It is common in business relationships to provide and accept Gifts and Invitations. However, this practice may be misused to gain access to favors, advantages and/or illegal situations. In this regard, understanding that such a practice is part of the ordinary course of business relations, the following conditions apply to employees of Grupo Aval and its subsidiaries for the provision or acceptance of Gifts and Invitations:

8.4.1 Rules Regarding the Acceptance of Gifts and Invitations

As a general rule, Grupo Aval and its subsidiaries prohibit its Employees from directly or indirectly, tacitly or explicitly requesting Gifts and Invitations. However, Employees of Grupo Aval and its subsidiaries may accept Gifts and Invitations as long as the following conditions are met:

- Under no circumstances may Gifts and Invitations consist of cash or any other cash equivalent such as bonds, checks, debit or credit cards, stock and/or securities.
- The Gift or Invitation may not exceed the amounts established in the corresponding instructions.
- In the case of invitations, they must involve events related to the ordinary course of business and to the offering and/or demonstration of services or products or to invitations to events for academic or training purposes.
- Under no circumstances may accepting the gift or invitation have the capacity to unduly or illegally influence the Employee's conduct and decision-making.
- They must not be provided during or within three (3) months following the negotiation¹⁴.

In the event that the Gift or Invitation to be accepted exceeds the amounts or conditions established in this Policy, the respective Employee must have authorization as established in the corresponding Instructions.

Emphasis is placed on the presumption of good faith and ethical behavior of employees in their commitment to comply with the Code of Ethics, in self-control and disclosure of the information necessary to comply with the restrictions described for accepting gifts and invitations.

8.4.2 Rules Regarding the Provision of Gifts and Invitations

Employees of Grupo Aval or of any of its subsidiaries are forbidden to provide or promise on behalf of the entity, or as a gift on their own behalf, using the resources of the respective entity or their own resources acting on behalf of the entity, money or any other cash equivalent such as bonds, checks, debit or credit cards, stock and/or securities.

Notwithstanding the foregoing, subject to each entity's own policies and the necessary levels of attribution and/or authorizations, Employees of Grupo Aval and its subsidiaries are allowed to provide Gifts and Invitations, as long as they observe the following conditions:

¹⁴ International Standard ISO 37001 Anti-Bribery Management System - Annex A "International Standard Information Guide" A15.2 "Gifts and Hospitality"

- Gifts must involve promotional items that are representative of the corporate image of Grupo Aval and/or its subsidiaries.
- Invitations must involve activities that are part of the ordinary course of business for the promotion or offering of products or services, in accordance with the corporate purpose of each entity.
- The payment of third-party travel expenses is prohibited, except for those established in the corresponding instructions.
- The provision of Gifts and Invitations must be within the framework of legitimate purposes, and their provision for the purpose of obtaining an undue or illegal advantage as consideration is prohibited.
- The granting of Gifts and Invitations must go through the authorization and provision process defined within each entity, provided that it is ensured they meet the conditions set forth in this corporate policy; with particular emphasis on the situations that pose a higher probability of risk associated with corruption (direct or indirect interaction, through agents and/or third party intermediaries, with public officials or public entities); prior approval instances must be established by the compliance area. This also includes the processes of allocation and authorization of budget items associated with this concept, global authorizations of amounts allocated for Gifts and Invitations, and the monitoring of such previously authorized budget items, among others.
- The granting of gifts and invitations that exceed the established amounts or conditions must be authorized as set forth in accordance with the attributions defined in the corresponding Instructions.

When an Employee has any doubts regarding accepting or providing Gifts and Invitations, he/she must report it directly to his/her immediate supervisor, who in accordance with his/her attributions must decide or obtain the decision of the respective body immediately in light of these guidelines and the additional guidelines of the entity, as well as the legislation of that jurisdiction.

The list of Gifts and Invitations allowed, along with their characteristics and amounts, are detailed in the corresponding Instructions.

8.5 PROCUREMENT

Grupo Aval and its subsidiaries have established procurement guidelines detailing the minimum requirements for entering into a contract or service order with a third party or intermediary, including legal, qualification, ethical and quality conditions, in accordance with internal procurement policies.

In any case, in order to mitigate the risks posed by third parties with regard to corruption, Grupo Aval and its subsidiaries must, when the risk analysis of the third party leads to its treatment as a high-risk TPI, include certain clauses in the contracts containing at least one or more of the following aspects:

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- **Anti-corruption commitment:** the parties declare that in accordance with local and international anti-corruption provisions, it is prohibited to pay, promise or authorize the direct or indirect payment of money or any other item of value to any public servant or government official, political party, candidate, or anyone acting on behalf of a public entity when such payment involves the corrupt intent to obtain, retain or direct business to any person to obtain an unlawful advantage (“Public Sector Anti-Corruption Standards”). Likewise, the parties acknowledge the existence of similar regulation on bribery in the private sector, understood as the bribery of any private person or private company to obtain an undue advantage (“Private Sector Anti-Corruption Standards”).

In consideration of the foregoing, the parties agree to understand and abide by the Anti-Corruption Standards and to refrain from any conduct that violates said Anti-Corruption Standards at the local or international level. Failure to comply with the obligation contained in this clause shall constitute grounds for immediate termination of this agreement without cause for default and without any indemnity whatsoever.

- **Inclusion of audit clauses:** the entity reserves the right to inspect and/or audit the supplier in order to review the processes and procedures used by the supplier for the proper execution of the contract. It is agreed that the entity’s auditors will have access to the supplier’s facilities at any time. The audit hereby authorized by the supplier, in relation to the contract, does not constitute, configure or represent any type of relationship of employment or employer authority between the supplier and the employee assigned to execute this clause.
- Right to unilaterally and immediately terminate the contract if there is any suspicion of fraudulent or corrupt conduct on the part of the third party such as payment of bribes or violation of the terms of the contract.
- Review and pre-approval of payments by employees from independent areas ensuring segregation of duties.
- Evaluations to verify and document the work performed by the third party.
- Any other clause to ensure that third parties comply with anti-corruption standards directly and through other third parties subcontracted to carry out the object of the contract.

These guidelines aim to ensure that all transactions and contractual conditions established between Grupo Aval, its subsidiaries and its third parties and intermediaries, are carried out in compliance with the legal provisions and regulations in force, and that the contractual terms specifically detail the services to be provided.

To this effect, the area responsible for implementing the ABAC Programs, along with the person responsible for the contract, must ensure that third party intermediaries are identified as high risk and that the inclusion of such clauses must be processed with the legal area. Additionally, in procurement situations that pose a higher probability of risk associated with corruption (direct or indirect interaction, through agents and/or third party intermediaries, with public officials or public entities), prior approval by the compliance area must be obtained.

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Notwithstanding the foregoing, for lease agreements of offices, buildings for ATMs and administrative headquarters, the inclusion of the clauses is not mandatory as long as the due diligence of rating and assessment of the third party is carried out.

8.6 DONATIONS

In the event that Grupo Aval and its subsidiaries make donations, in compliance with local and international anti-corruption regulations, it is prohibited to make or provide any type of donation to a national or foreign public official with the intention of influencing any act or omission for the corrupt purpose of helping Grupo Aval and its subsidiaries to obtain an improper advantage.

Grupo Aval and its subsidiaries must have a guideline establishing that donations are made under the highest standards of transparency and for the benefit of society and are framed within a plan or program approved by the authorized bodies of Grupo Aval and its subsidiaries.

Grupo Aval and its entities are allowed to make donations, as long as the following conditions are met:

- They make donations directly and exclusively for the purposes and in the amounts approved by the entity's Board of Directors, in accordance with the authorizations granted to said body by the General Shareholders Meeting according to its bylaws.
- They are donations that correspond to those established in the bylaws of the respective entity.
- They are accounted for in accordance with the amounts approved and controls are designed to shield the process from the time of its approval until the objective is achieved.
- In addition to the approval of the General Shareholders Meeting and the Board of Directors as established by the governance architecture of each entity, it must be reported to and approved by the entity's President or General Manager (or the person acting as such).
- Donees must be domiciled in Colombia or in the countries where Grupo Aval's subsidiaries operate.
- The value of the donation must be fully supported by documentation that establishes the cause of the donation, the date of the donation, its amount, its recipient and the method of payment, among others (For example: invoices, notary public certification).
- The donee must be legally entitled to receive donations.
- Comply with all other legal requirements, particularly tax requirements.
- Any other requirements as determined by the Board of Directors.

Therefore, pre-approval activities for a donation of any kind must include at least:

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- Verification of knowledge of the donee, particularly with regard to its eligibility, activities, background and executives, among others.
- Confirmation that the activities carried out by the donee fall within the activities whose causes can be supported by the Company.
- Cross-checking of restrictive and binding lists (such as OFAC, UN) of the entity, its executives and chief officers.
- Certification of the destination and use of the resources granted, signed by the registered of the beneficiary entity.
- In all cases, donations must be authorized by the President or Chief Executive Officer of the Group entity, following review and compliance with the requirements, all of which must be fully and completely documented.
- Additionally, in Donation situations that pose a higher probability of risk associated with corruption (direct or indirect interaction, through agents and/or third party intermediaries, with public officials or public entities), prior approval by the compliance area must be obtained.

Details on Donations and practices not permitted, as well as other specific requirements, can be found in the respective Instructions.

8.7 ENVIRONMENTAL AND SOCIAL PILLAR (SOCIETY AND ENVIRONMENT)

One of the pillars of Grupo Aval's sustainability model is its Surroundings (society and environment); Grupo Aval and its subsidiaries contribute to the development of their Surroundings (society and environment) through the following initiatives:

- Financial inclusion: financial services are provided to the most vulnerable population, thus allowing the inclusion and accessibility of communities.
- Environmental Management: aims towards eco-efficiency in terms of the use of resources, both in Grupo Aval and in subsidiaries, and to raise awareness among employees, customers and other stakeholders.
- Social investment: through Grupo Aval's entities, we aim to have a positive impact on the communities where we operate by supporting social initiatives, social investment projects and by strengthening the cultural and sports sectors; addressing social problems, which allows us to enhance their management and positive impact on different groups at the base of the social pyramid in different conditions of vulnerability.

These initiatives must at least meet the following parameters:

- Grupo Aval and its subsidiaries must have a guideline designed to ensure that these initiatives and/or contributions are made under the highest standards of transparency and for the benefit of society.

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- Grupo Aval and its subsidiaries are allowed to carry out and/or participate in these initiatives as long as the following conditions are met:
 - They must be initiatives and/or contributions that correspond to those established in the bylaws of the respective entity or competent body.
 - They are accounted for in accordance with the amounts approved and controls are designed to shield the process from the time of its approval until the objective is achieved.
 - The recipients of the initiatives and/or contributions must be domiciled in Colombia or in the countries where Grupo Aval's subsidiaries operate.
 - The initiatives and/or contributions must be fully supported by documentation that establishes their cause, the date thereof, the amount, the recipient, the method of payment, among others (For example: invoice, public instruments, minutes, among others).

Details on these initiatives and practices not permitted, as well as other specific requirements, can be found in the respective Instructions.

8.8 PUBLIC OR POLITICAL CONTRIBUTIONS

In no case does the Anti-Corruption Policy intend to establish a prohibition on Grupo Aval or its subsidiaries in relation to the possibility of making public or political contributions. In this regard, it is hereby clarified that Grupo Aval and/or its subsidiaries may make public or political contributions subject to the provisions of their respective bylaws and applicable regulations. In the same sense, when a public or political contribution is made, the person responsible for the ABAC Program must be informed, so that he/she may assess the pertinent actions in accordance with the regulations in force.¹⁵

Notwithstanding the foregoing possibility and, in order to preserve the good name of Grupo Aval and/or the respective subordinate entity, as well as to prevent its resources from being used for the benefit of employees or third parties, the following conducts are prohibited:

- a. Contributions made by an Employee on behalf of Grupo Aval or its related entities with such Employee's own resources.
- b. Contributions made by an Employee on his/her own behalf with resources of Grupo Aval or its Related Entities.

In this regard, it is hereby clarified that,

- a. Grupo Aval and/or its subsidiaries, acting through their legal representatives or attorneys, subject to the law and their bylaws, are the only ones authorized to make any type of political contribution or support electoral initiatives of any kind on behalf of Grupo Aval and its related

¹⁵ Since it may incur in any of the ineligibilities described in Law 1778 Chapter IV "Amendments to Law 1474/2011" Article 31 and 33 "Ineligibility to contract parties financing political campaigns".

entities. The subsidiaries must comply with the guidelines of the Grupo Aval Holding Company in order to carry out this type of initiatives.

- b. In no case is it intended to prohibit Grupo Aval's and/or its subsidiaries' Employees from making political contributions or supporting electoral initiatives of any kind, provided that such contributions or support are provided with their own resources and within the scope of their personal activities.

Details on Contributions to Public or Political Campaigns and practices not permitted, as well as other specific requirements, can be found in the respective Instructions.

8.9 SPONSORSHIPS

In the event that Grupo Aval and/or its subsidiaries carry out sponsorships, there must be supporting documents showing how the sponsorship is part of the strategic objectives of Grupo Aval and its subsidiaries.

All sponsorship must meet at least the following parameters:

- Sponsorship requests, regardless of their origin, must be in writing, signed by the authorized representatives of the requesting entities and contain a clear and detailed explanation of the purpose of the sponsorship, amount, and the manner in which the sponsorship will be used.
- In the case of sponsorships consisting of the assumption of expenses, the purchase of supplies, equipment, materials, etc. on behalf of the requesting entities, the Company shall endeavor, as a first measure, to use its own suppliers and, if this is not possible, to carry out its own assessment to ensure that the suppliers proposed by the requesting entity correspond to entities that meet the Company's requirements for procurement, including, among others, qualification, experience and financial solvency, among others.
- Pay sponsorship expenses directly to the selected suppliers and in no way to the sponsored parties or their representatives.
- All sponsorship must be selflessly and without expecting any return or benefit for Grupo Aval, other than those received in the form of advertising.
- Sponsorships must be approved by the President of the respective entity within the overall budget approval for the accounting period, and the Vice President (or the person acting as such) shall be responsible for monitoring the execution thereof, without exceeding the approved amounts.
- Specify the rights and period to use the image, industrial property, intellectual property and website, when applicable.

- Whenever possible, efforts must be made to mark sponsored products with the image of the Company and/or its subsidiaries or, in the case of events, to mark sponsorship notices with the trademarks of the Company and/or its subsidiaries.
- They must be accounted for in accordance with the amounts approved and controls must be designed to shield the process from the time of its approval until the objective is achieved.

Other requirements:

- Cross-checking of restrictive lists of the officers of the sponsored entity and, when applicable, of the suppliers to whom payment will be made on behalf of the sponsored entity.
- Certification issued by the sponsored entity regarding the use of the resources received by way of sponsorship from the entity.
- Include in sponsorship agreements a statement of the Group's commitment to comply with the highest standards of ethics and conduct.
- Additionally, in sponsorship situations that pose a higher probability of risk associated with corruption (direct or indirect interaction, through agents and/or third party intermediaries, with public officials or public entities), prior approval by the entity's compliance area must be obtained.

Example:

“Grupo Aval and its subsidiaries are committed to complying with the highest standards of ethical conduct and restrict the offering of gifts, donations and sponsorships, among others, when their purpose is to obtain an improper advantage. When accepting any gift, donation or sponsorship that may be provided by the Company, the beneficiary must certify that he/she is duly authorized to do so by virtue of the applicable laws and the internal provisions of the organization with which he/she has a relationship of employment. Grupo Aval and its subsidiaries reserve the right to restrict the provision of gifts, donations or sponsorships in this regard and in accordance with the policies of Grupo Aval and its subsidiaries. In the event that you become aware of the improper use of a gift, donation or sponsorship provided by the Company, or that the intention or effect of such gift, donation or sponsorship is for a corrupt purpose or to obtain an improper advantage, please contact Grupo Aval's ethics line, which can be easily accessed through the Company's website www.grupoaval.com.

A detailed list of non-sponsorable practices and practices not permitted, as well as other specific requirements, can be found in the respective Instructions.

8.10 ACQUISITIONS, MERGERS, SHARE INCREASES, JOINT VENTURES AND ASSOCIATES

Grupo Aval and its subsidiaries must have guidelines through which activities and best practices are established to mitigate existing risks involving Acquisitions, Mergers, Share Increases, Joint Ventures and Associates in compliance with anti-corruption standards.

In the event that Grupo Aval and its subsidiaries carry out processes that may culminate in the acquisition of shareholdings in new entities that grant the right to exercise some type of control, either at the shareholding level and/or through the appointment of members of the Board of Directors, including all those acquisition operations, significant increases in shareholdings, mergers and business combinations, the protocol to reduce the risk of corruption must be complied with.

In these types of relationships, the due diligence process shall include aspects that will provide an analysis of the entity to be acquired in relation to the risk of corruption associated to such entity and its employees. (Portfolio investments and/or shareholding that does not grant any type of control or direct interference over the management of the investee, may be subject to control limited to the typical ABAC and AML/CFT procedures).

The following activities must be considered as part of the due diligence process:

- Conduct an analysis of the partners of the joint business, in order to identify individuals and entities related to Grupo Aval and/or its subsidiaries that appear to be or are involved in punishable offenses and/or have been included in local and international restrictive lists, particularly in relation to corruption matters.
- Conduct background checks on key executives (Vice-Presidents, Presidents, members of the Audit Committee and/or Board of Directors) in public databases or other sources with proper authorization.
- Conduct interviews with key executives on corruption situations and corruption risks of the entity to be acquired.
- Review hiring policies for key personnel and other positions (executives, commercial and account managers, among others).
- Review the anti-corruption program, compliance therewith, past incidents, policies, identified risks.
- Check that the acquired company has previously conducted training programs related to corruption for employees and other third parties.
- Check whether there are any legal proceedings against them related to corruption matters and whether they have been convicted or fined.
- Include a statement by the Group in the contracts or the different documents that evidence the agreement indicating compliance with anti-corruption policies, which implies having the figure of Internal Auditor, External Auditor or a control figure in charge, among others, of verifying that such policies are defined, implemented and monitored in this regard.

Once the acquisition of businesses is completed, either through an increase in the existing shareholding or a purchase of shares in new companies, ensure the following, in consideration of the percentages of influence obtained and the resulting decision-making capacity:

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- Incorporate the acquired company into the internal control systems of the intended controlling company within a reasonable time;
- Train acquired entity's staff on policies, corporate governance, codes of ethics, and conduct and compliance with laws and regulations for becoming part of Grupo Aval;
- Ensure that the acquired entity complies with the other guidelines and instructions defined in Grupo Aval's Corporate Anti-Corruption Policy,
- Where appropriate, conduct activities to monitor risks and the sufficiency, suitability and effectiveness of the controls in place) in order to identify subsequent events or hidden liabilities related to illicit activities.
- Include audit clauses in the contracts that back the deal, in order to monitor compliance with the minimum standards required in anti-corruption matters;
- Exercise the right to inspect the accounting records of the joint venture or associate.

Details on due diligence and other specific requirements can be found in the respective Instructions.

Any Company acquired with more than a 50% share shall have a term of one (1) year from the date of purchase agreement to align with Grupo Aval's corporate ABAC policies.

8.11 RELATED PARTIES AND JOINT VENTURES

Grupo Aval and its subsidiaries must have guidelines through which activities and best practices are established to mitigate existing risks with Related Parties, in compliance with anti-corruption standards.

Grupo Aval and its subsidiaries must keep a permanently updated list of the identification of individuals, entities, consortia, joint ventures or any type of business relationship in which Grupo Aval, directly or through any of its subsidiaries, holds a minority interest (non-controlling), indicating the following for each type of business:

- ✓ Entity
- ✓ Partners
- ✓ Name and position of Senior Management
- ✓ Business purpose
- ✓ Shareholding

8.12 TRANSPARENT MANAGEMENT OF RELATIONS WITH PUBLIC OFFICIALS

In the event that Grupo Aval and its subsidiaries have relations with public entities and officials, the following guidelines must be taken into account as a minimum:

- Treat the official in an honest and transparent manner;
- Do not engage in potential job opportunities with government officials;

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- All business relationships with government entities must be duly documented, supported and approved by the employee in charge, clearly defining the guidelines for their management;
- All Employees of Grupo Aval and its subsidiaries may participate in public or political activities as long as they do so in a personal capacity and do not use the group's time, resources, funds, property, brand or information.

8.13 UNAUTHORIZED PRACTICES

The commercial ethics of Grupo Aval and its subsidiaries are based on healthy competition, offering, when necessary, benefits linked to the conditions of the products offered, including interest rates, preferential terms and collection conditions, among others. The offer of other benefits, including reciprocity, must also be expressly approved by the employee's supervisor. Any benefit offered to a customer, including reciprocity, must be done with full transparency, without resorting to improper, abusive, anti-competitive and, by no means, illegal commercial practices. To this end, all commercial activities of our subsidiaries, and in particular those with public entities, must adhere to the policies and instructions that guide our business ethics at the corporate level.

Loyalty programs are not considered reciprocities and must comply with the minimum requirements from the IFRS standpoint to be recorded as such.

Offering benefits to customers must be supported and documented in a cost/benefit analysis, with regard to the customer's complete portfolio; if the return realized with a customer is below the expected average, the express authorization of the employee's supervisor must be obtained.

Based on the foregoing:

- Subsidiaries are prohibited from entering into bailment agreements with customers or suppliers. If for any exceptional contractual consideration it becomes necessary to loan assets under this figure, they must all, without exception and individually, be previously analyzed by the entity's risk and compliance area (or the area acting as such) based on sound documentation of each operation provided by the first line responsible for such transaction. In any case, the assets provided on bailment must be related to the object of the contract through which their need arose. In accordance with the foregoing, it is hereby clarified that the analysis performed by the risk and compliance area refers to the risk exposure perspective and does not imply authorization within the normal flow of authorization of transactions as defined in each entity.
- It is expressly forbidden to use figures such as advertising, payment of events in favor of third parties, bailments, gifts, invitations, advertising, sponsorships and/or donations as part of reciprocities with customers.

8.14 FRAUDULENT REPORTING PREVENTION GUIDELINES AND INSTRUCTIONS

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8.14.1 Accounting Record

Grupo Aval and its subsidiaries must record in their accounting books all transactions derived from the business in accordance with the applicable International Accounting Standards.

All accounting transactions incurred with a third party and those derived from sponsorships and donations must be recorded in detail, so that they are easily identifiable.

Grupo Aval and its subsidiaries must have “internal control over the financial reporting process” measures in place to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes.

Actions that make it possible to achieve such assurance include:

- Generating risk and control matrices;
- Diagnosing the status of controls, which involves assessing their design and operating effectiveness by performing independent audit tests and;
- Determining action and remediation plans for all identified findings.

All Employees of Grupo Aval and its subsidiaries must disclose to their supervisors or governing bodies, as the case may be, any violation or potential violation of this policy and, in general, of the anti-corruption regulations of which they become aware.

8.15 ANTI-CORRUPTION GUIDELINES AND INSTRUCTIONS

8.15.1 Conflict of Interest

Grupo Aval and its subsidiaries have Conflict of Interest guidelines to protect the company's interests, help Management, Control Bodies and its Employees to achieve high levels of ethics and trust and prevent them from being faced with Conflict of Interest situations or, in the event of such situations, to ensure that they are duly addressed.

Senior Management, Management, Control Bodies and Employees of Grupo Aval and its subsidiaries are exposed to a situation of Conflicts of Interest when they are required to make a decision, perform or omit an action with regard to their functions that may be in conflict with personal interests, such that their objectivity and judgment in doing their job may be affected.

The guidelines incorporate circumstances where the interests of an employee and those of Grupo Aval and its subsidiaries may be at conflict; and the principles and values that must guide the actions of employees and family members up to at least the second degree of consanguinity, second degree of affinity or first civil degree, or his/her de facto or de jure partner or partner to prevent a Conflict of Interest from arising.

Conflict of Interest situations are included in the guideline for cases of:

- Direct or indirect relationship of employment.

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- Participation in transactions, assets or investments of Grupo Aval or its subsidiaries.
- Procurement processes.
- Management of gifts, presents or hospitality.

Situations involving a Conflict of Interest may not always be obvious or easy to resolve. Therefore, Senior Management, Management, Employees and Control Bodies of Grupo Aval and its subsidiaries, must report situations that involve a Conflict of Interest as soon as they are observed and before making any decision, to the immediate supervisor to the Ethics Committee (or the one acting as such).

The Ethics Committee (or the one acting as such) is responsible for managing and following up on Conflict of Interest situations reported to it, in addition to ensuring the confidentiality and security of the information and determining the corrective, preventive or disciplinary actions applicable to each case.

Additionally, all new employees, when hired, and certain groups of employees with greater exposure to negotiations with state entities according to the segmentation of each entity, must sign a confirmation every year in which they attest to the presence or absence of Conflict of Interest as established by the respective entity.

8.15.2 Bribes

In compliance with anti-corruption regulations, Grupo Aval and its subsidiaries **prohibit** their Employees from paying, promising to pay or authorizing the payment of cash, money or anything of value to an official or public or private servant, national or foreign, and to anyone in general, when the purpose of the payment is to corruptly influence any act or omission to help Grupo Aval or its subsidiaries to obtain an improper advantage.

The activities defined for compliance with this policy include, among others, the following:

- Identify areas and processes in which there is a higher risk;
- Identify third parties that have any relationship with the Government or a family, work, commercial or any other type of ties to the State or its entities;
- Identify and analyze the type of transactions the third party offers or receives;
- Determine the red flags; and
- Define the necessary procedures to prevent, detect and correct.

8.15.3 Payments to Expedite Processes and Procedures

Grupo Aval and its subsidiaries prohibit their Employees from providing or accepting payments for the purpose of expediting processes and procedures carried out through a third party or in favor of a third party or intermediary.

In order to comply with this policy, the following activities must be carried out as a minimum:

- Identify the areas susceptible to this risk, such as: placement (granting, disbursements, collections); deposits (opening of products); procurement (employees, suppliers) or the critical areas of each company according to their analysis.
- Document the factors or causes considered in the analysis.
- Identify preventive control activities.
- Periodically monitor these activities.
- Report the results to the Vice-Presidency of Risk.
- Perform detective and corrective testing.

These activities are the responsibility of a high-level employee defined by each entity, with decision-making capacity.

Special attention should be placed on the identification, management and monitoring of Third Party Intermediaries as established in the respective Instructions.

8.16 RESPONSES TO CORRUPTION

8.16.1 Reporting Events

Grupo Aval and its subsidiaries are aware of the importance of reporting identified incidents. An unreported event may represent an even greater cost than the event itself. Grupo Aval and its subsidiaries must implement mechanisms through which its Employees can report corruption events. The mechanisms include an ethics line, an e-mail, a website and/or any other means for reporting corruption events.

Through the mechanisms provided, any Employee has the right to report an event of corruption or unethical conduct, anonymously and confidentially. The identity of the claimant, if established, along with the information and evidence provided in the report are kept confidential.

8.16. 2 Aval Ethics Line

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Grupo Aval has a communication channel through which employees of the Group's entities can freely and spontaneously report any possible corruption event. The Aval Ethics Line is available to employees on the Intranet of Grupo Aval and each of its subsidiaries.

This channel is also available on Grupo Aval's website for suppliers, contractors and other stakeholders, for the purpose of encouraging compliance with the highest ethical standards, as well as to prevent potential corruption events, bad practices and irregular situations that could affect the Group and the economic agents that interact with it.

The Aval Ethics Line channel is managed by the Group's Vice-Presidency of Internal Control and Grupo Aval's Compliance Officer, and the confidentiality of the information and the anonymity of those who use it is guaranteed.

8.16.3 Conducts to be Reported

Below are some of the actions, by type of fraud, that may constitute corruption in Grupo Aval and its subsidiaries and therefore, must be reported. It is important to clarify that this list does not include all the potential corrupt or dishonest conduct or conducts that go against the interests of Grupo Aval and its subsidiaries.

8.16.3.1 Accounting Fraud

- Improperly altering or manipulating income and/or expense accounts to reflect performance that does not correspond to reality.
- Making accounting records in inappropriate periods for the purpose of reflecting a financial situation that does not correspond to reality.
- Inadequately valuing the assets of Grupo Aval or its subsidiaries to reflect a financial situation that does not correspond to reality.
- Inappropriate disclosure of information in the financial statements that may lead to wrong decisions by potential investors, lenders or any other user of the financial statements.
- Making or omitting adjustments to accounting records for personal benefit or for the benefit of third parties.
- Intentionally concealing accounting errors.

8.16.3.2 Corruption

- Promising, offering or granting, directly or indirectly, to a third party an undue benefit that results in the person's own advantage, to that of another person or to that of Grupo Aval or its subsidiaries.
- Requesting or accepting, directly or indirectly, from a third party an undue benefit that results in the person's own advantage, to that of another person or to that of Grupo Aval or its subsidiaries.
- Paying a bribe to a third party (private or public) to obtain an illegitimate advantage over the competition.

- Making contributions, in cash or in kind, to a political cause for the purpose of obtaining an illegal advantage.
- Diverting money for a social or sponsorship purpose for personal gain or for the purpose of committing an act of corruption.
- Unlawfully altering a contractual procedure in a public or private requisition process.
- Favoring a person's own interests or those of a third party, in exercising of his/her functions, over the interests of Grupo Aval or its subsidiaries.

8.16.4 Investigation Process

Investigation mechanisms are intended to take the necessary actions to clarify possible corruption events. Grupo Aval and its subsidiaries are committed to objectively and thoroughly investigating all corruption events reported through the different mechanisms available.

The investigation process is the responsibility of the area designated by the Management of Grupo Aval or its subsidiaries, as appropriate, and may be carried out jointly with an independent third party or by the party designated internally, when so decided according to the criticality, circumstances and staff involved, among other aspects. This decision is made by the Ethics and Conduct Committee (or the committee acting as such) depending on the particular circumstances of each case.

Investigations are confidential until such time as disclosure, reporting and treatment to the relevant internal and/or external bodies is determined as a result of the investigation. Employees who participate in the investigation process are required to maintain complete confidentiality of all the information. The investigation process may require, among others, the following activities, provided they are not contrary to the legal provisions of each country.

- Interviews with employees or external persons.
- Collection and analysis of documentation or evidence.
- Forensic examination.
- Review of telephone calls.
- Inquiries with financial institutions.
- Access to physical and magnetic files.
- Inspection of funds, property or assets.
- Inquiries or interviews with law enforcement, regulatory or oversight agencies.
- The results of investigations must be reported to the compliance officer and other areas as appropriate.
- Ensure the independence and timeliness of the investigation team.
- Requirement of confidentiality of the investigation, as well as the results thereof.

The evidence obtained as a result of the investigation process must be kept as proof thereof and of the actions to be taken as a result of the decisions made for this purpose by the Ethics and Conduct Committee.

The Ethics and Conduct Committee, or the one acting as such, determines the disciplinary sanctions applicable to the Employee(s) who commit corruption or acts that go against the provisions of this Policy and its related policies. Sanctions are determined according to the results of the investigation. Sanctions are applied in accordance with the procedures established in the Internal Labor Regulations and/or current regulations, notwithstanding any legal and civil actions that may be applicable; refer to the section on Sanctions.

Grupo Aval or its subsidiaries, as appropriate, when necessary, will inform the competent authorities of any corruption event and will undertake and assist in the relevant legal actions.

8.16.4.1 ACTIONS TO BE TAKEN IF SITUATIONS ARE IDENTIFIED¹⁶

Grupo Aval and its subsidiaries shall take the following actions after analyzing each case and according to the provisions of the Ethics and Conduct Committee:

- Report the situation to the respective regulator on its own initiative during the stages of the investigation process.
- Share the results of internal investigations and provide respective updates when new information arises.
- Provide summaries of witness interviews and willingly make witnesses available to be interviewed by the regulator.
- Take legal, disciplinary and administrative action against those found guilty of policy violations and non-compliance.
- Strengthen policies and procedures, the anti-corruption program, training processes.

8.16.5 Reports

In order to facilitate compliance monitoring, each of the Instructions corresponding to specific anti-corruption issues includes a series of reports addressed to Grupo Aval and to the Direct Parent Companies of each of the subsidiaries. These details include the form to be used, the information to be reported, the cut-off date and the frequency of the reports.

8.17 RISK ASSESSMENT

Grupo Aval and its subsidiaries must have a process to identify, assess, document, manage and mitigate corruption risks. This process is carried out at least once a year or in the event of special circumstances, such as a change in market conditions, the launch of a new product or service, or when there is a corporate restructuring.

¹⁶ Procedural provisions of Law 1778 provided for in Chapter III, Articles 19 and 21 “Benefits for Collaboration” and “Waiver to provide information”.

The activities included in the corruption risk assessment process of Grupo Aval and its subsidiaries include:

- Identification of risks by process or business unit.
- Assessment of the probability and significance of each corruption risk identified in the organization.
- Documentation of risks by the different areas or business units.
- Dissemination of the risk matrices and their respective assessment to the employees in charge.
- The risk areas of Grupo Aval and its subsidiaries ensure compliance with the process of identification, assessment, documentation and management of corruption risks.

The activities described above are documented as evidence of the periodic and systematic assessment of the risks of Grupo Aval and its subsidiaries. The risk assessment process is the responsibility of each of the risk management areas of Grupo Aval and its subsidiaries.

In the corruption risk assessment process, considered as an integral part of the entity's risk management system, factors such as the following may be taken into account, considering, of course, each entity's profile, size and structure:

- Country Risk
- Industry Risk
- Level of government participation
- Nature and degree of interaction with national and/or foreign public servants
- Location and sectors in which the entity operates

The initial framework for identifying these risks is the generic risk inventory issued by Grupo Aval.

Grupo Aval and its related entities shall maintain documented information to demonstrate that the corruption risk assessment has been conducted and used to implement an ABAC Program.

8.18 CONTROL ACTIVITIES

Grupo Aval and its subsidiaries must establish control activities for each of the risks identified in the assessment process, aimed at identifying, preventing and mitigating corruption events that may affect Grupo Aval and its subsidiaries. Control activities can be preventive or detective, manual or automatic, and include a range of diverse activities, including approvals, authorizations, segregation of duties, verifications, reconciliations, performance reviews, user profiles and access controls, and physical controls, among others.

Process owners must properly document the different control activities for each of the defined processes or business units. This ensures that each of the risks identified during the assessment process is managed. This documentation is carried out using risk and control matrices.

Grupo Aval and its subsidiaries have identified the transactions and accounting records on which they recommend special attention and analysis be exercised. However, each entity defines the transactions and accounting records to be analyzed.

The control activities designed to mitigate corruption risks are assessed, both in terms of design and operation, in accordance with the methodology established by Grupo Aval and its subsidiaries.

Other control activities include:

- Constantly monitoring the transactions related to payments that may be classified as high risk, such as: payments made in cash; payments to tax havens; payments segmented in amounts below authorization levels; alternate payments and payments without the proper supporting documents.
- Making a log of the invitations and gifts provided to public officials detailing the amount of the expense, the authorization, the context of the meeting or invitation, and the purpose thereof.

8.19 INFORMATION AND COMMUNICATION

8.19.1 Information Repository

Grupo Aval and its subsidiaries must have an information repository to support the components of the ABAC program, as well as tools to manage the risks identified and the controls implemented, in addition to keeping a statistical control of all corruption events reported and managed. This ensures the availability, timeliness and reliability of the information related to the corruption events managed.

8.19.2 Communication Plan

As we are aware that effective communication is a fundamental element for the implementation, internalization, maintenance and sustainability of an ABAC program, Grupo Aval and its subsidiaries must develop an annual communications plan to promote and strengthen the anti-corruption culture, as well as to raise employee awareness of the importance of preventing, reporting and detecting corruption. The communications plan must include internal campaigns, supporting material, written communications, e-mails, etc., highlighting the most relevant aspects of the anti-corruption policy, its related guidelines and the importance of internal control.

8.19.3 Training and Education

As part of the induction process for a new employee, and at least yearly, training on the anti-corruption policy and Colombian criminal law, as well as the FCPA, should be provided, covering, for example:

- The commitment of Grupo Aval and its subsidiaries to the prevention of corruption.
- The advantages of an ABAC program.
- Events or conduct that may constitute corruption and must be reported.
- The mechanisms through which a report can be made and the guarantee of anonymity.
- The implications of committing corruption, illegal acts or unethical conduct, and the disciplinary sanctions that this entails.

Training can be provided on an ongoing, virtual or face-to-face basis and selectively to the Employees of Grupo Aval and its subsidiaries, in order to strengthen the concepts and ensure the continuity and sustainability of the ABAC program.

Similarly, ongoing campaigns must be carried out on the importance of verifying possible conflicts of interest between employees and public officials.

8.19.4 Monitoring

A review of the objectives and components of the Anti-Corruption Policy and related policies or guidelines must be performed at least annually, along with the monitoring of the risks identified and the sufficiency, suitability and effectiveness of the controls in place in the different processes as part of the implementation of this policy, by a high-level employee appointed by each entity, who is responsible for ensuring that the anti-corruption program is properly executed.

In any case, each Employee of Grupo Aval and its subsidiaries is responsible for ensuring compliance with the controls under their responsibility and the ethical standards established in this policy, as well as for reporting known and/or identified incidents, through the channels provided for this purpose, such as the ethics line, e-mail to internal auditors and/or the website.

8.19.5 Internal Audit

The Internal Audits of Grupo Aval and its subsidiaries must assess the Anti-Corruption Policy based on risks, the effectiveness of existing controls and the treatment of reported corruption events, whenever considered relevant according to their work plan.

8.20 SANCTIONS

Grupo Aval and its Subsidiaries acknowledge that in the event of non-compliance with this policy and other activities derived therefrom, the entities and persons responsible for its application and compliance shall be subject to administrative, criminal and financial sanctions established in local and international laws, as well as to the increase of the entity's risk level and the strict follow-up and monitoring of the Corporate control bodies.

8.20.1 Accounting Provisions

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For illustrative purposes, the following is a list of the penalties contemplated in the FCPA for incurring in violations of the Act:

For individuals:

- Civil penalties of up to USD 100,000.
- Criminal fines of up to USD 5 million or twice the gain or loss from the violation, and/or up to 20 years imprisonment.
- The company on whose behalf the person acted cannot pay the fines directly or indirectly.

For entities:

- Civil penalties of up to USD 500,000.
- Criminal fines of up to USD 25 million or twice the gain or loss caused by the violation.
- Return of illicit gains.

8.20.2 International Anti-Bribery Provisions (FCPA)

For individuals:

- Civil penalties of up to USD 10,000.
- Criminal fines of up to USD 250,000 and/or up to 5 years imprisonment.
- According to the alternative fines act, the fine can be up to double the gross financial gain or loss resulting from the payment of bribes.
- The company on whose behalf that person acted cannot pay a criminal fine imposed on that individual directly or indirectly.
- Forfeiture of assets.

For entities:

- Civil penalties of up to USD 10,000.
- Criminal fines of up to USD 2 million.
- According to the alternative fines act, the fine can be up to double the gross financial gain or loss resulting from the payment of bribes.

8.20.3 Local Anti-Bribery Provisions¹⁷

For individuals:

- Imprisonment from 9 to 15 years.
- Ineligibility to exercise public rights and functions for the same term.
- Fine of 650 to 50,000 current minimum monthly legal salaries.
- Ineligibility to contract with the Colombian government for a term of 20 years.

¹⁷With regard to non-compliance with this policy and with local laws, specifically Law 1778, as contemplated in Chapter II “Sanctions Regime”, Articles 5 and 6 “Sanctions” and “Sanctions in the event of statutory reforms”

For entities:

- Fine of up to 200,000 current minimum monthly legal salaries.
- Ineligibility to contract with the Colombian government for a term of 20 years.
- Publication in widely circulated media and on the website of the sanctioned legal entity of an excerpt of the administrative decision imposing the sanction for a maximum of one (1) year.
- Prohibition to receive any type of incentive or subsidy from the government for a period of 5 years.

Likewise, the Anti-Bribery Law provides that any legal entity acting as the parent company, according to Colombian corporate regulations, will be investigated and sanctioned when its subsidiaries incur in transnational bribery, with the consent or tolerance of the controlling company.

Therefore, Grupo Aval requires its related entities to define and develop ABAC Programs that are executed, evaluated and monitored according to the guidelines established herein, considering that the existence of transparency programs or anti-corruption mechanisms in the company helps to strengthen the corporate risk culture and therefore is one of the main criteria to be considered in the risk assessment at the entity level.

8.20.4 Disciplinary Sanctions within Grupo Aval

Each of the Group's entities must include in its human management policies, the disciplinary sanctions applied in events where it is confirmed that an Employee has breached this policy. It is up to each entity to file criminal or civil lawsuits in the cases it deems appropriate within the framework of the internal work regulations.

Translation

The translation of this policy corresponds to a free translation from de original in Spanish.