

 DRUMMOND LTD. <small>COLOMBIA</small>	POLICY FOR THE PREVENTION AND CONTROL OF THE RISK OF MONEY LAUNDERING AND TERRORISM FINANCING	Version 2
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**POLICY FOR THE PREVENTION AND CONTROL OF THE RISK OF MONEY LAUNDERING AND
TERRORISM FINANCING**

SIG - 2153

Drafted	DRUMMOND LTD. COMPLIANCE COORDINATOR
Reviewed	DRUMMOND LTD. COMPLIANCE OFFICER
Approved	PRESIDENT DRUMMOND LTD.

TRACKED CHANGES		
Version	Date	Summary Description of the Change
1	December 2014	Creation of the policy
2	March 2020	General update to the policy


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1. OBJECTIVE

To define the general concepts and guidelines to be followed for the prevention and control of the risk of Money Laundering and Terrorism Financing, in order to minimize the possibility that Drummond Ltd. (hereinafter DLTD), in the development of its operations, could be used directly or indirectly as an instrument for conducting illegal activities.

This policy is aligned in accordance with the provisions of the current regulations on the topic and industry best practices.

2. SCOPE

This policy complies with the terms of the Basic Legal Bulletin – Chapter X from the Superintendency of Corporations for the proper control and management of the risk of Money Laundering and Terrorism Financing. This policy is applicable to all persons employed by DLTD directly, suppliers, contractors and, in general, all third parties that have any type of contractual or commercial relationship or ties to Drummond Ltd., which they will inform.


3. DEFINITIONS

- **Compliance Officer:** Employee appointed by the Company to promote and develop specific procedures for ML/TF risk prevention.
- **Counterpart:** Individual or legal entity with which the company has any kind of business, contractual or legal ties.
- **ML/TF:** Money laundering and terrorism financing.
- **ML/TF risk:** The possibility of loss or damage that the Company may suffer due to its exposure to be used directly or through its transactions as an instrument for money laundering and/or channeling resources toward terrorist activities, or when trying to conceal assets from those activities.
- **ML/TF risk control:** Includes the implementation of existing policies, procedures, practices or other actions that serve to minimize the risk of ML/TF in the company's transactions, business activities or contracts.
- **SAGRLAFT (Spanish acronym):** Money Laundering and Terrorism Financing Self-Regulation and Risk Management System
- **Self-regulation:** The Company's will to efficiently and effectively detect, control and manage the risks to which it is exposed.
- **Financial Information and Analysis Unit – FIAU:** A Special Administrative Unit, of a technical nature, under the Ministry of Finance and Public Credit, created through Law 526 of 1999, amended by Law 1121 of 2006, whose objective is the prevention and detection of transactions that could be used for money laundering or terrorism financing. It also imposes transaction reporting obligations on certain economic sectors.

4. BASIC CRITERIA

4.1 This policy will not be published until it has been approved by the President of DLTD.

4.2 This update to the policy will take effect once it has been approved and published on DLTD's website and in its Integrated Management System, which are the authorized sites that ensure use of the current


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versions of the company's Corporate Policies.


5. POLICY GUIDELINES

In the development of the policy for the Money Laundering and Terrorism Financing Self-Regulation and Risk Management System, SAGRLAFT, Drummond Ltd. declares the following guidelines:

- Comply with the terms of the Basic Legal Bulletin – Chapter X from the Superintendency of Corporations and the regulations issued regarding the prevention of Money Laundering and Terrorism Financing.
- Appoint DLTD's Compliance Officer and allocate the human, technical, financial and operational resources required for the proper performance of their duties.
- DLTD, within the current legal framework, directs efforts to prevent and manage the risk of Money Laundering and Terrorism Financing through the design and implementation of SAGRLAFT.
- DLTD promotes an institutional culture against any activity that could lead to Money Laundering or Terrorism Financing.
- DLTD has defined guidelines for the prevention of Money Laundering and Terrorism Financing that are mandatory for all company officials.
- DLTD has defined a methodology for the identification, measurement, control and monitoring of the risk of Money Laundering and Terrorism Financing.
- DLTD's SAGRLAFT has policies and procedures that allow it to obtain sufficient knowledge of its counterparties and the market, in order to detect unusual and/or suspicious transactions related to Money Laundering and Terrorism Financing and prevent this risk from materializing.
- DLTD has defined an organizational structure for managing the risk of Money Laundering and Terrorism Financing, led by the President of the Company.
- DLTD will avoid, as part of best business practices, any type of relationship with employees, suppliers and contractors that are included on restrictive lists related to Money Laundering and Terrorism Financing. Additionally, DLTD's Compliance Officer will request the cancellation and/or termination of the commercial/labor relationship when any change is detected according to the warning signs identified.
- It is the duty of DLTD's officials to secure and safeguard the confidentiality of the information related to reporting suspicious transactions to the authorities and the people involved in those reports.
- DLTD must cooperate with the authorities in providing the information requested in conducting Money Laundering and Terrorism Financing investigations.
- No DLTD employee may disclose aspects of the transactions reported as suspicious or attempted to the Financial Information and Analysis Unit (FIAU). Only the Compliance Officer may report information to the FIAU, notwithstanding the reports that must be submitted to the President of the company.
- All DLTD employees are required to understand and rigorously apply the criteria and norms incorporated in the SAGRLAFT Manual, and understand and respond to the warning signs it includes.
- The decision to assume the risk of ML/TF will be submitted for approval by the President of the company or the person to whom he or she delegates this function.

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- Each employee is required to attend the trainings given on this topic, regardless of their level or position.
- This policy must be known, understood and applied by all DLTD employees.
- Failure to comply with this policy by any employee will be considered a very serious violation of the Internal Work Regulations and will carry the legal consequences indicated therein for that purpose.

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6. APPROVAL

Approved by:

José Miguel Linares Martínez
President Drummond Ltd.

Date: 03/09/2020