



CORPORATE POLICY ON TAX GUIDELINES

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1. INTRODUCTION

The governance model of Grupo Aval Acciones y Valores S.A. ("Grupo Aval") is based on a set of corporate values whose focus and duty is to our stakeholders, having as a principle the application and respect of the laws of each geography in which we operate, contributing to the community through best practices of transparency, ethics, prudence, good faith and internal control that allow us to guarantee trust, soundness and sustainability of the Group.

The Corporate Governance established for Grupo Aval and its subordinate entities is focused on compliance with legal and regulatory provisions, therefore at corporate level this tax policy allows presenting the basic guidelines and standards that are taken into account in the development of activities in the tax areas, which must comply with the requirements and applicable regulations.

This policy addresses the guidelines to be taken into account in the tax management of Grupo Aval's subordinate entities, which include compliance with obligations related to income taxes through the filing of income tax returns, the determination and recording of deferred taxes that impact the presentation of financial statements, and the attention to requirements before control entities.

The policy is addressed to Grupo Aval and its subordinate entities with respect to tax matters involving income taxes in accordance with IAS 12 and the tax regulations in force in Colombia, and each of the jurisdictions where Grupo Aval is present through any of its subordinate entities.

For purposes of its application, Grupo Aval and each of the subordinate entities must obtain the approval of their corresponding governance bodies for the adoption of a policy in terms consistent with the provisions herein.

2. GUIDELINES

Grupo Aval and its subordinate entities are committed to adopting good practices that allow an adequate prevention and reduction of both tax and reputational risks, so as to generate greater legal and economic security for the entity and its shareholders.

The main objective of Grupo Aval and its subordinate entities in tax matters must be to guarantee the formal and material compliance with their obligations, complying with the laws, decrees, jurisprudence and in general any regulatory standard, continuously evaluating the positions taken in the tax returns in order to avoid positions that may result in non-compliance with the applicable regulations.

In order to meet this objective, the following guidelines are established:

- Identify and apply the regulations in force in each of the jurisdictions in which operations are carried out, so as to ensure compliance with all obligations.
- Apply the constitutional foundations, principles, tax regulations, jurisprudence, doctrine and other auxiliary sources of law for the determination of taxes; use the different permitted methods of interpretation of the regulations, including those that imply the interpretation of the spirit of the law.
- File and pay the taxes for which each company is liable in a timely manner.

- Based on the principle of legality, identify the tax benefits from each company, which allow the optimization of taxes according to their business. This is given through the use of exempt income, tax discounts, special exemptions for the development of taxable activities.
- Comply with the principle of full competition for transfer pricing purposes, ensuring that operations are carried out at market prices both with related and independent parties.
- Consider, at the time of advancing any operation or making any decision on tax matters, whether it corresponds to a good practice in transfer pricing and ensure the legality of the operation for involving, among other factors, jurisdictions that the Colombian authorities consider tax havens, countries that are on restrictive lists, and the use of front entities and without commercial substance for exclusively evasive purposes.
- Verify that in its reporting duties it provides complete and truthful information including, when required, tax information, information on the jurisdiction of incorporation, information on the payment of tax obligations and any other information on which there is a legal duty to report.
- Collaborate with the tax authorities in the event of any legal requirement, providing the required information within the established terms, complying with the administrative procedures applicable to each case.
- Integrate external tax experts to the tax teams of the main companies, to assist in specific tax issues that involve complexity in the study and analysis, so that the decision to be taken internally is studied and supported.
- Periodically evaluate the positions taken in the tax returns with respect to situations in which the applicable tax regulation is subject to interpretation and avoid taking positions that may result in the recognition of provisions for uncertain tax positions and/or fines and penalties in the future.
- Design and implement accounting policies and internal controls from each entity and at the consolidated level to ensure that tax-related information is correctly recorded in the accounting and disclosed in the different reports.
- Support national governments and tax administrations, through trade associations, with the study of relevant tax issues of the sector.