

POLICY OF ANTI-CORRUPTION, ANTI-BRIBERY

1. GENERAL FRAMEWORK

1.1 OBJETIVE

FUNDES ("FUNDES" or the "Company") has committed to the highest ethical standards and to Comply with all applicable laws and regulations. The objective of this Anti-Corruption and Anti-Bribery Policy (The "Policy") is to guide all the people employed by FUNDES or who work for or on behalf of FUNDES regarding the applicable rules and regulations against corruption and bribery. FUNDES has a policy of zero tolerance against any conduct that could be considered bribery or that is in some way corrupt.

1.2 DEFINITIONS

- a) **Administrators:** They are the legal representatives and their substitutes, managers and area coordinators when they are replaced in their temporary and absolute absences, the members of the Board of Directors and those who, in accordance with the Statutes and the law, exercise or maintain those functions.
- b) **Agent:** Is any person authorized to act, directly or indirectly, on behalf of FUNDES. Agents include brokerage firms, brokers, investment banks, advisors, consultants, contractors, lawyers, service providers, processors, distributors or any intermediary acting on behalf of the Company.
- c) **Client:** Any person who uses Fundes services.
- d) **Employee:** They are all those people who have a working relationship with FUNDES.
- e) **Governmental Entity:** Any authority or agency of the national or international government of the national order, departmental or municipal order, public establishments or decentralized entities, judicial offices, commercial enterprises owned or controlled by the Government, organisms and international agencies such as the World Bank, the Red Cross, political parties or officials of political parties, among others. Also any agency, office, or subdivision, at any territorial level (federal, central, regional or local) in any country and all companies or agencies owned or operated, in whole or in part, by the government (including, for example public schools and hospitals).
- f) **Government Official:** Any employee or person acting on behalf of a Government Entity, both local and foreign. It includes any person who works for a Government Entity or who is considered a public employee or government representative in accordance with the legal regulations in force in the country of origin. It is also considered as such, individuals who fulfill a public function and people who act on behalf of and represent a political party, both locally and internationally.

Likewise, employees and officers of companies that are owned or controlled by a State. Government Officials also include officials and employees of political parties, candidates for political office and officials of public international organizations (such as the Red Cross).

- g) **Compliance Officer:** Is the Employee of the Company designated by the Board of Directors of Foundation Fundes Internacional to verify the appropriate and timely compliance of this Policy, as well as the adequate and timely compliance with the provisions of control of money laundering and financing of terrorism. Therefore, he/she will be responsible for the functions described in this Policy.
- h) **Facilitation Payments:** Payments made to Government Officials in order to ensure, promote or accelerate legal and routine procedures for the benefit of Fundes or its Employees.
- i) **Policy:** It is the present Anticorruption and Anti-bribery Policy
- j) **Supplier:** They are the natural or legal persons that sell goods or provide services to Fundes.
- k) **Representatives of the Company:** It is any Administrator, Employee or Agent of Fundes or any other person that has the faculty to act on behalf of Fundes.

1.3 SCOPE AND APPLICATION

This Policy applies to any Representative of the Company, as well as to its Suppliers, Agents and other third parties that represent FUNDES. All Representatives of the Company, Agents and Suppliers must express their knowledge and acceptance of the Policy in writing with the formalities defined in Annex A.

2. PRINCIPLES AND DECLARATION OF THE POLICY

Fundes adopts as its own and as its own regulations, the following principles and rules:

- a) The values that frame the activity of Fundes are defined in the Code of Ethics (Annex B), which embrace the principles of respect, teamwork, responsibility, participation, commitment and trust.
- b) It is the duty of Fundes, its management and control bodies, its Compliance Officer, as well as Company and Employee Representatives, to ensure compliance with this Policy, and to comply with the Anti-Corruption and Anti- Bribery Standards.
- c) FUNDES prohibits any kind of bribery. Any conduct that may be considered bribery or corruption is prohibited.



- d) Any Representative of the Company who suspects or has knowledge of any conduct of corruption or bribery shall report said conduct to the Compliance Officer. The Compliance Officer will respond appropriately to the reports and suggest the actions to be taken according to the procedure established in this Policy.
- e) If a Company Representative receives a request or offer of bribe or suspicious payment from any person or entity, internal or external, this request must be reported immediately to the Compliance Officer.
- f) Any Representative of the Company or Employee who reports in good faith a violation of the Policy, or the performance of any conduct of corruption or bribery, will be protected against any type of retaliation.
- g) The rules set forth in this Policy regarding the mechanisms for the prevention of corruption or bribery are of imperative compliance, so that they must be observed in each act.
- h) FUNDES will refrain from receiving or making donations that do not have a lawful purpose or where there is a suspicion that they will serve to conceal corruption or bribery or to obtain advantages in the FUNDES business.
- i) FUNDES will carry out the due diligences to adequately know the potential Suppliers or Agents and, in particular, the link of the Suppliers or Agents with Governmental Entities or Government Officials.
- j) FUNDES will monitor any transaction or doubtful activity that could reasonably lead to suspect that the Suppliers or Agents are using FUNDES to transfer, manage, take advantage of or invest monies or resources from criminal activities, as well as to carry out acts of corruption or bribery.
- k) Representatives of the Company are prohibited from carrying out behaviors intended to conceal, change, omit or distort accounting records to conceal improper activities or that do not correctly indicate the true nature of a registered transaction.

3. PROHIBITION OF ACTS OF CORRUPTION AND BRIBERY

3.1 What is Bribery?

Bribery is the act of giving, offering, promising, soliciting or receiving anything of value in exchange for an undue benefit or improper advantage, or as a consideration in exchange for making or omitting an act inherent in a public or private function, irrespective of whether the offer, promise, or request is for oneself or for a third party, or on behalf of that person or on behalf of a third party.



FUNDES strictly prohibits bribes in any form, including bribes paid directly or indirectly through a third party.

FUNDES' prohibition on bribery includes "commercial bribery". Commercial bribery generally means the provision of something of value to an intermediary (for example, an employee of a client) without the knowledge of the client's supervisor or employer, with the intention of unduly influencing the business conduct of the business or to obtain an undue commercial advantage.

3.2 Prohibition of Facilitation Payments:

Facilitation Payments are prohibited in FUNDES regardless of their amount.

4. GIFTS, MEALS AND ENTERTAINMENT

The purpose of gifts, entertainment or entertainment activities is to create a good and solid working or commercial relationship. The purpose should never be to have or gain an unfair or improper advantage of a relationship. FUNDES prohibits paying, even if it is a modest value, for meals, travel, lodging or entertainment for a corrupt purpose or in order to gain an undue advantage.

This Policy recognizes that invitations to meals, hospitality and entertainment are considered as courtesy in businesses and, in limited circumstances, modest or symbolic gifts. For example, it is allowed to give or receive any gift of symbolic and modest value, or cards, which are usually distributed for promotional purposes, or during the celebration of a holiday, such as Christmas.

4.1 Rules to receive gifts or hospitality:

4.1.1 The following behaviors will never be allowed:

- Accept receiving gifts from third parties, customers or suppliers in cash or money equivalent;
- Accept gifts, invitations, attentions, or other things of value that may have the purpose of seeking an influence or material effect on any commercial transaction of FUNDES (real or potential), or that may otherwise lead to a conflict of interests.
- No Employee and / or his family will accept, directly or indirectly, any type of money, gift or invitation that has the purpose of influencing the actions or decision-making related to the Company's business, or that might lead the third party or Provider to think they could benefit or obtain an advantage in some way.
- Accept any kind of bribe, gift or undue payment of any person, including suppliers or customers, in exchange for the promise to do or refrain from doing something that benefits the third party.

4.1.2 Any gift that exceeds the equivalent in local currency to hundred United States dollars (USD \$ 100), or any invitation to food or attention given by a third party or Supplier must be reported to the Compliance Officer, including:

- a) The name of the third party who offered the gift and relationship with the Company;
- b) The date in which it was received.

4.1.3 Any suspicion of attempted bribery of the third party or Supplier must be reported immediately to the Compliance Officer.

4.2 Rules for giving gifts, invitations or hospitality to government officials and third parties :

4.2.1 The gifts, expenses or attentions must be of a modest or symbolic value, both in an isolated way and when it is considered in conjunction with other gifts or attentions offered to the same recipient;

4.2.2 They cannot be given for the purpose of exercising undue influence over a Government Official, or otherwise for the purpose of influencing actions or decisions, or in order to obtain a commercial advantage for FUNDES.

4.2.3 The following gifts, invitations or attentions are never allowed:

- Gifts, invitations, attentions, or other things of value that are offered to third parties, customers or Suppliers to obtain something in return;
- Gifts, invitations, attentions, or other things of value addressed to people who are in a bidding process where FUNDES is part of the public or private bidding process;
- Any gift that is cash or equivalent to money;
- Gifts, invitations or attentions, or other things of value that are frequent towards the same person or organization; and
- Gifts, invitations, attentions, or other things of value that are excessive or extravagant, inappropriate or that may negatively affect the reputation of FUNDES.

4.2.4 The gifts or attentions must be given in the name of the Company and not on a personal basis.

4.2.5 This Policy applies even if the Company Representative does not intend or requests reimbursement of the corresponding expenses.

5. CONTRACTS WITH THIRD PARTIES

This Policy also applies to all Agents, Suppliers, distributors and other third parties that FUNDES contracts to do business on behalf of FUNDES. Accordingly, all Agents, Suppliers, distributors and other third parties acting on behalf of FUNDES must receive a copy of this Policy and sign the Certificate of Compliance provided in this document as Exhibit A.

All written contracts between FUNDES and agents, suppliers, customers and other third parties,

must contain statements and relevant guarantees on anti-corruption behavior. In addition to declaring and ensuring compliance with this Policy and the applicable anti-corruption laws and regulations, contracts will also include the right of FUNDES to terminate the contract when a violation of this Policy or any applicable anti-corruption law or regulation occurs.

The Compliance Officer is responsible for verifying that such statements and clauses are included in the contracts.

6. RESPONSIBLE ORGANS

6.1 Compliance Officer

The Compliance Officer is the person designated by the Board of Directors of Fundación Fundes Internacional to verify the appropriate and timely compliance with the provisions of this Policy within FUNDES. The Compliance Officer will have functional independence in the exercise of his functions, seeking to guarantee the independence of his criteria and actions.

The Compliance Officer will comply with the following functions.

- a) Design and collaborate with the area in charge in FUNDES the training plans on this subject, necessary so that the Representatives of the Company are duly informed and updated.
- b) Make a risk assessment of business partners, including Agents, Suppliers and distributors, in order to know their commercial reputation and any relationship with Government Officials or Government Entities. This assessment must be a prerequisite to the link of the third party to FUNDES or to the signing of any contract or act by FUNDES. Likewise, there must be a continuous monitoring to show changes in the risk, in case there are any.
- c) Ensure that suppliers and Agents receive the Policy and sign the Certificate of Annex A. Likewise, verify the incorporation of clauses in contracts with third parties that refer to the Policy.
- d) Verify and document that the Agents and Suppliers are effectively providing the services or tasks for which they were contracted.
- e) Submit to the Compliance Officer charges or complaints received about violations of the Anti-Corruption Policy or Regulations.
- f) Ensure effective, efficient and timely compliance with the mechanisms for the prevention of corruption and bribery outlined in the Policy and approved by the Board of Directors.
- g) Submit written reports to the Board of Directors of Fundación Fundes Internacional on the compliance and effectiveness of the mechanisms and instruments established in the Policy, as well as on the measures adopted to correct the failures of the



mechanisms for the prevention of corruption and bribery, should they exist.

- h) Implement the corrective measures ordered by the Board of Directors, and take appropriate action against the deficiencies reported.
- i) Address and coordinate any requirement, request or diligence of competent judicial or administrative authority in this matter.

7. MECHANISMS TO DENOUNCE

The Compliance Officer is responsible for receiving queries, complaints and allegations about possible acts of violation of the Anti-Corruption Policy and Regulations.

The information of the complainant, if provided, will be kept confidential. There will be no reprisals against Employees who report in good faith acts or potential acts of violation of this Policy.

FUNDES will not admit false or reckless allegations or complaints. In the event that it is proven that the report is false or reckless, or not made in good faith, such conduct shall be considered a violation of the FUNDES Code of Ethics.

8. PENALTIES

Penalties for violating the National Rules and the Anticorruption and Anti-bribery Regulations may result in severe penalties for the Representatives of the Company, and for FUNDES, in accordance with current and applicable legislation, being possible to terminate, without any liability for Fundes, the existing relationship.

9. DISCLOSURE

The disclosure of the Policy will be made through its incorporation into the Intranet and the FUNDES website. Likewise, it will be delivered to the Agents and Suppliers, who must sign the certification of Annex A.

Produced by Priscila Cabrera Avila
Reviewed by Catalina Pacheco Rodriguez
Date: January 15, 2018



ANNEX A
CERTIFICATE OF COMPLIANCE
FUNDES
(EMPLOYEE, CLIENT, SUPPLIER OR
AGENT)

Date: _____, 20____.

I, _____, in my capacity as [Employee, Administrator, Supplier, Adviser, Client or Agent] of FUNDES, confirm that I have received, read and understood the Anti-Corruption and Anti-Bribery Policy (the "Policy").

I further declare that I agree to comply with the Policy and review its content before participating in any activity that involves FUNDES and that could eventually lead to non-compliance with the Policy. I declare that if I have any doubts or concerns regarding the application of the Policy, I can contact the Compliance Officer to request his advice and accompaniment in order to ensure the proper application of the Policy.

I confirm that, to date, I am not aware of violations of the Policy or Anti-Corruption regulations.

Name
Signature



Annex B

CODE OF ETHICS

The FUNDES Code of Ethics has the following objectives:

- Guide the behavior of internal and external collaborators; and authorities of FUNDES, in relation to the management with the different interest groups of the organization.
- To regulate the transparent and objective action, as well as the commitment in the development of its functions.

CONSTITUENT ELEMENTS OF THE CODE OF ETHICS

a) Mission

FUNDES promotes and impulses the competitive development of micro, small and medium enterprises (MIPYME) in Latin America.

b) Values

The FUNDES collaborator assumes the following organizational values with a sense of belonging:

- We win together, we succeed when :
 - We create value for Mipyme
 - We create value for Clients
 - We create value for Fundes
 - We create value for our collaborators
- We take care of our resources: we recognize that the resources we have are the vehicle that allows us to fulfill our mission, and therefore we take care of them as if they were ours.
- We grow with purpose: we exceed our goals by understanding our clients and the Mipyme, Diversifying and Innovating.

c) Commitments of FUNDES

- *With the Staff:*
 - Maintain a healthy work environment with equal opportunities that consistently encourages employees to develop their talent, use their creativity and achieve maximum performance in their functions.
 - To foster an environment free of discrimination and harassment of any kind. FUNDES does not tolerate any form of discrimination or harassment that may create an intimidating, offensive and hostile work environment.

- *With the resources :*
 - The use of funds or assets of FUNDES for personal, unethical purposes or that commit the institution to activities outside its Mission is prohibited.
- *With the Law:*
 - All FUNDES organizations and collaborators must comply with the laws and regulations of the country where they operate.
 - FUNDES will not support projects that directly or indirectly involve child employment.
 - FUNDES will provide its collaboration to the competent authorities, for the full exercise of its powers, in case of detecting acts of corruption or violation of the law related to clients, allies or beneficiaries.
- *With Eco-efficiency:*
 - FUNDES will make permanent efforts to achieve responsible activities and in harmony with the environment.
 - FUNDES will not support projects that cause damage to the environment.
- *With the clients:*
 - FUNDES will not engage in practices that imply obtaining privileges or special benefits through bribes or any other forms of rewards.
 - FUNDES considers unacceptable any kind of bribe.
- *With the Suppliers :*
 - FUNDES considers suppliers to be individuals or legal entities that maintain a commercial relationship of supply of goods or provision of services.
 - The acquisition of goods and services will be carried out through standard and transparent processes that ensure participation and fair selection of suppliers, based on cost, quality and service criteria.

The gifts or presents received as courtesy, on behalf of suppliers or customers, with a cost higher than US \$ 100, must be delivered to the Regional Management or Executive Management, who will decide its final use in the organization.

d) Commitment of the Collaborators

- *With the organization:*
 - Protect the institutional image of FUNDES before the clients and institutions with which it must come into contact, interposing the interest and the name of FUNDES before its own, when it is the occasion to appear and obtain recognition from the client or any other instance public or private.

- Later to the separation of a collaborator from the organization, they cannot disclose, in a personal way, through third parties or by any means of communication, the result of the work for which they had been hired, as well as the public or private information acquired during their contractual relationship. The collaborator must adopt reasonable and proportional measures to keep confidential information safe.
- Avoid situations in which a person's personal interests may contradict the interests of FUNDES.
- Avoid any type of comments or gestures (facial expressions) that politically compromises FUNDES. FUNDES is an apolitical organization.
- In interpersonal relationships:
 - Do not generate comments on activities that are carried out within the organization, which will affect the human and professional relationships within the institution.
 - Maintain open and honest communication at all levels, maintaining respect and personal dignity.
 - All information transmitted within FUNDES must be honest and well founded; misrepresentations, partial concealment or delays in the dissemination of information that may lead to erroneous perceptions, will not be tolerated.

e) Reporting System

Human Resources and the Regional Managements will transmit and be vigilant of the correct application of the Code of Ethics. As managers of the organizational culture of FUNDES, they should promote a formal - open communication that promotes the notification of practices or inconsistent behaviors related to the Code of Ethics.

On the other hand, collaborators who know or intuit behaviors in opposition to the code, will be free to report it in the first instance to the Immediate Superior, otherwise they must escalate their report to the Regional Manager (Executive Director) or to the President of the Board of Directors. Denouncements, which cannot be answered locally, must be reported to the Human Resources representatives of FUNDES Internacional.

The notification of a violation of the Code of Conduct, will be carried out through an informal mechanism that is distinguished by open communication, however, in order to formally support any behavior or practice that does not align with the ethics of FUNDES, the collaborator must submit in writing to the corresponding person (as indicated in the previous paragraph) his / her complaint, which will facilitate proceeding as appropriate.

When a collaborator manifests doubts related to a situation and or apparent action of violation of the Code of Ethics, Human Resources must support and advise in order to resolve any difficulty that may arise in the interpretation and application of this code.

e) Penalties

- The violation of this code will be subject to the disciplinary actions that correspond, according to the legislation of each country and / or the internal regulations of each FUNDES.
- The following actions will be considered violations of this Code of Ethics:
 - Negligently neglecting the policies and procedures that govern the management of the business.
 - Sexual harassment, harassment or discrimination of any kind to the staff.
 - Report an unfounded innocent collaborator and in bad faith.
 - Omit or failure to timely report violations of the code.
 - Execute actions for personal benefit, family or third parties, and that harm the organization.
- Prior to the imposition of a sanction, Human Resources in conjunction with the superior level of the person responsible for the fault, must analyze and investigate the conditions of the alleged violation of the Code of Ethics and determine the corresponding sanction.