


	Policy and Procedures on Anti-Money Laundering and Countering Financing of Terrorism	Version 1
		<u>Approval Date:</u> April 22, 2021

**Policy and Procedure on Anti-Money Laundering and
Countering Financing of Terrorism
LATAM LOGISTIC PROPERTIES, S.A.**

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POLICY AND PROCEDURES ON ANTI-MONEY LAUNDERING AND COUNTERING FINANCING OF TERRORISM OF LATAM LOGISTIC PROPERTIES (HEREINAFTER “LLP”)

1. PURPOSE

It is the policy of the Latam Logistic Properties, S.A. (hereinafter the “Company” and/or “LLP”) to prohibit and actively prevent money laundering and any activity that facilitates money laundering or the funding of terrorist or criminal activities by complying with all applicable requirements under the Financial Action Task Force Standards and its implementing regulations.

The purpose of this policy (hereinafter the "Policy") and procedures is to establish the general bases used by LLP to administer how to prevent and counter the risk of money laundering and financing terrorism in the processes, transactions, and business relationships in carrying out its business activities and will be used as a guide for setting the procedures and tools required to prevent money laundering and financing terrorism and training for the counterparts identified by the Company.


The shareholders and members of the LLP Board of Directors, Senior Management, employees and business partners must engage in behavior that is straightforward, ethical, and diligent in complying with the standards on preventing and countering money laundering and financing terrorism as set forth by the law, control entities and LLP.

2. INTRODUCTION

Money laundering is generally defined as engaging in acts designed to conceal or disguise the true origins of criminally derived proceeds so that the proceeds appear to have derived from legitimate origins or constitute legitimate assets. Generally, money laundering occurs in three stages. Cash first enters the financial system at the "placement" stage, where the cash generated from criminal activities is converted into monetary instruments, such as money orders or traveler's checks, or deposited into accounts at financial institutions. At the "layering" stage, the funds are transferred or moved into other accounts or other financial institutions to further separate the money from its criminal origin. At the "integration" stage, the funds are reintroduced into the economy and used to purchase legitimate assets or to fund other criminal activities or legitimate businesses.

Although cash is rarely deposited into securities accounts, the securities industry is unique in that it can be used to launder funds obtained elsewhere, and to generate illicit funds within the industry itself through fraudulent activities. Examples of types of fraudulent activities include insider trading, market manipulation, ponzi schemes, cybercrime and other investment-related fraudulent activity.

Terrorist financing may not involve the proceeds of criminal conduct, but rather an attempt to conceal either the origin of the funds or their intended use, which could be for criminal purposes. Legitimate sources of funds are a key difference between terrorist financiers and traditional criminal organizations. In addition to charitable donations, legitimate sources include foreign government sponsors, business ownership and personal employment. Although the motivation differs between traditional money launderers and terrorist financiers, the actual methods used to fund terrorist operations can be the same as or similar to methods used by other criminals to launder funds. Funding for terrorist attacks

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does not always require large sums of money and the associated transactions may not be complex.


Our anti-money laundering and countering financing terrorism policies and procedures are designed to ensure compliance with all applicable laws in each of the markets and will be reviewed and updated on a regular basis to ensure appropriate policies, procedures and internal controls are in place to account for both changes in regulations and changes in our business.

3. SCOPE

This Policy is mandatory and must be fully understood by all the members of the Board of Directors, senior management, managers, employees, and business partners.

4. STATEMENT OF COMMITMENTS

- a. Compliance with the ethical standards and in relation to preventing the risk of money laundering and financing terrorism must take top priority for the employees over achieving the business goals.
- b. Any employee who may identify and consider that a transaction may be viewed as unusual must immediately report it to the employee's supervisor who will immediately report it to the **Corporate Controller, Executive Director**, External Legal Counsel and the Corporate Governance, Compliance, and Risk Committee.
- c. All LLP employees must follow the internal policies and procedures and adopt behavior to demonstrate strict compliance with the law and especially the policies that refer to money laundering and financing terrorism.
- d. LLP will establish procedures meant to protect the Company from being used directly or indirectly, i.e., through its managers and tied thereto as an instrument for money laundering and financing terrorism (hereinafter AML/FT) as well as oriented toward inculcating AML/FT procedures into its affiliates or subsidiaries.
- e. The LLP Policy seeks to effectively support and assist the competent authorities to provide them the information that they are requesting based on what is required by law.
- f. Any information needed by the competent authorities related to preventing and controlling money laundering and financing terrorism will be handled by the CEO and reported to the Corporate Governance, Compliance, and Risk Committee. The CEO will compile the necessary information and respond to the requirement within the established terms.

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5. CONFIDENTIALITY

The disclosure of information related to this LLP Policy on Anti-Money Laundering and Countering Financing of Terrorism will be supplied to the public solely through the President of the LLP Board of Directors or through the party that the President designates.


Any employees who are exercising their functions or due to those functions who become aware of internal reports about unusual transactions or external reports on suspicious transactions must maintain strict confidentiality in relation to that information.

Any information that may be received, handled or reported based on the contents of these articles and this Policy must be subject to being held in reserve and will only be used for the purposes set forth in the legal standards, especially as it relates to the suspicious transaction report.

LLP will implement controls to detect and apply the appropriate legal treatment, or report those parties or companies included on the international lists to the competent authorities, as the case may be, to diminish the legal, reputation, and operating risk, and the risk of spreading said information.

6. INFORMATION, DOCUMENTS, AND RECORDS

- a. The LLP system implemented to prevent and counter the risk of money laundering and financing terrorism consists of documents and records that will be kept as part of the working papers for the Corporate Controller. These documents and records guarantee the integrity, timeliness, reliability, and availability of the information contained in those papers.
- b. At a minimum, the documentation must:
 - i. Have a physical backup.
 - ii. Have security requirements so the information may only be accessed by authorized parties.
 - iii. Have criteria and processes for handling, saving, and preserving that information.
 - iv. Preservation of documents related to the comprehensive system for preventing and controlling money laundering and financing terrorism.
- c. All the records and documents that are created in carrying out the policies and procedures contained in this Policy must comply with the criteria related to the integrity, reliability, availability, compliance, effectiveness, efficiency, and confidentiality of the information contained therein.
- d. To guarantee the highest level of cooperation with the authorities, LLP must preserve the documents and records related to compliance with the standards for preventing and controlling money laundering and financing terrorism for a period of five (5) years.
- e. The documents that back up the decision to determine that a transaction is suspicious, as well as

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the pertinent report, are preserved by the Corporate Controller in a centralized, chronological fashion with the proper security mechanisms.

7. SHAREHOLDERS

Whenever LLP carries out placement of securities through entities supervised by the Superintendence of Finance, it is up to these entities to apply their System of Superintendency of Finance, it is the responsibility of these entities to apply their Risk Management System for Risk Management System for Money Laundering and Financing of Terrorism (SARLAFT) on these operations.

LLP will not be responsible since the placement of securities will be outsourced through stock exchange entities. These entities will be responsible for performing due diligence and making the relevant records.


8. KNOW YOUR BUSINESS PARTNER

i. Know Your Business Partner

Knowing the business partner begins at the time when any individual or company attempts to have a business relationship with LLP. A business partner is defined as an external party with whom the organization has or plans to establish some sort of commercial relationship. It includes, but is not limited to, clients, consumers, a “corporate partnership,” associates of corporate partnerships, members of a consortium, external vendors, contractors, consultants, subcontractors, providers, vendors, advisers, agents, distributors, representatives, brokers, and investors.

Before establishing a business relationship, and on an ongoing basis, the Finance and Accounting Department will check to ensure that the business partner does not appear on the the following lists, UN - United Nations Sanctions List; Us – OFAC SDN List; World Bank Ineligibel Firms And Individuals Lists, and Interpole Wanted List, (The Lists) or is not engaging in transactions that are prohibited by the economic sanctions and embargoes administered and enforced by OFAC. The Lists will be consult them on a regular basis and subscribe to receive any available updates when they occur. With respect to the Lists, we may also access that list through various software programs to ensure speed and accuracy. The Finance and Accounting Department will also review existing accounts against the The Lists and listings of current sanctions and embargoes when they are updated and will document the review.

LLP have established, documented and maintained a written Know Your Business Partner Questionare (contained in Appendix I). LLP collects certain minimum business partner identification information from each customer, provider and business partner who engage in business with LLP; utilize risk-based measures to verify the identity of each customer, provider and business partner; record customer identification information and the verification methods and results; provide the required adequate identification information to verify their identities; and compare customer identification information with government-provided lists of suspected terrorists, once such lists have been issued by the government.

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The process for building a relationship with the business partner also includes processing the association form, collecting documentary information that makes it possible for LLP to have additional information about the potential business partners and facilitating the verification and confirmation process for any information that has been received.

PROCEDURES:

1. VERIFYING INFORMATION

Based on the risk, and to the extent reasonable and practicable, LLP will ensure that the Company have a reasonable belief that the Company know the true identity of our business partners by using risk-based procedures to verify and document the accuracy of the information we get about our business partners.

The Finance and Accounting Department will analyze the information LLP obtain to determine whether the information is sufficient to form a reasonable belief that LLP know the true identity of the customer (e.g., whether the information is logical or contains inconsistencies).


LLP will verify the business partner identity through documentary means, non-documentary means or both. LLP will use documents to verify customer, provider or business partner identity when appropriate documents are available. In light of the increased instances of identity fraud, we will supplement the use of documentary evidence by using the non-documentary means described below whenever necessary. LLP may also use non-documentary means, if we are still uncertain about whether we know the true identity of the business partner. In verifying the information, we will consider whether the identifying information that we receive, such as the customer's name, address, telephone number (if provided), date of birth and government ID number, allow us to determine that we have a reasonable belief that we know the true identity of the customer, provider or business partner.

Appropriate documents for verifying the identity of customers include the following:

- For an individual, an unexpired government-issued identification evidencing nationality or residence and bearing a photograph or similar safeguard, such as a driver's license or passport; and
- For a person other than an individual, documents showing the existence of the entity, such as certified articles of incorporation, a government-issued business license, a partnership agreement or a trust instrument.

If, however, the Company note that the document shows some obvious form of fraud, LLP must consider that factor in determining whether LLP can form a reasonable belief that we know the business partner's true identity.

The Company will use the following non-documentary methods of verifying identity:

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- Independently verifying the business partner’s identity through the comparison of information provided by the customer with information obtained from a consumer reporting agency, public database or other source [identify reporting agency, database, etc.];
- Checking references with other financial institutions; or
- Obtaining a financial statement.

2. OBLIGATIONS AND RESPONSIBILITIES

The functions of the different LLP bodies and departments in relation to the system adopted to prevent and control the risk of money laundering and financing terrorism are as follows:

a) Functions of the Board of Directors


The functions of the LLP Board of Directors in relation to the system adopted to prevent and control the risk of money laundering and financing terrorism are as follows:

- Indicate the policies for preventing and controlling money laundering and financing terrorism in conformity with the contents of the current set of standards.
- Designate the Corporate Governance, Compliance, and Risk Committee.
- Issue a pronouncement in relation to each one of the points that contain the reports that are submitted by the Corporate Governance, Compliance, and Risk Committee and leave a record in the pertinent minutes.
- Order the technical and human resources needed to implement and keep the prevention system in operation.

b) Executive Director Functions

The functions of the LLP Executive Director in relation to the system adopted to prevent and control the risk of money laundering and financing terrorism are as follows:

- Verify that the established procedures enforce all of the policies established by the Board of Directors or the body that is replacing the Board of Directors.
- Provide the technical and human resources needed to implement and keep the system adopted to prevent and control the risk of money laundering and financing terrorism in operation.
- Submit the procedure manual for the system adopted to prevent and control the risk of money laundering and financing terrorism and any updates to the Board of directors or to the body that is replacing the Board of Directors for approval with the coordination of the Corporate Governance, Compliance, and Risk Committee.
- A report related to controlling money laundering and financing terrorism.

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- v. Send external reports to the Colombian Information and Financial Analysis Unit as established in paragraph 9 ii of this Policy


c) Corporte Controller

- i. Submit the requirements for information technology, technological, physical and human resources needed to comply with their functions to the Executive Director or to the party who is replacing the Executive Director
- ii. Periodically verify the private business partners who are associated by means of a placement or trade made directly by LLP in relation to the OFAC SDN list and the UN list.
- iii. Establish contractual clauses in all of the contracts that LLP enters into with entities supervised by the Colombian Financial Superintendency to manage the emissions, place the stocks on the primary market, and trade them on the secondary market. And report to CEO and ESG Manager any exceptions.
- iv. Handle and coordinate any requirement, request, or task from a competent legal or administrative authority in this matte and Notify the Committee.

d) Corporate Governance, Compliance, and Risk Committee Functions

The functions of the LLP Corporate Governance, Compliance, and Risk Committee in relation to the system adopted to prevent and control the risk of money laundering and financing terrorism are as follows:

- i. Ensure that the system adopted to prevent and control the risk of money laundering and financing terrorism is functioning in an effective, efficient, and timely fashion.
- ii. Submit written reports every six months to the Board of Directors or to the body that is replacing the Board of Directors. Those reports must contain the following items at a minimum:
 - a. The results of the performance.
 - b. The compliance that has taken place in relation to sending reports to different authorities.
- iii. The effectiveness of the mechanism and instruments established in this policy as well as any measures adopted to correct any problems with the system adopted to prevent and counter the risk of money laundering and financing terrorism.
- iv. The results of the corrections ordered by the Board of Directors or the body that is replacing the Board of Directors.

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- v. Promote making corrections to the system adopted to prevent and counter the risk of money laundering and financing terrorism.

e) Finance and Accounting Department

The functions of the Finance and Accounting Department in relation to the system adopted to prevent and control the risk of money laundering and financing terrorism are as follows:

- i. Monitor and report unusual transactions and monitor business partners processi (Know Your Business Partners) of this Policy

f) All Employees

The functions of LLP employees in relation to the system adopted to prevent and control the risk of money laundering and financing terrorism are as follows:

- i. Enforce full compliance with the processes established in this Policy.
- ii. Report any unusual transactions that employees become aware of to their supervisor, the Corporate Controller, ESG Manager, Executive Director and External Legal Counsel.

3. DETECTION OF UNUSUAL TRANSACTIONS AND DETERMINING AND REPORTING SUSPICIOUS TRANSACTIONS


- a. Detection of unusual transactions and warning signs with examples contained in Appendix II.

- i. The Corporate Controller performs follow-up on all of the transactions performed by business partners on a monthly basis to determine whether or not any unusual transactions exist.
- ii. In addition to the monthly follow-up on transactions, if an LLP employee, while performing his or her functions, detects an unusual transaction, the employee must report that fact immediately in writing to his or her supervisor and the External Counsel , the Corporate Controller, ESG Manager, Executive Director and External Legal Counsel who must report it to the Corporate Governance, Compliance, and Risk Committee.

- b. Determining and reporting suspicious transactions

If an unusual transaction is unable to be property justified, it should be classified as being suspicious. This evaluation is performed by the Corporate Controller in consultation with the ESG Manager and the External Counsel and is done strictly based on objective criteria.

Any suspicious transaction will be reported to the his or her supervisor and the External Counsel , the Corporate Controller, ESG Manager, Executive Director and External Legal Counsel by processing the form designed for that purpose by the Corporate Governance,

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Compliance, and Risk Committee.

4. REPORTS

i. Internal Reports

i. Internal report on unusual or suspicious transaction

If an LLP employee, while performing his or her functions, detects an unusual transaction, the employee must report that fact immediately in writing to his or her supervisor the Corporate Controller, ESG Manager, Executive Director and External Legal Counsel, who must report it to the Corporate Governance, Compliance, and Risk Committee. The document used to create that report must contain:

- (i) the report date;
- (ii) the employee who created the report;
- (iii) the name and identification number of the related investor;
- (iv) a clear explanation of why the transaction is considered to be unusual;
- (v) any other information that is considered to be relevant for the case.

ii. External Reports

a) External report related to suspicious transactions


Any transaction that is determined to be suspicious will be immediately reported by the Corporate Governance, Compliance, and Risk Committee to the competent authority.

5. TECHNOLOGICAL INFRASTRUCTURE

LLP will provide tools to support the Corporate Controller and the Finance and Accounting Department: such as UN - United Nations Sanctions List; Us – OFAC SDN List; World Bank Ineligible Firms And Individuals Lists, and Interpole Wanted List, (The Lists) to check for individuals or corporations on the restriction lists individually through the Internet.

6. BREACH OF THE POLICY

The system implemented to prevent and counter the risk of money laundering and financing terrorism by LLP is part of the LLP Corporate Governance Code and Code of Ethics. The controls defined in this policy must be applied to all LLP employees in line with the principles of honesty, transparency,


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responsibility, and legality.

Any employees who breach the policies and procedures contained in this Policy will be subject to work sanctions as established in the applicable legislation and other related provisions.

7. EFFECTIVE PERIOD AND UPDATES


This Policy and any amendments will be applicable from the time that it is approved by the Board of Directors and while the Company is in existence or repealed by the General Shareholders' Meeting.

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Appendix I. Required Information

PF: Creating a relationship with an individual PJ: Creating a relationship with a company

Required Information	Individual	Company
Full name or business name of the business partner	X	X
Identification of the security to be acquired	X	X
Nationals: identification number: National ID, citizenship card or identification card for the business partner.	X	X
Foreign business partner identification number: Foreigner ID, current passport for owners.	X	X
Full name of the representative, proxy, and identification number for the business partner.	X	X
Legal representative address and telephone number		X
Business partner place and date of birth.	X	
Business partner address and residence telephone number.	X	
Business partner occupation, position or profession.	X	
Description of the business partner's activity: - Independent, dependent, position occupied. - Main business activity: commercial, industrial, transportation, construction, agro-industry, financial services, etc. in line with the contents of the International Standard Industrial Classification code	X	X

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Name, address, fax and office telephone number, company or business where the business partner works, if applicable. Address, telephone number, fax and city of the main office and the branch or agency where he or she acts as a business partner.	X	X
Identification of the shareholders or associates who directly or indirectly hold more than 5% of the capital stock, contribution, or share.		X
Type of business partner company: private, public, mixed.		X
Statement of the origin of the business partner's assets and/or funds, as the case may be.	X	X
If the business partner is dependent on a third-party, detailed information about the third-party.	X	X


Required Documents:

Individuals:

- Photocopy of the identification document.
- Certificate of revenue and withholdings.
- Labor certificate.
- Declaration of the income in the last two available taxable periods or letter of not declaring.
- Certification of the origin and precedents of the funds to be used to acquire the stocks.
- Certified or audited financial statements as of the date of the last cut-off available at the time of creating a relationship as a business partner, when applicable.

Companies

- Certification of existence and legal representation that it is no more than three months old issued by the Chamber of Commerce.
- Photocopy of the National Tax Number (NIT).
- Photocopy of the National Tax Register (RUT).
- Photocopy of the legal representative's identification document.
- Certified or audited financial statements.
- List of partners owning 5% or more of the capital stock if there is no record of this information on the certificate of existence and legal representation. When dealing with entities that are not companies, attach a list of the members of the Board of Directors and the body that is replacing the Board of Directors if they are not shown on the certificate of existence and representation.

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- Declaration of the income in the last two available taxable periods.

Important note 1: when acting through a proxy to make the investment, the proxy accreditation should be required.


Important note 2: if a potential business partner has not completed the properly reviewed association form and provided all of the required appendices, he or she may not participate in the process to issue stocks.

Transactions in Foreign Currency

- If the potential business partner's business involves transactions in a foreign currency, the form must contain spaces to collect the following information:

	PF	PJ
The type of transactions in foreign currency that the business partner normally engages in.	X	X
Financial products that the business partner holds in foreign currency, specifying as a minimum: type of product, product identification, entity, amount, city, country, and currency.	X	X

- For business partners with a financial dependence on a third-party, the documentation of the person or persons that are the source of the resources used for the investment should be requested.

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THE APPENDIX II. WARNING SIGNS

- a) Warning signs help to identify or detect unusual conduct, behavior, activities, methods or situations that may cover up ML/FT transactions. However, the presence of some warning signs does not necessarily mean the presence of a suspicious transaction but simply may gain the attention of the employee that sees it to proceed to the internal report.
- b) The responsibility for identifying and verifying the warning signs first of all falls on the people identified as dependent counterparts without prejudice to the responsibility that is assigned by the Company to independent counterparts due to the nature of the contractor relationships that they have with the Company, for example, contractors that handle, on behalf of the Company, relationships with business clients must identify and check the warning signs in relation to those clients.
- c) The Corporate Governance, Compliance, and Risk Committee will guarantee that the Company has performed the training required to allow the different counterparts to recognize warning signs. Some warning signs are shown below that employees should take into account when detecting unusual transactions.
- d) Business Partners or Shareholders that:
 - i. Perform transactions that do not match their economic capacity according to the information that is held at LLP.
 - ii. They supply false information or information that is difficult to verify or that is insufficient.
 - iii. Simultaneous transactions in different accounts and at the same offices related to purchasing and selling LLP stocks.
 - iv. They refuse to reveal information about the company purpose or other information related to the know the shareholder or business partner form.
 - v. There is disproportionate growth in the business partner's transactions.
 - vi. There are frequent changes in the business partner's economic activity, address, telephone number, or company purpose.
 - vii. They engage in activities that are other than the purpose for creating the Company.
 - viii. They register the National ID or Tax ID that belongs to another LLP business partner.
 - ix. They register the same address and/or telephone number as another business partner with whom they have no apparent relationship.
 - x. The telephone or telephone number is disconnected at the time that the verification call is placed or does not match the information that was initially supplied.
 - xi. The writing on the forms is illegible or faked.
 - xii. They are reluctant to update the information.
 - xiii. They are reluctant to provide information about the source of the funds or assets.