

SARLAFT POLICIES

Money Laundering and Terrorist Financing Risk Management System.

FENIX ALLIANCE S.A.S., hereinafter Fenix Alliance, is a duly established entity in Colombia, with headquarters in Transversal 2ª # 67b – 10, in the city of Tunja. For the development of its operations, Fenix Alliance has a Risk Management System for Money Laundering and the Financing of Terrorism, (hereinafter “SARLAFT” for its acronym in Spanish) that contemplates compliance with the provisions of the Organic Statute of the Colombian Financial System (Decree 663 of 1.993) and other regulations issued by the Financial Superintendence of Colombia, as well as international recommendations and best practices in this area.

The policies, controls and procedures implemented, within a risk management concept, are actions that seek due diligence to prevent the use of Fenix Alliance by criminals for illicit purposes. Such actions include, among other aspects, the knowledge of the client and his operations with our entity, definition of market segments attended by us, monitoring of transactions, training of personnel and reports of suspicious operations to the competent authority.

The procedures and rules of conduct on the application of all SARLAFT control mechanisms and instruments are contemplated in the SARLAFT Manual and the Code of Conduct approved by the Board of Directors, which are mandatory for all Fenix Alliance officials.

Staff training

Fenix Alliance's senior management recognizes the importance of training and understands that employees are critical people in the fight against money laundering. In general, Fenix Alliance employees are trained in the prevention of money laundering and terrorist financing. Additionally, those employees with direct contact with customers, as well as those who manage the relationships with defined customers of greater risk receive specialized training in this matter.

Customer knowledge

Our customer knowledge policy seeks that all customers are properly identified and that their financial profile can be established. We also consult checklist services such as OFAC and Credit Bureaus for greater reliability of our clients' enrollment. For some clients, due to their high risk profile, they must attend to more demanding customer knowledge processes.

Customer information is verified and due diligence is performed to keep your information up to date.

All this is complemented by the knowledge of the market segments we serve, which allows us to make comparisons against the customers we link. Customer information is kept during the terms indicated in the law, and is available to the authorities, for the purposes of their inquiries and investigations.

Transaction monitoring

Fenix Alliance monitors customer transactions. In general terms, monitoring seeks to identify unusual operations, based on warning signs. For certain types of clients, with a high-risk profile, a more thorough monitoring scheme has been established.

In the development of the policies of knowledge or identification of the client, when the analysis is determined that the operations are suspicious, they are reported to the competent authorities (Financial Information and Analysis Unit-UIAF), in the manner established by the regulations. Depending on the above activities, decisions are made to maintain or terminate the financial relationship with the client.

Compliance Officer

For the development of the functions established by the legal norms, the Board of Directors of Fenix Alliance has appointed a Compliance Officer (Holder and Alternate), is a high-level person, with decision-making capacity, is supported by a human and technical work team that allows him to cover the different areas of management and has the effective support of the directors of Fenix Alliance.

Control and Audit

The review of compliance with the control mechanisms designed and implemented in the Fenix Alliance SARLAFT are carried out periodically by our professionals of each compliance task is carried out through visits to the dependencies or areas of the entity that are oriented in audit procedures.

In development of the instructions on the subject has been given by the Financial Superintendence. Fenix Alliance has implemented the appropriate controls that allow it to detect breaches of the instructions for the prevention of money laundering are enshrined

in the EOSF and other legal regulations. As a result of these evaluations, corrective measures are applied that allow continuous improvement in this area and facilitate our institution the mitigation of the risks associated with money laundering.