



SARLAFT MANUAL AND POLICIES SMART CAPITAL S.A.S.



This Manual is addressed to the Shareholders, the Legal Representative, the associates, and all natural or legal persons related to SMART CAPITAL S.A.S. (hereinafter, SMARTCAPITAL S.A.S.). hereinafter SMARTCAPITAL)

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1. INTRODUCTION

This Manual is addressed to the Shareholders, the Legal Representative, the associates, and all natural or legal persons related to **SMART CAPITAL S.A.S.** (hereinafter, **SMART CAPITAL**). The purpose of this SARLAFT Manual is to provide a comprehensive framework based on a risk approach, outlining guidelines, policies and procedures of mandatory and strict compliance aimed at managing the risks of Money Laundering and Financing of Terrorism (ML/FT) inherent to **SMART CAPITAL**'s operations. This document also defines the responsibilities in the compliance structure and the appropriate control and supervision mechanisms to ensure the effectiveness of these policies.

2. OUR STATEMENT ON COMBATING LA/FT/FPADM

SMART CAPITAL recognizes that Money Laundering and Financing of Terrorism (ML/FT) represent significant risks that can adversely affect the operation, legality, reputation and sustainability of our company. These phenomena not only threaten global financial integrity, but also compromise the ethical and legal values on which our company is founded.

Through this Manual, **SMART CAPITAL** is firmly committed to combating ML/TF and establishes clear and rigorous policies and procedures to prevent, detect and respond to any suspicious activity within our company or in our business relationships. These procedures include, but are not limited to, the thorough identification and verification of our clients and associates, the ongoing review of our transactions, and the regular training of our employees in ML/TF prevention.

This policy responds to international standards such as the Financial Action Task Force (FATF) Recommendations, as well as relevant national laws. **SMART CAPITAL** will remain attentive to developments in the regulatory environment to integrate any necessary updates into our risk and compliance strategy.

3. DEFINITIONS

The following concepts mentioned in this Manual shall be understood under the following definitions:

- Advances: Refers to the transactions that **SMART CAPITAL** carries out with the different Users, by means of which it delivers money in exchange for authorizations for its subsequent monetization through the economic rights of authorship of the different artists.

- **Administrators:** Includes the Legal Representative, the members of the Shareholders' Assembly and the Compliance Officer, among others responsible for strategic and compliance decision making in **SMART CAPITAL**.
- **Weapons of Mass Destruction:** According to the UN General Assembly pronouncement of 1977, they include nuclear, chemical, biological and any other future weapon with effects comparable to those of an atomic bomb.
- **Beneficial Owner:** Natural persons who ultimately own or control a legal entity or for whose benefit a transaction is carried out, pursuant to Article 631-5 of the Tax Statute and its applicable regulations.
- **Counterparty:** Any natural or legal person with whom **SMART CAPITAL** has a legal relationship.
- **Due Diligence:** Process by which **SMART CAPITAL** adopts measures to thoroughly know the counterparty, its business, operations, products and the volume of its transactions.
- **Extended/Intensified Due Diligence:** Procedure involving additional measures over standard due diligence to gain in-depth knowledge of the counterparty, its beneficial owner and the origin of the resources, including senior management authorization.
- **Risk-Based Approach:** Methodology where **SMART CAPITAL** identifies, evaluates and understands the ML/TF risks to which it is exposed, adopting proportional control measures to effectively mitigate them.
- **Risk Factors:** Variables that may generate ML/TF risks, including Counterparties, Products, Distribution Channels and Jurisdictions.
- **Terrorist Financing:** Activities aimed at channeling resources, licit or illicit, to support terrorist acts or entities.
- **Financing the Proliferation of Weapons of Mass Destruction:** Acts that provide funds or financial services to support activities related to weapons of mass destruction, in contravention of national or international laws.
- **FATF:** Financial Action Task Force, an intergovernmental body founded in 1989 to establish global standards against ML and FT.
- **Money Laundering:** Activities designed to conceal the illicit origin of funds or give them the appearance of legality.

- **Binding and Sanctioning Lists:** International and national lists that identify individuals or entities associated with terrorist or criminal activities, and whose observance is mandatory for **SMART CAPITAL** under Colombian and international laws.
- **Unusual and Suspicious Transaction:** Transactions that are not consistent with **SMART CAPITAL**'s normal pattern of economic activity and that have no reasonable justification.
- **PEP (Politically Exposed Persons):** Individuals who occupy or have occupied important public functions and are therefore subject to specific regulations regarding LA and FT risk prevention.
- **Suspicious Transaction Report (STR):** Report that **SMART CAPITAL** must file with the Financial Information and Analysis Unit (UIAF) when it detects a suspicious transaction.
This revised section provides more precise and detailed definitions, which is crucial to ensure the clarity and effectiveness of the SARLAFT Manual in complying with regulations and protecting against risks associated with money laundering and terrorist financing.

1. SCOPE.

This SARLAFT Manual establishes the guidelines, stages and essential elements for the prevention and control of money laundering and terrorist financing (ML and TF) in **SMART CAPITAL S.A.S.** These guidelines are mandatory for all employees, business partners, suppliers and other stakeholders linked to **SMART CAPITAL**. This scope ensures that all operations and business transactions are conducted within a legal and ethical framework, reinforcing the organization's commitment to integrity and corporate responsibility.

2. OBJECTIVE.

SMART CAPITAL S.A.S will implement a robust self-monitoring and management system for the prevention and control of the risk of money laundering and terrorist financing (ML and TF). This system is designed for:

- **Risk Identification and Assessment:** continuously identify, assess and document the risks associated with each of the activities, products, services, transactions and jurisdictions in which **SMART CAPITAL** operates. This assessment should be updated regularly to reflect any changes in operating conditions or risk environment.
- **Control and Mitigation Measures:** Develop and implement control and mitigation measures tailored to the level of risk identified. This includes internal controls, monitoring procedures and periodic review of the effectiveness of these measures.
- **Suspicious Activity Detection:** Establish mechanisms for early detection of potentially suspicious activities. This will include automated transactional monitoring systems and

updated watch lists, integrating alerts based on unusual behavior patterns and predefined transaction parameters.

- **Reporting to Authorities:** Stipulate clear and straightforward procedures for reporting suspicious activities to the competent authorities, including the Financial Information and Analysis Unit (UIAF). This process should ensure speed and accuracy in reporting, while respecting all relevant legal regulations.

- **Training and Awareness:** Implement an ongoing training program for all employees and stakeholders on ML and FT risks, handbook policies, and detection and reporting procedures. This training will help ensure that all involved understand their role in the prevention system and are updated on best practices and legal obligations.

- **Continuous Review and Improvement:** The self-monitoring and management system will be subject to continuous review and improvement. Regular internal and external audits will help identify opportunities for improvement and ensure that the system remains effective and compliant.

6. SYSTEM OF SELF-CONTROL AND INTEGRAL RISK MANAGEMENT LA and FT.

- Elements of SARLAFT.

a. Structure and assignment of functions to those responsible

In **SMART CAPITAL S.A.S.**, the responsibilities and powers associated with SARLAFT management are clearly defined and assigned. This ensures effective implementation and compliance with policies and procedures related to the prevention and control of LA and FT risk. The responsible parties include:

- **Compliance Officer:** Responsible for overseeing the effective implementation of SARLAFT policies and procedures, ensuring regulatory compliance and ongoing training of all staff.

- **Legal Representative:** Works closely with the Compliance Officer to ensure that the compliance strategy is aligned with business objectives and legal requirements.

- **Shareholders:** Approval and oversight of the overall compliance strategy, ensuring the necessary resources and support for its effectiveness.

The continuous interaction between these roles is vital to maintain the integrity and effectiveness of the system, fostering a robust and reactive control environment.

b. Design and approval of the SARLAFT

The design of the SARLAFT has been a collaborative effort between the Compliance Officer and the Legal Representative of **SMART CAPITAL S.A.S.**, presented to the Shareholders' Meeting for approval. This process ensures that all policies and procedures are aligned with best practices and comply with current regulations. The Shareholders' Meeting, as the

highest corporate body, not only approves the SARLAFT, but also monitors its implementation and effectiveness over time.

c. SARLAFT compliance

Compliance with SARLAFT in **SMART CAPITAL** is reinforced by the appointment of a Chief Compliance Officer, whose selection complies with the standards required by the Superintendence of Corporations. This officer is responsible for the direction and ongoing supervision of all SARLAFT-related activities, including staff training and periodic evaluation of the system to adapt it to regulatory or market changes.

- Functions of the Shareholders' Meeting

The Shareholders' Assembly is responsible for the implementation and effectiveness of SARLAFT in **SMART CAPITAL S.A.S.** and has established an organizational structure that ensures the effectiveness of this system. Specific functions include:

- i) Establish and approve the LA/FT Policy.
- ii) Approve the SARLAFT and its updates, submitted by the legal representative and the Compliance Officer.
- iii) Approve the SARLAFT procedures manual and its updates.
- iv) Select and appoint the Compliance Officer.
- v) Analyze and decide on the SARLAFT performance reports, including proposals for improvements by the Compliance Officer.
- vi) Review and respond to reports and requests from the legal representative.
- vii) Review audit reports related to SARLAFT and follow up on recommendations.
- viii) Ensure the provision of technical, logistical and human resources for SARLAFT.
- ix) Define criteria for the engagement of Counterparties, especially when they involve Politically Exposed Persons.
- x) Establish guidelines for internal SARLAFT audits.
- xi) Verify that the Compliance Officer has the necessary resources and capabilities for his/her functions.
- xii) Ensure that the activities comply with the applicable regulations and are properly documented.

The legal representative of **SMART CAPITAL S.A.S.** has the following key responsibilities within the SARLAFT:

- (i) To present together with the Compliance Officer, the SARLAFT proposals and its updates for approval by the Shareholders' Meeting.
- ii) Evaluate the results of the LA/FT/FPADM risk analysis performed by the Compliance Officer and establish action plans.
- iii) Ensure the efficient allocation of resources for the implementation of SARLAFT.
- iv) Support the Compliance Officer in the design, supervision and monitoring of the SARLAFT.
- v) Present reports and alerts to the Shareholders' Meeting related to the SARLAFT.
- vi) Adequately document all SARLAFT activities to guarantee integrity, availability and confidentiality of the information.
- vii) To certify compliance with SARLAFT to the Superintendence of Corporations.

- Functions of the Compliance Officer

The Compliance Officer of **SMART CAPITAL S.A.S** is key in the management of SARLAFT and has the following functions:

- (i) Design and direct the implementation and monitoring of SARLAFT.
- ii) Submit annual reports to the Shareholders' Meeting on the efficiency and effectiveness of the SARLAFT.
- iii) Promote and justify necessary updates and improvements of the SARLAFT.
- iv) Coordinate internal training programs and manage the response to internal audits.
- v) To certify compliance with applicable regulations to the Superintendency of Companies.
- vi) Ensure compliance with the Due Diligence and Enhanced Due Diligence procedures.
- vii) Maintain adequate documentation of all information relevant to ML/FT/ATF/MFATF risk.
- viii) Report Suspicious Transactions to the UIAF and comply with the reporting requirements of the legislation in force.
- ix) Evaluate and manage ML/FT/ATF/ AML/CFTDP risks to which the company is exposed

- Duties of the Employees

The proper functioning of SARLAFT in **SMART CAPITAL S.A.S.** requires the participation of all employees, who must:

- (i) Comply with all policies, procedures and guidelines stipulated in the SARLAFT to prevent LA/FT risks.
- ii) Actively participate in the identification of ML/FT risks in their respective areas of work.
- iii) Implement the controls assigned for the prevention of ML / FT in a diligent manner.
- iv) Report any unusual operation or warning signs to the Compliance Officer.
- v) Attend training on ML/FT risk prevention provided by the organization.
- vi) Prioritize adherence to ethical principles over business objectives.

d. Training and Disclosure

Training and outreach on ML/FT risk prevention are essential for staff to understand and comply with their obligations. The process includes:

- Disclosure of the SARLAFT system to all employees and stakeholders at least once a year, following an annual plan to ensure its effective implementation.
- Immediate communication of any significant updates to the SARLAFT Manual to all employees, with training scheduled by the Compliance Officer to explain the changes.
- Annual evaluation by senior management of the effectiveness of training, with adjustments based on results to continually improve understanding and implementation of SARLAFT.
- Approval of the training plan by Senior Management and progress report at the General Shareholders' Meeting.
- Written documentation of all training, including details such as date, topics covered and attendees.

Training methods to be used:

- Periodic publications in company media.
- Conferences and face-to-face training.
- Virtual tools and e-learning platforms.

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e. **SARLAFT STAGES**

The SARLAFT in **SMART CAPITAL S.A.S** must be equipped with effective tools to prevent ML/FT risks, which includes the identification, control and monitoring of situations that can be exploited by criminal organizations to legitimize assets of illicit origin or channel resources to terrorist activities.

Before engaging a counterparty, launching a product, entering a new market or jurisdiction, **SMART CAPITAL** will perform the following stages of the ML/FT Risk Prevention and Management System to ensure adequate risk management:

(i) Identification of ML/FT/ATF/MFATF Risk.

To identify the ML/FT risk factors and associated risks, **SMART CAPITAL** will carry out the following activities:

Thoroughly analyze the internal and external context in which the company operates, including the regulatory framework, services offered, counterparties involved (suppliers, customers, partners), jurisdictions of operation and distribution channels.

Assess risk factors using statistical methods to identify segments with higher exposure and detect unusual customer transactions.

Create a list of ML/FT risk events considering typologies specific to **SMART CAPITAL**'s operational context, internal historical records, recognized guidelines (such as FATF, Wolfsburg Group, Chainalysis), audit reports, relevant sectorial experiences and related news. This list will be included in **SMART CAPITAL**'s ML/FT Risk Matrix.

Determine the potential causes that could give rise to ML/FT risk events.

Risk factors identified as risk generators include:

- Counterparties: customers, employees, suppliers and shareholders.
- Jurisdictions.
- Products.
- Distribution channels.

ii) ML/FT Risk Factor Segmentation Methodology.

The segmentation of risk factors in **SMART CAPITAL** will be carried out by forming homogeneous groups within each factor and heterogeneous among them, based on significant demographic, socioeconomic and operational characteristics. The criteria for this segmentation are:

- Measurable: Ability to determine aspects such as the size and profiles of the components of each segment.
- Accessible: Ease of interacting effectively and consistently with the segments.
- Substantial: Each segment should be large and significant enough to justify customized assessment, control and monitoring interventions.
- Differential: Each segment should respond differently, clearly standing out from the others.

This methodology allows a precise identification and measurement of risks, prioritizing the analysis of unusual operations, the detection of warning signals and monitoring according to the risk level of each segment.

To implement this segmentation, **SMART CAPITAL** will follow the following specific guidelines for each risk factor:

- Customers: Type of identification, nationality, gender, age, seniority, main economic activity, frequency and amounts of transactions, income, expenses and net worth.
- Products or Services: Nature, characteristics, market niche and number of clients.
- Distribution Channels: Nature and characteristics, and whether they operate in person or digitally.
- Jurisdictions: Location, characteristics and nature of transactions, especially the presence of **SMART CAPITAL**, the number of customers and the classification of the area (municipality, free zone, border or free port).

The segmentation results provide crucial information for the design and monitoring of warning signals tailored to the characteristics of each segment, ensuring a more effective and targeted ML/FT risk management.

iii) Methodology for the Evaluation and Measurement of ML/FT Risk.

In **SMART CAPITAL S.A.S.**, the evaluation and measurement of inherent ML/FT risks are crucial to establish the probability of occurrence of risk events, as well as their potential impact.

- Measurement of Probability of Occurrence

The probability of occurrence of risk events shall be assessed qualitatively using expert judgment and classified according to the following scale:

Frequency	Level	Descriptor
Very rare	1	Occurrence semiannually or yearly
Rare	2	Quarterly occurrence
Possible	3	Monthly occurrence
Likely	4	Weekly occurrence
Very likely	5	Daily occurrence

- Impact Measurement in case of Risk Materialization

The impact of risk events will be classified according to their potential legal and reputational consequences, using quantitative methods to estimate the economic impact:

Impact	Level	Legal	Reputational
Very low	1	Attention call by the Superintendence of Corporations	Reduction of financial limits
Low	2	Economic sanction up to COP \$30,000,000	Partial closure of bank accounts
Moderate	3	Economic sanction between COP \$30,000,000 and COP \$129,999,999,999	Total closing of bank accounts
High	4	Economic sanction between COP \$130,000,000 and COP \$199,999,999	Closure of money desk
Extreme	5	Economic sanction of COP \$200,000,000 or more	Total closure of banking channels.

The inherent risk will be represented in a heat map, product of combining the probability of occurrence and the impact.

- Controls

Controls to mitigate identified risks include policies, procedures, contracts, technology and training. These controls should reduce the probability of occurrence or impact of ML/FT risks and shall be classified as follows:

- a. Preventive Control: Acts on the cause of the risk to reduce its probability of occurrence.
- a. Corrective Control: Implemented after the materialization of the risk to correct deviations and improve existing controls

At **SMART CAPITAL S.A.S.**, controls can be manual, executed by designated personnel, or automatic, managed by software to prevent, detect or correct errors without human intervention. Each control must be clearly assigned to a responsible person and documented, including the frequency of execution and evidence of its application. This documentation is essential for evaluating the effectiveness of the controls and adjusting them as necessary.

The results of the implementation of these controls will be reflected in a risk matrix, which will allow the residual risk to be calculated, i.e. the risk that remains after the application of the controls.

iv) ML/FT Risk Monitoring

At **SMART CAPITAL S.A.S.**, the main objective of ML/FT risk monitoring is to continuously supervise the inherent and residual risk profiles, ensuring that exposure levels are minimal and manageable. Annually, risk events and controls established in the ML/TF Risk Matrix are reviewed and reevaluated to update risk profiles and formulate action plans for the most critical risks.

The results of the monitoring are reported to the Shareholders' Meeting, which may provide guidelines for the management of critical risk events. This stage also includes the identification and reporting of unusual and suspicious transactions to the relevant regulatory authorities.

v) DUE DILIGENCE AND STRENGTHENED DUE DILIGENCE PROCEDURES

a) Due diligence for knowledge of counterparties

Due diligence procedures at **SMART CAPITAL S.A.S** encompass the identification and continuous monitoring of counterparties, including allies, end consumers, suppliers, employees and partners. In addition to verifying identity and maintaining adequate records, these procedures seek to ensure consistency between the transactions performed and the expected characteristics of the counterparties.

Guidelines for due diligence include:

- Full compliance with requirements prior to establishing commercial or contractual relationships.
- Continuous identification of the counterparty and its controllers.
- Use of standardized formats for adequate knowledge of counterparties.
- Verification of contact information, economic activity and other relevant data.
- Regular monitoring and updating of the due diligence process.
- Consultations in restrictive and informative lists to prevent ML/FT/FPADM risk.
- Knowledge of the purpose and nature of business or contractual relationships.

b) Enhanced Due Diligence

Enhanced due diligence is required for counterparties that present a high ML/TF risk, including:

1. Politically Exposed Persons (PEPs):

1.1. Identification and ongoing monitoring of PEPs, their family members and close associates.

1.2. Approval of relationships with PEPs by the Compliance Officer and relevant area leaders.

2. High Risk Counterparties or High Risk Jurisdictions:

2.1. Evaluation and approval of relationships with high risk counterparties or high risk jurisdictions by the Compliance Officer and relevant area leaders.

2.2. Implementation of special monitoring procedures for these counterparties.

These due diligence and enhanced due diligence procedures are a fundamental part of **SMART CAPITAL S.A.S.**'s effort to ensure the integrity and legality of all its commercial and financial operations.

a. ML/FT Risk Monitoring

ML/FT risk monitoring at **SMART CAPITAL S.A.S.** is essential to ensure that inherent and residual risk profiles remain within acceptable levels. This includes the annual review of risk events and controls in place, adjusting risk profiles and developing action plans for the most critical risks. The results of monitoring are reported to the Shareholders' Meeting, which evaluates and may issue additional guidelines.

This stage also ensures the identification and reporting of unusual and suspicious operations to the corresponding regulatory bodies, according to the procedures detailed in this document.

3. Due Diligence and Enhanced Due Diligence Procedures

a. Due Diligence for the Knowledge of Counterparties

At **SMART CAPITAL S.A.S.**, due diligence encompasses:

- The complete identification of counterparties including allies, end consumers, suppliers, employees and partners.

- Ongoing monitoring of relationships to identify any deviating transactions or behavior.

Procedures include:

- Complete identity and background checks of counterparties prior to initiating relationships.

- Use of standardized formats for a thorough understanding of counterparties.
- Periodic review and updating of counterparty information.
- Consultation of restrictive and sanction lists to verify the integrity of counterparties.

b. Enhanced Due Diligence

Enhanced due diligence is applied to counterparties that present a high ML/FT risk, including:

- Politically Exposed Persons (PEPs):

(i) Specific procedures to identify and monitor PEPs and their close associates.

ii) Requires prior approval from the Compliance Officer to link or continue relationships with PEPs.

- High Risk Counterparties or High Risk Jurisdictions: Detailed evaluation and approval by the Compliance Officer prior to establishing or continuing any relationship.

c. Analysis of Unusual and Suspicious Transactions

Warning signals are analyzed to determine if they correspond to the profile and expected behavior of the counterparty. If an unusual transaction cannot be justified with the available information, it is classified as suspicious and requires further investigation.

Criteria for evaluating a transaction as unusual include:

- Inconsistency of the value of the transactions with the financial information of the counterparty.
- Transactions that do not correspond to the known economic activity of the counterparty.
- Lack of clear or consistent documentation supporting the transaction.
- When an unusual transaction is justified by the counterparty, it is normalized; otherwise, it is considered suspicious. Transactions classified as suspicious are documented and reported as required by law.

This structured approach ensures that **SMART CAPITAL S.A.S.** complies with current regulations and maintains high standards of integrity and transparency in all its operations.

vi) **INTERNAL AND EXTERNAL SARLAFT REPORTS**

- Suspicious Transaction Reporting or Absence of Suspicious Transactions to the UIAF

When a transaction is classified as suspicious at **SMART CAPITAL S.A.S.**, it is immediately reported to the Financial Information and Analysis Unit (UIAF) using the Online Reporting System

- SIREL. All documents and supports related to such operation are kept under strict

confidentiality. The members of the compliance team must maintain total discretion over the information processed.

If no suspicious transactions are identified during a quarter, the Compliance Officer must file an “absence of suspicious transaction report” (AROS) report through SIREL according to the following schedule:

- (a) January through March: report no later than April 10.
- b) From April to June: report no later than July 10.
- c) From July to September: report no later than October 10.
- d) From October to December: report no later than January 10.

- Reports to the Highest Corporate Body

Annually, the Compliance Officer shall report to the Legal Representative and the Shareholders' Meeting on the management of the Self-Control and ML/FT Risk Management System. This report shall include the results, analysis, evaluations, corrective measures applied, progress, compliance, difficulties encountered and the effectiveness of the SARLAFT.

- Information Management and Document Retention

SMART CAPITAL S.A.S ensures that all documents and records related to SARLAFT maintain the integrity, timeliness, reliability and confidentiality of the information. The information is accessible only to those responsible for the implementation of the system.

Documentation related to due diligence is properly archived, respecting the rules of personal data protection. Documents are kept for a minimum of ten years, in accordance with the provisions of Article 28 of Law 962 of 2005, or the regulation that modifies or replaces it.

SMART CAPITAL S.A.S maintains the confidentiality of the Suspicious Transaction Reports sent to the UIAF, as established by Law 526 of 1999. In addition, all documents that justify transactions or contracts are properly dated and signed by the parties involved, serving not only as accounting support but also as evidence in investigations by competent authorities.

7. PRINCIPLES, POLICIES AND PROCEDURES

a. Principles

- Disciplinary Liability: Failure to comply with any principle, policy or procedure related to ML/FT risk prevention and management may result in disciplinary proceedings and potential termination of employment or contractual relationship.

- Priority over Business Goals: ML/TF risk management and prevention take priority over any business goals and should be managed through a risk-based approach.
- Culture of Prevention: Managers are responsible for creating and fostering a culture of ML/TF risk prevention and management.
- Transparent Relationships: Business and contractual relationships shall not be established with anonymous counterparties.
- Zero Tolerance: A zero tolerance policy is applied with respect to money laundering, the financing of terrorism and the financing of the proliferation of weapons of mass destruction.
- Continuous Improvement: Continuous improvement of the ML/TF risk prevention and management system is a constant priority.
- Cash Prohibition: Cash will not be accepted for the provision of services.
- Collaboration with Authorities: Commitment to actively collaborate with the competent authorities, providing relevant information and complying with the applicable legal and regulatory provisions.
- Documentary Integrity: The documentation that evidences the execution of the system shall be generated and preserved ensuring integrity, reliability, availability, compliance, effectiveness, efficiency and confidentiality.

b. Policy and Procedure for the Prevention and Management of ML/TF Risks

Each policy in SMART CAPITAL S.A.S has a detailed procedure that describes the step-by-step, those responsible for its execution and the tools necessary to carry it out. The main policies include:

- Customer Knowledge: Identify and segment customers according to their level of risk.
- Supplier Knowledge: Ensure that suppliers are not linked to ML/TF activities.
- Transaction Monitoring: Monitor customer transactions to detect unusual or suspicious activities.
- Reporting to Control Entities: Comply with the legal obligation to report suspicious transactions to the UIAF.
- Training: Educate employees on ML/TF risks and company policies to mitigate these risks.

8. REVISION AND UPDATING OF THE MANUAL

SMART CAPITAL S.A.S is committed to keep this manual updated according to current legislation and regulations. An annual review process is established to analyze changes in

legislation and industry practices, incorporating the necessary updates to improve the effectiveness and execution of our policies and controls. The Compliance department coordinates this review, working closely with stakeholders to ensure the integrity and effectiveness of the system.

