

ANTI-MONEY LAUNDERING AND COUNTER-TERRORISM FINANCING RISK POLICY (AML/CTF POLICY)

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1. Introduction and Objectives

Canal Clima S.A.S (“Canal Clima”) acknowledges that both money laundering and terrorist financing are crimes that generate operational, legal, and reputational risks for an organization and may affect its competitiveness, productivity, and sustainability.

Committed to the application of good corporate, operational, and control practices, as well as the highest ethical standards in its business, Canal Clima voluntarily adopts this Policy for the Prevention of Money Laundering (ML) and Terrorist Financing (TF) Risks (“the Policy”).

This document establishes the guidelines for Canal Clima to have the capacity to respond to and mitigate the risk of being used as an instrument for money laundering operations and/or the channeling of resources towards terrorist activities.

2. Scope

The provisions of this Policy apply to Canal Clima, its Administrators, Employees, suppliers, contractors, and any person who may act on behalf of Canal Clima.

3. Definitions

Terms capitalized in this document that require special definitions are defined in the attached Glossary.

4. Guidelines for the Management, Administration, and Control of ML/TF Risk

4.1 General Guidelines

- Canal Clima, within the framework of Colombian law and the international recommendations of FATF, GAFILAT, and other similar organizations, directs its efforts to prevent and control the risk of ML/TF in order to mitigate the risk that its operations are used for money laundering or to channel resources for terrorist financing.
- Canal Clima appoints a Compliance Officer responsible for ensuring adherence to the Policy guidelines, who is assigned the necessary human, technical, financial, and operational resources to adequately perform their functions and implement operational, economic, physical, and technological measures.

- The legal representative and the Compliance Officer must ensure compliance with all provisions related to this Policy.
- Canal Clima employees must actively participate in fostering a culture of risk prevention through: a) mandatory attendance to scheduled training sessions; b) reporting Unusual Transactions or Warning Signs; and c) strict compliance with established policies and procedures.
- Employees must prioritize compliance with these guidelines and the standards established for preventing ML/TF risks over achieving commercial targets and the procurement of goods and services within Canal Clima.
- It is mandatory for Canal Clima to conduct Due Diligence and consult restrictive or sanction lists, backgrounds, and publicly available information for all Counterparties, both prior to their engagement and whenever information is updated or a significant change occurs, as applicable, in order to evaluate and mitigate risks associated with Money Laundering and Terrorist Financing.
- Canal Clima will refrain from engaging in any transaction or contractual relationship with a third party without first performing the Due Diligence processes established in this Policy and procurement procedures.
- Canal Clima will refrain from any operation or commercial relationship with third parties linked or related to illegal activities or predicate offenses of Money Laundering or Terrorist Financing, or when there is reasonable doubt about the legality of operations, resources, and/or their intended use.
- Canal Clima will cooperate with state entities and authorities by providing information requested during investigations related to Money Laundering or Terrorist Financing.
- If an Employee suspects or detects anything unusual in the processes that could imply an Unusual Transaction or Warning Sign related to ML/TF/FPADM risks, they must report the situation to the Compliance Officer.
- All Employees are obliged to comply with this Policy, and any violation of its guidelines is considered a serious offense. Canal Clima establishes sanctioning policies and procedures in case of non-compliance with this Policy, applied in accordance with the Employment Contract and/or the Internal Work Regulations in force.

4.2 Guidelines for Onboarding and Knowledge of Counterparties

- For the knowledge of Counterparties, prior to conducting any transaction or establishing any business, contractual, or legal relationship with them, Canal Clima will apply Due Diligence or Enhanced Due Diligence procedures, which must be incorporated as an integral part of Canal Clima's functional and operational processes, according to the Due Diligence Procedure (Annex 1).
- Canal Clima establishes procedures to understand the ownership structure of each Counterparty, with mechanisms to collect identification information including data on Ultimate Beneficiaries.

- Employees responsible for contracting and onboarding Counterparties must require all Counterparties to complete the onboarding/update forms applied in the Due Diligence Procedure.
- All natural or legal persons linked or related to Canal Clima will be screened against Restrictive Lists, including Binding Lists for Colombia and other lists considered relevant for identification and knowledge.
- Enhanced Due Diligence must be applied as established in the Due Diligence and Segmentation Procedure (Annex 1).
- Canal Clima must refrain from initiating, conducting, having, or maintaining any type of operation or business, contractual, or legal relationship if, based on the adopted measures and Due Diligence process, it is concluded that the third party may pose a risk associated with money laundering or terrorist financing.
- In the ColCX Program business line, Due Diligence must be conducted on clients, holders of greenhouse gas mitigation initiatives or mitigation projects, consultants, and certifiers.

4.3. Guidelines on Cash Transactions

At Canal Clima, as a policy, no cash transactions are conducted in its business, operations, or with its Counterparties. Cash resources will not be accepted directly from Counterparties.

Employees must comply with the Group's Petty Cash and Fixed Funds Management Policy.

4.4 Reporting Guidelines

- Employees will report Unusual Transactions or Warning Signs to the Compliance Officer.
- In cases where Due Diligence or Enhanced Due Diligence processes cannot be satisfactorily completed, or Warning Signs are detected, the Compliance Officer must be informed, and the appropriateness of initiating or terminating a commercial or contractual relationship must be evaluated.

5. Unusual Transactions and warning Signs

An Unusual Transaction is any transaction that falls outside the normal parameters according to Canal Clima's operations or, due to its amount and characteristics, does not correspond to the economic or commercial activity of the third parties with whom Canal Clima interacts. If any warning sign arises, transactions must be reviewed to verify whether they are unusual or suspicious within the ordinary course of Canal Clima's activities.

A warning sign is understood as any type of information, behavior, or activity that should draw attention, as it may be an indication allowing the detection of criminal activities or ML/TF risks. Each one must be analyzed carefully.

The responsibility for identifying and verifying warning signs initially lies with the employees performing Canal Clima's operations or processes and those who have regular contact with Counterparties.

Below are some warning signs related to ML/TF risks:

1. Natural or legal persons who are not fully identified during the Due Diligence process, or who provide false or altered information or documentation.
2. Counterparties or employees with criminal records or related to predicate offenses of ML/TF.
3. New partners or donors without prior verification of the origin of the resources they contribute.
4. Transactions, business activities, or contracts that represent, have as their object, or involve:
 - a) High volumes of cash without apparent justification.
 - b) Products, movable or immovable property priced significantly below or different from normal market values.
5. Donations without an apparent Ultimate Beneficiary, with unknown origin of funds, or domiciled in a high-risk country or jurisdiction.
6. Significant transactions, business activities, or contracts that are not documented in writing.
7. Payments involving resources from international transfers originating from multiple senders to the same beneficiary, or from the same sender to multiple recipients, without an apparent relationship.
8. Transactions conducted with Counterparties domiciled or located in geographic areas designated by FATF as non-cooperative.
9. Transactions involving products derived from illegal activities (including, among others, smuggling).
10. Transactions involving products that have not been properly nationalized.

6. Sanctions or Disciplinary Actions

Employees who fail to comply with the provisions of this Policy will be subject to sanctions as provided in the Employment Contract and/or the current Internal Work Regulations.

7. Updates and Dissemination

This Policy must be reviewed, updated, and approved at least every two years by the Executive Management and the highest governing body, and/or whenever new legal or internal regulations need to be considered.

Any changes will be communicated to all Employees or Collaborators, as well as to relevant stakeholders.

8. Effective Date

This Policy shall become effective once published and formally approved by the Board(s) of Directors or the highest governing body(ies).

Annexes

1. Due Diligence and Segmentation Procedure.

GLOSSARY

Risk Prevention Policy LA/FT

Administrators: the legal representatives and their alternates, when replacing them in cases of accidental, temporary, or absolute absences, the liquidator, members of the Board of Directors, and those who, according to the bylaws and the law, exercise or hold such functions.

Ultimate Beneficiary: the natural person(s) who ultimately own(s) or control(s) a client or the natural person on whose behalf a transaction is conducted. This also includes the person(s) who exercise effective and/or ultimate control, directly or indirectly, over a legal entity or other non-legal entity structure. Ultimate Beneficiaries of a legal entity include:

- a) A natural person who, acting individually or jointly, exercises control over the legal entity, under the terms of Article 260 and following of the Colombian Commercial Code; or
- b) A natural person who, acting individually or jointly, directly or indirectly owns five percent (5%) or more of the capital or voting rights of the legal entity, and/or benefits from five percent (5%) or more of the entity's revenues, profits, or assets
- c) When no natural person is identified under a) or b), the natural person holding the position of legal representative, unless there is a person with higher authority in relation to the management or direction functions of the legal entity.

Ultimate Beneficiaries of a fiduciary contract, non-legal entity structure, or similar legal structure include natural persons holding the status of:

- i. Settlor(s), trustor(s), constituent(s), or similar or equivalent position
- ii. Fiduciary committee, financial committee, or similar or equivalent position
- iii. Beneficiary(ies) or conditional beneficiaries; and
- iv. Any other natural person who exercises effective and/or ultimate control, or has the right to enjoy and/or dispose of the assets, benefits, results, or profits.

Safeguard Clause: refers to clauses that must be included in all contracts entered into by Canal Clima with any third party or counterpart, with the purpose of preventing and controlling the risks of LA/FT and C/ST in contractual relationships.

Counterparty: any natural or legal person with whom CANAL CLIMA has commercial, business, contractual, or legal relations of any kind. Counterparties include, among others, employees, suppliers, clients, contractors, donors, and grantees.

Contractor: in the context of a business or transaction, any third party that provides services to CANAL CLIMA or has a contractual legal relationship of any nature with it. Contractors may include, among others, suppliers, intermediaries, agents, distributors, advisors, consultants, and persons involved in collaboration contracts, temporary unions, consortiums, or shared-risk agreements with Canal Clima.

Executive Director: the person appointed by Canal Clima to serve as the legal representative.

Due Diligence: the process of constant, periodic review and assessment of contractors and counterparties in accordance with LA/FT/CO/ST risks.

Enhanced Due Diligence: the process by which the Company adopts additional and more intensive measures to understand the counterparty, its business, operations, products, and transaction volumes, according to the established segmentation and the higher risk level it represents.

Employees: all persons who have a labor relationship or provide services to CANAL CLIMA.

Terrorism Financing or TF: activities aimed at channeling legal or illegal resources, directly or indirectly, to provide, collect, deliver, receive, manage, contribute, safeguard, or store funds, assets, or resources, or carry out any other act that promotes, organizes, supports, maintains, finances, or sustains organized crime groups, armed groups outside the law, their members, national or foreign terrorist groups, or terrorist individuals or activities.

Financing of the Proliferation of Weapons of Mass Destruction or FPWMD: any act providing funds or using financial services, in whole or in part, for the manufacture, acquisition, possession, development, export, trafficking of material, fractioning, transport, transfer, deposit, or dual-use for illegitimate purposes contrary to national laws or international obligations, where applicable.

FATF: the Financial Action Task Force. An intergovernmental group established in 1989 to issue standards for countries to combat money laundering, terrorism financing, and the proliferation of weapons of mass destruction.

Board of Directors: under Article 434 of the Commercial Code, the board of directors is a mandatory collegiate administrative body in joint-stock companies, composed of no fewer than three members with their respective alternates.

LA/FT/FPWMD: means Money Laundering, Terrorism Financing, and Financing of the Proliferation of Weapons of Mass Destruction.

Money Laundering: the offense typified in Article 323 of the Colombian Penal Code (or its replacement or modification).

Restricted Lists: lists of persons and entities with suspicious activities, investigations, sanctions, proceedings, or convictions for money laundering, terrorism financing, or underlying crimes, at national or international levels.

Lists Binding for Colombia: lists of persons and entities associated with terrorist organizations that are binding for Colombia under Colombian law (Article 20 of Law 1121 of 2006) and under international law, including but not limited to UN Security Council Resolutions 1267 (1999), 1373 (2001), 1718 and 1737 (2006), 1988 and 1989 (2011), and 2178 (2014), as well as any subsequent, related, or complementary lists, and any other list binding for Colombia (e.g., U.S. terrorist lists, EU lists of terrorist organizations, and EU lists of designated terrorists).

Risk Matrix: a tool that allows the identification of corruption, transnational bribery, money laundering, terrorism financing, and proliferation of weapons of mass destruction risks.

Compliance Officer: the person appointed by Canal Clima responsible for promoting and developing procedures to prevent, update, and mitigate the risks of money laundering, terrorism financing, corruption, and national and transnational bribery.

Unusual Transaction: a transaction whose amount or characteristics do not correspond to the ordinary or normal economic activity of the obligated company, or that, due to its number, amount, or characteristics, does not fall within normal patterns or ordinary business practices in a sector, industry, or with a counterparty class.

Suspicious Transaction: an unusual transaction that, according to industry customs and practices, cannot be reasonably justified. This includes attempted or rejected transactions with suspicious characteristics.

Politically Exposed Person (PEP): public officials at any level of national or territorial public administration, when assigned or delegated functions such as: issuing regulations, general management, institutional policy formulation, adoption of plans, programs, projects, direct handling of state assets, money, or values, administration of justice, or administrative sanctioning powers, and individuals in charge of directing or managing resources in political parties or movements.

These functions may be exercised through budget allocation, public contracting, investment project management, payments, settlements, and management of movable and immovable property. The following are considered PEPs (indicative list):

1. President, Vice President, advisors, directors, and sub-directors of administrative departments, ministers, and deputy ministers.
2. Secretaries General, Treasurers, Chief Financial Officers of (i) Ministries, (ii) Administrative Departments, and (iii) Superintendencies or equivalents.
3. Presidents, Directors, Managers, Secretaries General, Treasurers, CFOs of: (i) Public Institutions, (ii) Special Administrative Units, (iii) Public Utility Companies, (iv) State Social Enterprises, (v) State Industrial and Commercial Companies, and (vi) Mixed Economy Companies.
4. Superintendents and Deputy Superintendents.
5. Generals of the Military Forces and National Police, Police Inspectors, and officers authorized to allocate public funds.

6. Governors, Mayors, Deputies, Council Members, Treasurers, CFOs, and Secretaries General of (i) departments, (ii) municipalities, (iii) municipal and district councils, and (iv) departmental assemblies.
7. Senators, Representatives, Secretaries General, secretaries of permanent constitutional commissions, and administrative directors of Congress.
8. Manager and co-directors of the Central Bank.
9. Directors and budget controllers of Regional Autonomous Corporations.
10. National Civil Service Commissioners, Energy and Gas Regulation Commissioners, Water and Sanitation Regulation Commissioners, Communications Regulation Commissioners.
11. Magistrates, auxiliary magistrates, judges, Attorney General, Deputy Attorney General, delegates and directors of the Attorney General's Office.
12. Comptroller General, Deputy Comptroller, delegated comptrollers, territorial comptrollers, Chief Accountant, Attorney General, Deputy Attorney General, delegated prosecutors, Ombudsman, Deputy Ombudsman, delegated ombudsmen, and Auditor General.
13. Treasurers and budget controllers of the High Courts and Tribunals, Attorney General's Office, Comptroller General, Attorney General, Ombudsman, General Accounting Office, and Auditor General.
14. Magistrates of the National Electoral Council, National Registrar, and Deputy Registrars.
15. Notaries and Urban Curators.
16. University budget controllers.
17. Legal representatives, presidents, directors, and treasurers of political parties and movements, and other legally recognized political associations.
18. Settlers of autonomous estates or trusts administering public resources.

PEP status remains during the term of office and for two (2) years after resignation, dismissal, or termination of appointment or contract.

International Organization PEPs: natural persons holding executive roles in international organizations such as the United Nations, OECD, UNICEF, and the Organization of American States, among others (e.g., directors, deputy directors, board members, or equivalent positions).

Foreign PEPs: natural persons performing prominent public functions in another country, including heads of state/government, ministers, members of supreme courts, central bank boards,

ambassadors, senior military officers, members of state-owned companies' management, royal family members, leading political party figures, and top executives of state-owned companies.

COLCX Program: a business line of CANAL CLIMA, a certification and registration program for greenhouse gas (GHG) mitigation initiatives that promotes sustainable development and environmental markets through carbon credit certification and registration (COLCERS).

Supplier: any person or entity that sells or provides goods or services to Canal Clima in exchange for monetary or in-kind compensation.

Financial Intelligence Unit (UIAF): Colombia's Financial Intelligence Unit, responsible for intervening in the economy to prevent and detect LA/FT/FPWMD.