

## Policy Manual

### CUSTOMER ENGAGEMENT AND KNOWLEDGE POLICY MANUAL MAN-PAN-035

**Date: July 29, 2021**  
**Version: 1.0**



## 1. GENERALITIES

### 1.1 Scope

The standards contained in this manual are mandatory reading and must be strictly followed by all Bank personnel. Each department must have an appropriate method of dissemination and an easily accessible reference site.

### 1.2 Objective

The Bank's General Management issues this manual for the purpose of disseminating the policies defined to obtain effective, efficient, and timely information about the Bank's current and potential customers, in compliance with the regulations issued by the Superintendency of Banks of Panama established in Agreement 10 of 2015 and the Financial Superintendency of Colombia through Chapter IV, Title IV, Part I of Basic Legal Circular 027 of 2020, which regulates the Management of Money Laundering and Terrorism Financing (ML/TF) Risks.

In accordance with Circular 027 of 2020 issued by the Colombian Financial Superintendency, the due diligence directive of Grupo AVAL, and the SARLAFT Manual – MAN-PAN-002, a client of the Entity is understood to be any natural or legal person with whom Banco de Occidente establishes and maintains legal or contractual relationships for the supply of any product related to its activities in the development of its corporate purpose.

Likewise, a potential client is understood to be any natural or legal person who is in the preliminary negotiation phase with the Entity to access the products or services offered by it.

## 2. POLICIES

Know your customer implies having permanent and up-to-date knowledge of at least the following information:

**Identification Data:** This entails knowing and verifying all the information required in the "Relationship Application" that allows for the full identification of the natural or legal person to be linked.

In the case of the linkage of legal entities, knowing your customer implies, in addition to the provisions of the "Relationship Application," knowing their ownership structure, that is, the identity of the shareholders (individuals) or associates who directly or indirectly hold more than 5% of their share capital, contributions, or participation in the entity (beneficial owner). When the client or the owner of a stake exceeding 5% of a client's capital is a commercial company listed on a stock exchange and subject to stock market disclosure requirements, it is not necessary to identify the beneficial owners of such companies.

1. Economic activity data.
2. Characteristics, amounts, and source of income and expenses.
3. For current customers, the characteristics and amounts of their transactions and operations.





All Customers who join the Bank through any product and/or service must fully complete the "Natural Person Linkage Application" and/or the "Legal Entity Linkage Application," which contain the minimum information required for full customer knowledge.

The "Product Application" is an additional and independent document, depending on the product, to the "Affiliation Application." It contains supplementary information for the exclusive use of the "Affiliation Application" for the evaluation and approval of the product and/or service requested by the Client.

The information corresponding to mandatory fields of the "Affiliation Application" must be recorded in the application defined by the Bank for the management of Client information (IBS), according to the procedures in force in MAN-PAN-003, so that it is available for internal processes and the respective reviews by the supervisory entities.

The full completion of the "Affiliation Application," the interview, verification of the information, receipt and verification of the required supporting documents, and approval of the affiliation are minimum requirements to initiate the contractual or legal relationship with the potential Client.

### **1.3 Completion of the Linking Application.**

The Customer Service Manager/Commercial Director is responsible for validating the correct completion and completeness of the fields in the "linking application" by the customer. In the case of cross-selling, referrals, and/or commercial synergy between banks, it will be necessary to ensure that the information is up-to-date as established in Agreement 10 of 2015.

The Customer's economic activity must be classified according to the International Standard Industrial Classification (ISIC) established by the DIAN.

There are other classifications established by the DIAN for control purposes, tax determination, and other obligations under its jurisdiction, such as: Salaried Employees 0010, Persons Without Economic Activity 0081, Natural Persons Subsidized by Third Parties 0082, and Capital Owners (Natural Persons) 0090.

For legal entities, the CIU code must always be used according to their main economic activity. This can be obtained from the Single Tax Registry (RUT) and/or the most recent income tax return submitted by the Client.

In the fields intended to record the Client's financial information, the client's income, expenses, assets, and liabilities must be recorded.

For legal entities, financial information must be obtained from the financial statements and/or the most recent available income tax return. There cannot be null fields, blank fields, or fields with reference notes, such as "see balance sheet" or "see financial statements."

It is essential that the Client complete the field designated for detailing the source of funds, where they must declare the economic activity or source of the funds to be transferred to the Bank. For one-time transactions, supporting documentation must be requested, such as a copy of the contract, invoices, public deed, promise of sale, certificates, among others.



When the Client does not have the requested information or it does not apply to the product and/or service being processed, they must state this circumstance by noting the acronym "N/A" (Not Applicable) in the corresponding space of the "Affiliation Request." No spaces should be left blank, and no mandatory fields should be deleted.

For the association of legal entities, the ownership structure must be recorded in the "Affiliation Application," that is, the identity of the shareholders (individuals) or partners who directly or indirectly hold more than 5% of the company's share capital, contributions, or interests (Beneficial Owners). If an annex is provided, the shareholding structure must be signed by a Certified Public Accountant, depending on the type of company.

The information recorded in the association application will be valid for one year, in accordance with current procedures.

Completion of the association form is mandatory in all cases, except in cases where the requested product is savings accounts opened exclusively for the management and payment of pension liabilities.

It is the responsibility of the Manager or Commercial Director conducting the association process to record in the "Affiliation Application" whether or not the Client is considered a PEP (Politically Exposed Person), in accordance with established policies.

Additionally, you must confirm whether or not you handle state resources and register this information in the IBS.

For clients located in Colombia, completing the form and collecting the documents can be done using the electronic data messaging mechanism specified in Law 527 of 1999 or regulations that replace, modify, or supplement it.

#### **1.4 Classification of potential clients during pre-association.**

The purpose of classifying potential clients is to determine, prior to their association with the Bank, the level of ML/TF/FPADM risk they may pose to the entity in the event of entering into legal transactions with them. Furthermore, it allows for profiling and segmenting clients from the moment they are in the association process.

To this end, the Bank has established three (4) risk levels—very low, low, medium, and high—in which all of the entity's potential clients must be included.

Additionally, this classification should make it possible to determine which clients should be subject to due diligence and which should be subject to enhanced due diligence.

The classification described in this chapter should be based on the risk factors used in segmentation, the analysis of the internal and external context, especially in relation to jurisdiction, and the client's knowledge of the market.

The customer's business relationship needs to be considered—what product they request and through what channel it is distributed. Additionally, considering channel and jurisdiction factors, the Bank will evaluate the customer's means of connection and their location. Likewise, the Bank will analyze the customer's source of income and will observe the

following classification when dealing with legal entities: private legal entities, public legal entities, and institutional legal entities.

The Bank considers current and potential high-risk customers to be all those whose economic activity falls within the following list:

1. Non-profit organizations.
2. Money and/or securities transfer services duly regulated by law.
3. Games of chance (e.g., lotteries, betting dealers, among others).
4. Real estate agents.
5. Economic activities related to the exploration, exploitation, and marketing of precious minerals and metals (e.g., emeralds, silver, platinum, coltan, among others).
6. Cargo and/or passenger transportation.
7. Private money exchanges (not subject to inspection by financial authorities).
8. Motor vehicle sales.
9. Motels.
10. Notaries.
11. Travel agencies.
12. Politically Exposed Persons (PEPs).
13. Auction companies.
14. Breeding, raising, and marketing of horses and other equines.
15. Wholesale and retail trade of fuels and other related products (e.g., gas stations and vehicle natural gas).
16. Consulates, embassies, and similar (diplomatic) entities.

## 1.5 Due Diligence

Due Diligence is a series of activities that seek to gain a comprehensive understanding of Banco de Occidente's clients in order to determine their identity, economic activity, financial profile, market segment with which they are associated, and the source of their resources.

Due diligence consists of applying the minimum procedures established to link a client to the Bank, which include:

1. Verify that the affiliation application is fully completed and signed.
2. Verify the client's identity according to current procedures.
3. Verify and confirm the registered information and/or documents provided to support the source of funds and economic activity.
4. Verify that the client is not listed on affiliation lists, according to current procedures.
5. Conduct the interview and record it in the affiliation form. If the interview is remote, attach a photo of the video call.
6. Determine whether the client is a FIFO client and record this in the affiliation form.
7. Verify the transactional profile recorded in the product application against the financial support, whether it be a tax return or financial statements.
8. Verify the financial information and fields required for compliance with Agreement 2 of 2019, regarding tax obligations and the countries where the client's assets or funds originate, and where the client will receive and send resources.
9. Verify and certify the reasonableness of the client's international transactions, including the counterparties involved.
10. Qualify clients according to the segmentation established by the Bank.

Regarding the verification of information and documents provided, the manager or director in charge of the business relationship will carry out this procedure by checking the Bank's databases and the websites of the National Civil Registry and the Attorney General's Office to verify that the identity documents correspond to the person who submitted them.

## 1.6 Enhanced Due Diligence

Enhanced Due Diligence (EDD) is a set of activities in addition to the established processes for client engagement, aimed at deepening the understanding of those previously classified as high risk for ML/TF/FPADM.

Recommended activities to expand the Client's knowledge include:

1. Visit the Client's registered office.
2. Verify the installed capacity and infrastructure, including the number of employees, and compare it with the Client's market, transactions, and financial statements.
3. Investigate and record the Client's main clients, suppliers, and their reputation.
4. Inquire about the market served, contribution margins, distribution channels, portfolio turnover, indebtedness with suppliers and third parties, among other variables that support the Client's transactions.
5. Verify whether the jurisdictions of influence or markets served are appropriate for the Client's business and the nature of its commercial transactions.
6. Request additional and appropriate supporting documents to support the origin of funds from operations other than their main economic activity.
7. Analyze the reasonableness of their financial statements.
8. Verify the operational and economic capacity to handle international operations, if applicable.

For clients subject to special ML/TF regulations by a regulatory body (e.g., DIAN, Superintendency of Companies, Superintendency of the Solidarity Economy, Superintendency of Notaries and Registry, Ministry of Information Technology and Communications, Superintendency of Ports and Transportation, National Superintendency of Health, Superintendency of Surveillance and Private Security, Coldeportes, Coljuegos, among others), an inquiry should be made and a certification signed by the Compliance Officer or his/her representative on the implementation and compliance with the ML/TF risk system should be requested.

## 1.7 Client Risk Profile Classification

To properly classify clients, it is necessary to use the information obtained through due diligence and enhanced due diligence activities. This will allow for a preliminary assessment of the client risk profile based on the level of risk they represent for the risk factor to which they belong.

The following areas will be considered when developing the risk profile:

1. Methodology for calculating the ML/TF/FPADM risk profile.
2. Analysis of the risk profile for current and potential clients.

## 1.8 Ultimate Beneficiary

Following the recommendations of the Financial Action Task Force (FATF) and the definitions provided by Grupo Aval, the ultimate beneficiary is any natural person (individual) who, without necessarily being a Client, meets any of the following characteristics:

He or she is the owner, individually or jointly, directly or indirectly, of a stake exceeding 5% of the share capital, contribution, or interest in the legal entity acting as a Client.

This person is the person who, despite not owning a majority stake in the capital of the legal entity acting as a Client, exercises control over the legal entity, in accordance with the provisions of Article 261 of the Colombian Commercial Code. Under this understanding, a situation of control exists when:

1. A natural or legal person may appoint or remove the majority of the members of the administrative, management, or supervisory bodies.
2. A natural or legal person may cast votes that constitute the minimum decision-making majority in the highest administrative body.
3. A person may decide on financial, operational, or commercial agreements.
4. A person may dispose of the use, enjoyment, or benefit of the assets of the potential client, or exercise any other form of control or influence.
5. The person on whose behalf a transaction is carried out is understood to be the person on whose behalf the economic effects of said transaction fall.
6. For the above, the provisions of Agreement 10 of 2015 issued by the Superintendency of Banks and Law 51 of 2016 of Panama shall also be taken into account.

In all cases, the Bank must obtain the name and identification number of the beneficial owners and consult, at a minimum, the international lists binding on Colombia.

The data of the shareholder and/or beneficial owner with a stake greater than 5% must be registered in the IBS

### 1.9 Interview and/or Visit

The interview and/or visit with the potential client will be mandatory for those cases in which the potential client's risk profile is HIGH RISK and must always be carried out before the client's engagement with the Bank is finalized.

For clients defined as having a HIGH RISK profile, the engagement must always be conducted through an employee of the Bank's sales force and not through the Satellite Sales Force and/or External Companies. The interview and/or visit will not be required when the requested product is a savings account opened exclusively for the management and payment of pension liabilities.

The interview and/or visit for other risk profiles, if deemed appropriate, may be conducted directly by Bank staff or commissioned by third parties (Outsourcing). These third parties must adhere to the standards imposed in the respective contract, including the corresponding SARLAFT training, in order to have a proper understanding of the Client.

The visit and/or interview must include the name of the person who conducted it, the date and time it was conducted, and the reasons and arguments identified by the Manager or Commercial Executive/Outsourcing for recommending the client's engagement. Additionally, for products and/or services marketed through the Satellite Sales Force and/or External Companies, the channel through which the engagement originated must be recorded.

To record the interview and/or visit, the "Results and conclusion of the interview or visit with the client" field, which is part of the Engagement Request, or any other digital or electronic means, may be used in addition to the visit report.

Digital mechanisms may be used to conduct interviews remotely, ensuring that the results incorporate, at a minimum, the precepts and recommendations of this section.

### **1.10 Confirmation of data**

Verification of the information provided by the Customer is the responsibility of the area that evaluates and approves the granting of the product and/or service. However, depending on the type of customer, the sales force or Outsourcing must make validations and/or visits to ensure the correct linking of the customer, when there are warning signs or when they deem it appropriate.

It is feasible to confirm information through other means and new technologies available, such as Social Security databases (PILA), provided that the holder has express authorisation for such processing.

### **1.11 Updating information**

Knowledge of the Client implies keeping their personal, commercial and financial information up to date, which by their nature may vary (e.g. address, telephone, economic activity, origin of resources, etc.). This update must be carried out at least once (1) every year according to the level of risk in accordance with Agreement 10 of 2015 issued by the Superintendency of Banks of Panama, recording the new developments in the Bank's System for the administration of Customer information (IBS).

These updates are carried out at the initiative of the customer and campaigns promoted by the bank.

In the case of inactive products, the update will be carried out when the product ceases to be inactive.

### **1.12 Authorised Third Parties or Beneficiaries**

Third parties authorised to dispose of the resources and/or goods covered by the contract, holders other than the applicant, attorneys-in-fact or beneficiaries, must fill in the 'Basic Data Authorised Persons or Beneficiaries' form (FTO-SER-121), which allows the Bank to obtain the information required for its knowledge of them.

Credit card holders must comply with the procedures in force for the knowledge of the customer.

### **1.13 Politically Exposed Persons (PEPs)**

The Bank has defined Politically Exposed Persons (PEPs) as those national or foreign persons who, due to their profile or the functions they perform, may expose the entity to a greater degree to the risk of ML/TF, such as: persons who, by reason of their position, manage public resources or hold some degree of public power. In the case of Colombia,

national PEPs correspond to persons who hold any of the positions indicated in Decree 1674 of 2016 and other regulations that modify, supplement, substitute or add to it.

Within this classification are included: (i) heads of state, heads of government, ministers, undersecretaries or secretaries of state; (ii) congressmen or parliamentarians; (iii) members of supreme courts, constitutional courts or other high judicial instances whose decisions do not admit of the following normally recourse, save in exceptional circumstances; (iv) members of courts or boards of directors of central banks; (v) ambassadors, chargés d'affaires and senior officials of the armed forces; and (vi) members of the administrative, management or supervisory bodies of state-owned enterprises; they shall be considered as FOREIGN PEPs when they hold such positions in another country.

This classification shall also apply to those who are or have been (i) directors, (ii) deputy directors, (iii) members of the board of directors or (iv) any person exercising an equivalent function; they shall be considered as PEPs OF INTERNATIONAL ORGANISATIONS.

Also classified as PEPs are (i) advisors, (ii) personal consultants and (iii) persons who benefit significantly from being close to the PEP.

For FOREIGN PEPs LOCATED IN COLOMBIA in accordance with the provisions of Decree 1674 of 2016 of the Administrative Department of the Presidency of the Republic, public officials shall be considered PEPs during the period in which they occupy their positions, and during the two (2) years following their leaving, resignation, dismissal or declaration of the appointment's insubsistence, or any form of disengagement, in the following positions:

President of the Republic, Vice-President of the Republic, High Councillors, Director of the Administrative Department of the Presidency of the Republic, Ministers and Vice-Ministers.

General Secretaries, Treasurers, Financial Directors of Ministries, Administrative Departments and Superintendencies.

Presidents, Directors, Managers, General Secretaries, Treasurers, Financial Directors of: (i) public establishments, (ii) Special Administrative Units, (iii) Public Enterprises of Domiciliary Public Services, (iv) State Social Enterprises, (v) State Industrial and Commercial Enterprises, and (vi) Mixed Economy Companies.

#### 1. Superintendents and Deputy Superintendents.

Generals of the Military Forces and the National Police, General Commander of the Armed Forces, General Director of the National Police, General of the National Army, Admiral of the National Navy, General of the Air Force, Force Commanders and Deputy Force Commanders, Chief of the Joint Chiefs of Staff, and inspectors of the National Police.

Governors, Mayors, Deputies, Councillors, Treasurers, Financial Directors and General Secretaries of: (i) Governors' Offices, (ii) Mayors' Offices, (iii) Municipal and District Councils, and (iv) Departmental Assemblies.

Senators, Representatives to the House of Representatives, General Secretaries, Secretaries of the Permanent Constitutional Commissions of the Congress of the Republic, and Administrative Directors of the Senate and the House of Representatives.

1. Manager and Co-Directors of the Banco de la República.
2. Directors of the Regional Autonomous Corporations.

National Civil Service Commissioners, Commissioners of the National Television Authority, of the Drinking Water and Basic Sanitation Regulatory Commission, and of the Communications Regulatory Commission.

Magistrates, Auxiliary Magistrates, Councillors of Tribunals and High Courts, Judges of the Republic, Attorney General of the Nation, Deputy Attorney General of the Nation, Director of National Prosecutor's Offices, National Director of Sectional and Citizen Security.

Comptroller General of the Republic, Deputy Comptroller General, Delegate Comptrollers, Territorial Comptrollers, Accountant General, Attorney General of the Nation, Deputy Attorney General of the Nation, Delegate Attorneys General, Ombudsman, Deputy Ombudsman, Delegate Ombudsmen and Auditor General of the Republic.

Councillors of the National Electoral Council, National Registrar of Civil Status and Delegated Registrars.

Legal representatives, Presidents, Directors and Treasurers of political parties and movements, and other forms of political association recognised by law.

Directors and treasurers of autonomous estates or trusts that administer public resources.

National officials or officials of foreign origin (Diplomats) with ranks, hierarchies or categories with decision-making powers within and outside the country of origin, such as: (i) Ambassador, (ii) Consul, (iii) Permanent Representative before missions, (iv) Minister Counsellor, and (v) legal representative of international organisations.

#### 1. Notaries Public

Likewise, and in accordance with the definitions established in Circular 027 of September 2020 issued by the Superintendency of Finance, PEPs of international organisations and foreign PEPs shall be considered as such during the period in which they hold their positions and during the two (2) years following their resignation, resignation, dismissal or any other form of disengagement.

The Bank shall consider as PEPs, those Clients who hold first level public positions (institutional direction, management and guidance, whose exercise implies the adoption of policies or guidelines), and public positions whose exercise implies special trust, which are assigned institutional advisory, assistance or support functions, which are in the direct and immediate service of first level officials, provided that such jobs are attached to the payroll of their respective offices (not contractors) and do not have a lower category than those described above.

In addition, the same treatment as PEPs shall apply to persons who have a marital, de facto or de jure partnership with the politically exposed persons (PEPs), and to relatives up to the second degree of consanguinity, second degree of affinity and first civil relationship of the politically exposed persons (PEPs). To achieve this identification, the client should be asked about it during the interview, and a record should be made in the Binding Application.



Customers classified as PEPs shall only be linked with the prior approval of a higher authority or employee.

For Customers who are already linked to the Bank and are classified as PEPs, the Manager or Director who manages the account must obtain the approval of the senior manager to ratify and maintain the business relationship within a maximum period of one month from the date of notification.

When a customer qualified as a PEP is linked only through a mass product (e.g., credit card, deposit insurance, etc.), the approval for the linkage will be the responsibility of the Zonal Manager or senior official responsible for the campaign or commercial area. In the case of the Libranza and personal loans, it was defined that the Regional Directors are the ones who will give the go-ahead.

In order to give the approval, the senior official responsible for the approval and/or continuity of the PEP, must:

Ratify that the client awareness work carried out by the Manager has been satisfactory, complying with the procedures in force (double intervention).  
 Assess the need to carry out an extended due diligence when the customer has other income other than as a public official (PEP).  
 Assess the reputation of the PEP client against the knowledge of the area (e.g. news about corruption, investigations and judicial proceedings that are public knowledge).

Customers who run for elected office (candidates), and are not elected, will not be considered PEPs.

Clients that are qualified as PEPs and/or manage state resources must be marked with this/these condition(s) in the IBS Application.

Account Managers or Directors must carry out extended due diligence during the process of linking, maintaining and updating information on the Client classified as PEPs, in such a way that they have sufficient information on the economic activity(ies), origin of funds, final and/or real beneficiaries of the funds, close relatives, among other variables. In addition, if they consider it necessary, they may request a prior opinion from the Compliance Division by sending an e-mail with the PEP customer's personal data.

Customers who only have inactive accounts shall not be considered PEPs. When such cases are identified, it will be the responsibility of the Account Manager or Director, manage within a maximum period of one month the activation of the product or its definitive cancellation, in accordance with the procedures in force.

Entities owned and/or controlled by a PEP shall be subject to special monitoring by the Compliance Division when it is determined that it is at least a beneficial owner with a shareholding of more than 5% and/or one of its administrators, in accordance with article 22 of Law 222 of 1995, meets any condition to be considered a PEP.

When a Client qualified as a PEP has finished holding office and withdraws from public life after 2 years, the Account Manager or Director may argue the case and send the express request to the Compliance Division's e-mail address to be unchecked in the IBS as a PEP.

PEPs are considered a high risk segment for ML/TF, therefore, during the engagement process it is the duty of the Manager or Director attending the Client to conduct a face-to-face interview and leave a documentary record of the same.

In order to mitigate the ML/TF risk, the Compliance Division has established stricter monitoring for this type of customers and their transactions.

### 1.14 Other Clients Handling State Resources

The involvement of Clients who in the course of their economic activity receive and/or manage state resources (such as civil works contractors and suppliers), either in their own name or who contribute and/or represent 10% or more of the equity of a consortium or joint venture (according to the articles of incorporation or equivalent document), shall be carried out in accordance with the Bank's current procedures. They will not be considered as PEPs.

Public resources are those individuals who collect, safeguard, liquidate or arrange for the use of parafiscal revenues, revenues that are part of the budget of public entities or that the latter have earmarked for use for specific purposes.

### 1.15 Data required for a contractor handling State resources...:

2. Full name of the Consortium / Joint Venture / Contractor.
3. Full name and identification number of each of the members. If a legal entity is formed, it is necessary to know the shareholding composition of the same in order to identify the partners or shareholders with a shareholding of more than 5% (Final Beneficiary).
4. Percentage of participation of each member (according to the articles of incorporation), if applicable.
5. Description of the project / Contract in charge
6. Estimated time for the execution of the work / Fulfilment of the contract.
7. Total value of the Project / Contract.
8. Name of the Entity that awarded the contract.
9. Schedule foreseen for the execution of the project / contract.

Clients (natural persons and/or legal entities) who manage state resources must be marked with this condition in the application for affiliation and in the IBS application.

### 1.16 Tax Residency in Colombia

In order to comply with the tax information exchange agreements signed by Panama's local regulation, Law 51 of 2016, by the Colombian Government, and established by the DIAN (National Tax Agency), the Bank must request the Client's country of tax residence and their respective tax identification number.

When the client states that they are a tax resident in Colombia, the tax identification number will correspond to the same number as the Single Tax Registry (RUT), issued by the DIAN.

When the client states that they are liable for taxes abroad or consider themselves a tax resident of another country, it will be necessary to request the identification number with which they file their taxes in the other jurisdiction.

If the client located in Colombia has any questions about determining their tax residence in Colombia, they should consult Article Ten (10) of the Colombian Tax Statute, which establishes that:

"Natural persons who meet any of the following conditions are considered residents of Colombia for tax purposes:

Remaining continuously or discontinuously in the country for more than one hundred and eighty-three (183) calendar days, including days of entry and exit from the country, during any period of three hundred and sixty-five (365) consecutive calendar days, with the understanding that when the continuous or discontinuous stay in the country falls on more than one year or taxable period, the person will be considered a resident starting with the second year or taxable period.

Being, due to their relationship with the foreign service of the Colombian State or with persons serving in the foreign service of the Colombian State, and by virtue of the Vienna Conventions on diplomatic and consular relations, exempt from taxation in the country where they are on mission with respect to all or part of their income and occasional earnings during the respective year or taxable period.

1. Be nationals and, during the respective year or taxable period:
2. Their spouse or permanent partner, not legally separated, or their dependent minor children, are tax residents in the country; or,
3. Fifty percent (50%) or more of their income is from a national source; or,
4. Fifty percent (50%) or more of their assets are managed in the country; or,
5. Fifty percent (50%) or more of their assets are deemed to be held in the country; or,
6. Having been requested to do so by the Tax Administration, they do not prove their status as residents abroad for tax purposes; or,
7. They are tax residents in a jurisdiction designated by the National Government as a tax haven.

PARAGRAPH. National natural persons who, in accordance with the provisions of this article, prove their status as residents abroad for tax purposes, must do so before the National Tax and Customs Directorate by means of a tax residency certificate or a document serving as such, issued by the country or jurisdiction in which they have become residents.

### 1.17 Compliance Division's Opinion

Once the enhanced due diligence described in section 2.3 of this Circular has been completed, the sales force may request an opinion from the Compliance Division regarding the Client in the following cases:

1. When the Manager serving the Client identifies an unusual situation and/or a reasonable doubt persists regarding the origin of funds, transactional characteristics, and/or economic activity of the client.
2. Upon written instruction from the Credit Committee and/or the SAES Committee of the Head Office.
3. When the client and/or its shareholders and/or legal representative submit publicly known investigations by the competent authorities related to ML/TF offenses.
4. When the client and/or its shareholders and/or legal representative submit news to the media related to ML/TF offenses.

5. When the Compliance Committee and/or the Compliance Division have issued DO NOT EMPOWER instructions, and subsequently find substantive (documented) reasons that warrant reconsideration of the concept.
6. When required as a requirement established in a procedure, Service Level Agreement, or Internal Manual.
7. When the beneficial owner of a Company with instructions to NOT EMPOWER, issued by the Compliance Committee and/or Compliance Division, requests to be linked as a natural person.

In all cases, the request must be accompanied by a report from the Manager or Director serving the Client, and evidence of the Enhanced Due Diligence (e.g., the last visit and/or information update).

Change Control					
Version	Date	Modification	Elaborate	Review	Divulagation
1.0	29/07/2021	Document creation	<b>Ana Maria Rubiano</b> Process Analyst	<b>Alberto Murillo</b> Compliance Manager	Board of Directors Minutes No. 280 DPP-PAN-184