

ANNUAL CORPORATE GOVERNANCE REPORT

2021

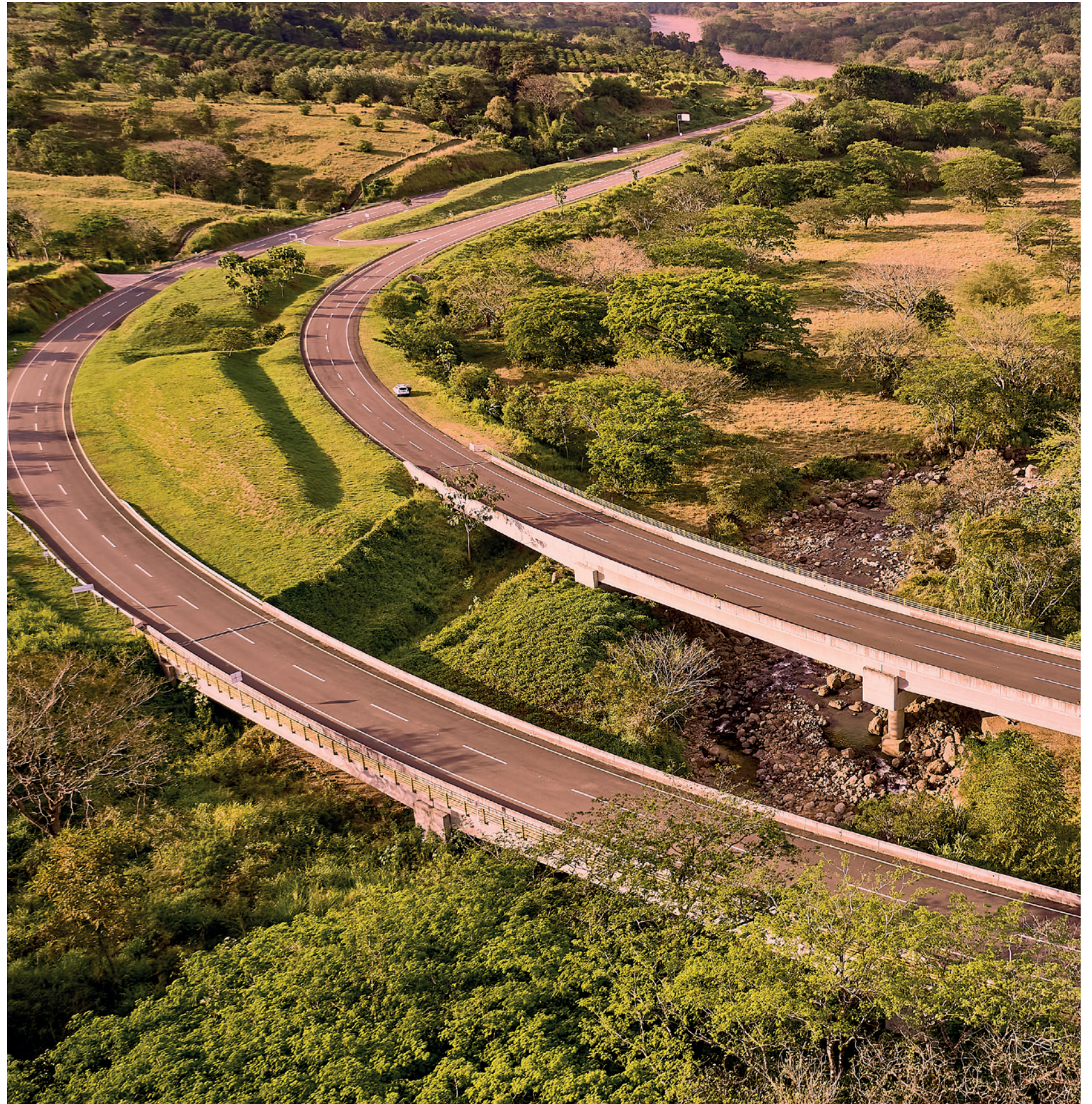
At Grupo Argos we are committed to the generation of long-term value and to the adoption and implementation of high standards of corporate governance that promote compliance with the business strategy, in order to honor the trust placed in us by our shareholders and investors and to promote the sustainability of the organization.

Thus, in compliance with the provisions of our Code of Good Governance, we present the Annual Corporate Governance Report for the year 2021. Its structure obeys the recommendations of the Country Code and describes the way in which the corporate governance guidelines adopted by the company were complied with.



GRUPO ARGOS

Investments that transform





Relevant Facts

Mixers Cementos Argos
United States

- A Board of Directors meeting was held without Management in which the results of the Board of Director's self-assessment and the 2020 evaluation of the company's President were presented, and recommendations on the functioning of the Board were made and are being implemented.
- The Country Code survey was completed and shared, evidencing the adoption of corporate governance practices adding value to the company, its shareholders, investors and other stakeholders.
- For ninth year in a row, Grupo Argos received the Investor Relations recognition from the Colombian Stock Exchange, scoring 94.8%. This recognition reflects the better standards in terms of information disclosure and investor relations and, for 2021, it considered new evaluation criteria in terms of social, environmental, talent and corporate strategy management.
- We launched the ESG Databook, a platform that presents the company's information on environmental, social and corporate governance issues.
- Grupo Argos was included for ninth year in a row in the Dow Jones Global Sustainability Index recognizing best practices in terms of economic, environmental and social sustainability of companies trading in the stock market and obtained the first place in the company's industry in the chapters of Corporate Governance and Code of Conduct in the Global, Emerging Markets and Latin America Integrated Market of Dow Jones indexes.
- The company received the highest distinction worldwide in the S&P Global Sustainability Yearbook.
- Grupo Argos was recognized by the Alas20 ranking, a Latin American initiative, as the fifth leading company in the corporate governance component.
- The company's Board of Directors reviewed and approved the 2030 climate change and gender equity goals, and reviewed ESG risks.
- In relation to the public tender offer on the shares of Grupo Nutresa S.A., the procedure provided by law was carried out so that the Shareholders Assembly could authorize some members of the Board of Directors who expressed potential conflicts of interest to deliberate and decide on the offer. Five members of the Company's Board of Directors participated in the corresponding session, including the four independent members.
- The Corporate Audit audited compliance with the Code of Good Governance and validated the existence of adequate practices and procedures for compliance with the same.
- The Contracting Manual was updated in order to maintain the best practices in the matter, as well as to adopt the Corporate Audit recommendations of the organization.
- The Annual Conduct Course was held with the

9th
CONSECUTIVE YEAR
in the Dow Jones Global Sustainability Index

We obtained the *Investor Relations* recognition for
9th
CONSECUTIVE YEAR
from the Colombian Stock Exchange scoring 94.8%.

100%
of our employees completed the Annual Conduct Course assessment and Statement of Potential Sources of Conflicts of Interest





Celsia Solar Prudencia
Panamá

participation of the different conduct officers of the Business Group. Through this course, tools were provided to employees for decision making based on the corporate pillars of ethics and transparency, and knowledge of the organization's compliance system was reinforced.

- 100% of Grupo Argos employees completed the Annual Conduct Course assessment and filled out the Annual Statement of Potential Sources of Conflicts of Interest.
- As part of the commitment to integrity and in an effort to continue strengthening the compliance program, the companies of the Business Group shared the Annual Conduct Course with its close to 9,000 suppliers.
- Progress was made in the technological development of management tools for the compliance programs, such as the Annual Statement of Potential Sources of Conflicts of Interest and the Statement of Assets and Income, which makes it easier for employees to fill out and creates infor-

mation, management and monitoring repositories.

- The Central Conduct Committee and the Business Conduct Committee were held as part of the compliance system governance, as established in the Code of Business Conduct.

Property Structure



Grupo Argos is the parent company of Grupo Empresarial Argos, made up of companies present in several countries of the American continent, participating in the businesses of cement, energy, road and airport concessions, urban development and the real estate revenue market.

Capital Stock

Authorized Capital:

\$75.000.000.000
represented in **1.200.000.000**
shares with par value \$62,50

Subscribed and Paid-in Capital:

\$54.697.419.688
represented in **875.158.715**
shares with par value \$62,50

657.629.103 common shares outstanding

211.827.180 preferred shares outstanding

5.702.432 repurchased common shares

324.841.285 shares in reserve

Túnel de Oriente
Antioquia

Important Shareholders¹

Holders of Common Shares

Grupo de Inversiones Suramericana S.A.
234.285.682 | 35,63%

Grupo Nutresa S.A.
82.300.360 | 12,51%

Amalfi S.A.S.
37.525.045 | 5,71%

Holders of Preferred Shares

Fondo de Pensiones Obligatorias Proteccion Moderado
41.770.823 | 19,72%

Fondo de Pensiones Obligatorias Porvenir Moderado
34.282.389 | 16,18%

Fondo de Pensiones Obligatorias Colfondos Moderado
14.987.506 | 7,08%

Fondo Bursatil Ishares Colcap
14.539.646 | 6,86%

¹ For purposes of this report important interests are those greater than 5% of all outstanding shares as of December 31, 2021.



Relations between Holders of Important Interests and the Company or between Holders of Important Interests among Themselves

Grupo Argos is holder, directly or indirectly, of common shares of Grupo Sura S.A. and Grupo Nutresa S.A.

Grupo Argos had commercial relations with some of the subordinate companies of Grupo Sura S.A. and Grupo Nutresa S.A., which are developed at arm’s length and within the ordinary course of business.

Trades of Board of Directors Members and other Managers with Company Shares

In 2021, managers conducted no operations with company shares.

Shareholder Agreements

No shareholder agreements have been deposited with Grupo Argos management.

Hydroelectric Power Plant Salvajina
Cauca

General Shareholders Assembly

March 2021

Government structure adopted by the issuer to achieve an equal treatment for investors and promote their interest

The company has different mechanisms to provide equal treatment to all shareholders who, within the same class of shares, are in the same conditions.

In order to ensure equal treatment of shareholders and investors, the Code of Good Governance establishes a series of rules for the Board of Directors, Senior Management and other employees of Grupo Argos.

In addition, the Code of Good Governance describes different mechanisms for relations with shareholders and channels for the dissemination of information and communication with shareholders and other stakeholders of the company.

Regular meeting of the General Shareholders Assembly

The regular meeting of the General Shareholders Assembly was held on March 25, 2021.

Attendance data

Quorum:
85,17%
of the total common shares outstanding of the Company

549.676.662
common shares represented

Main decisions

- Approval of the Management Report of the Board of Directors and the President.
- Approval of the Financial Statements as of December 31, 2020.
- Approval of the Profit Sharing Proposal.
- Election of the Board of Directors and setting of fees.
- Election of the Statutory Auditor and setting of fees.
- Consideration and approval of a bylaw reform.

Differences in the Operation of the regular meeting of the General Shareholders Assembly between the Minimums Regime of the Current Regulations and that Defined by the Bylaws and the Regulations of the Company's Assembly

At Grupo Argos, in addition to complying with the applicable legal regime, we have adopted the following good governance practices to ensure greater transparency and respect for the rights of shareholders in development of the General Shareholders Assembly:

- The call to regular meetings is done at least 25 calendar days in advance.
- When the intention is for the Assembly to deal with a substantial change to the corporate purpose, waiver of the preemptive right for subscription of common shares, change of corporate domicile, early dissolution or company segregation, these matters must be expressly stated in the call.
- The call may in no case include points such as "Miscellaneous" or "Other matters" or similar that prevent precisely knowing in advance all the matters to be discussed at the relevant meeting.
- During the term of the call, shareholders may consult the documents of the relevant Assembly, in the website and the company's management offices.
- When members of the Board of Directors are to be elected at a meeting, the information available to the shareholders must contain the proposal of candidates to make part of the Board.
- The regular meeting of the General Shareholders Assembly is broadcast through the company website.

Measures to Encourage Shareholder Participation at the General Shareholders Assembly 2020

- In 2021, the company implemented a tool that facilitates the search of information on its website for shareholders and investors to find clear and sufficient information relative to different aspects, especially, environmental, social and corporate governance.
- The General Shareholders Assembly was called with more than 27 calendar days in advance.
- Taking into account that in 2021 the declaration of the health emergency for Covid-19 was still in force in Colombia, the ordinary meeting of the General Shareholders Assembly of 2021 was held in person with attendance limited to suggested proxies. For the exercise of political rights, a proxy form was provided to the shareholders in which they had to give instructions on the direction of their vote for each of the propositions that would be submitted to the consideration of the Assembly and select a proxy to represent them at the meeting.
- The information related to the General Shareholders Assembly was made available to the shareholders on the website and at the management offices during the term of the call.
- In addition, telephone conferences were held addressed to shareholders, analysts and the general public to present the company's quarterly results.
- Grupo Argos ensured equitable treatment of all its shareholders, allowing and encouraging the exercise of their rights.

El Dorado Airport
Bogotá



Special meeting of the General Shareholders Assembly

On December 3, 2021, the special meeting of the General Shareholders Assembly was held to decide on the authorization required regarding potential conflicts of interest of some members of the Board of Directors of Grupo Argos, to deliberate and decide on the public tender offer on common shares of Grupo Nutresa S.A., formulated by Nugil S.A.S. on November 21, 2021.

Attendance Data

Quorum:
83,14%
of all company common shares outstanding

546.748.209
common shares represented

Main Decisions

- Mrs. Claudia Betancourt was authorized to deliberate and decide, in her capacity as a member of the Board of Directors of Grupo Argos, regarding the offer.
- Mrs. Ana Cristina Arango was authorized to deliberate and decide, in her capacity as member of the Board of Directors of Grupo Argos, regarding the offer.

- As requested by Mr. Gonzalo Alberto Pérez, he was not authorized to deliberate and decide, in his capacity as a member of the Board of Directors of Grupo Argos, regarding the offer.
- As requested by Mr. Carlos Ignacio Gallego, he was not authorized to deliberate and decide, in his capacity as member of the Board of Directors of Grupo Argos, regarding the offer.

Measures for promoting participation

- The call for the special meeting of the General Shareholders Assembly was made 6 common days in advance.
- Due to the evolution of the health emergency and the national vaccination plan, the special meeting was held in person.
- A proxy form was provided to shareholders who wished to be represented, which included the items to be discussed in the agenda.
- The documents to evaluate the matters that were submitted for consideration at the General Shareholders Assembly were made available to the shareholders on the website and at the management offices during the term of the call.
- During the special meeting of the General Shareholders Assembly, Mrs. Claudia Barrero, partner of the firm Philippi Prietocarrizosa Ferrero DU & Uría explained to the shareholders the nature of a public tender offer and the reasons why the General Shareholders Assembly was called in terms of corporate governance.

- All present or represented shareholders had the opportunity to intervene during the special meeting of the General Shareholders Assembly.



Medellín
Antioquia

Information to Shareholders and Permanent Communication

The channels used by Grupo Argos to communicate and provide information to shareholders and investors are:

- Website: www.grupoargos.com.
- Investor Assistance Center managed by Fiduciaria Bancolombia S.A., at the phone numbers:
+ (57 4) 404 2371
+ (57 4) 404 2362
+ (57 4) 404 2453
+ (57 4) 404 2451
+ (57 4) 404 2452
- Investor Relations Office, led by the Vice-President of Strategy and Corporate Finance (apiedrahita@grupoargos.com) and the Manager of Investor Relations and Presidency Affairs (jemejia@grupoargos.com).
- Results report and quarterly results teleconference..
- Meetings with analysts of stockbroker firms, pension funds, investment funds, foreigners and other shareholders.
- Integrated Report with main information on the economic, environmental and social management of Grupo Argos.
- Website of the Finance Superintendence through which Relevant Information is disclosed to the market: www.superfinanciera.gov.co.
- Press release.
- Social media: Instagram, LinkedIn, Twitter and YouTube.

Number of Requests and Subjects on which Shareholders have Requested Information from the Company

Tax Certificates	442	<div></div>
Calls	105	<div></div>
General certificate	28	<div></div>
News on Dividend Payment	27	<div></div>
Change of Depositor	25	<div></div>
Historic Certificates	17	<div></div>
Deposit Slip	16	<div></div>
Dematerialized Transfer	14	<div></div>
Visits to the Assistance Center	10	<div></div>
Blocking or Unblocking	4	<div></div>
Cancellation of pledge	3	<div></div>
Pledge creation	1	<div></div>
Right to Petition	1	<div></div>
Secondary Data Update	1	<div></div>
Interim measure	1	<div></div>
Total	695	

Investor Relations Activities

- During 2021, one regular meeting and one special meeting of the General Shareholders Assembly were held.
- Four results teleconferences were held (February, May, August and November) and one special results teleconference related to the announcement of the alliance between Odinsa S.A. and Macquarie to create a road platform in the Andean region (September). 687 analysts and investors connected to the conferences held during 2021.
- 55 meetings were held with investors and 5 virtual conferences held by banks were attended.
- The campaign called "Join the Group" was launched, in which the purchase and sale orders of Grupo Argos, Cementos Argos and Celsia shares entered through the Trii mobile application on September 16, 2021 were free of any commission charge. As part of the campaign, three events were held, with the participation of the companies' presidents and more than 3,000 people.
- We participated in the process of dual registration of six Colombian issuers in Chile, which sought to reach a much deeper market in order to attract a new source of investors who could trade the shares in their local market and currency.

Celsia Solar Bolívar



Board of Directors and Committees

The Board of Directors is comprised by seven main members four of whom meet the independence criteria established in Law 964/2005 and in the Company's Code of Good Governance.



Rosario Córdoba

Type of Member

- Independent and Chair-
man of the Board

Start Date

- March 23, 2011

**Board of Directors Atten-
dance**

- 100%

Committees Attendance

- 100%

Support committees

- Audit, Finance and Risks
- Appointment and Remu-
neration
- Sustainability and Corpo-
rate Governance (Chair-
man)



Gonzalo Pérez

Type of Member

- Equity

Start Date

- March 26, 2020

**Board of Directors Atten-
dance**

- 100%

Committees Attendance

- 100%

Support committees

- Appointment and Remu-
neration



Carlos Ignacio Gallego

Type of Member

- Equity

Start Date

- March 26, 2014

**Board of Directors Atten-
dance**

- 100%

Committees Attendance

- 66,6%

Support committees

- Sustainability and Corpo-
rate Governance



Claudia Betancourt

Type of Member

- Equity

Start Date

- April 16, 2018

**Board of Directors Atten-
dance**

- 100%

Committees Attendance

- 100%

Support committees

- Sustainability and Corpo-
rate Governance



Ana Cristina Arango

Type of Member

- Independent

Start Date

- March 25, 2009

**Board of Directors Atten-
dance**

- 100%

Committees Attendance

- 100%

Support committees

- Audit, Finance and Risks



Jorge Uribe

Type of Member

- Independent

Start Date

- March 25, 2015

**Board of Directors Atten-
dance**

- 100%

Committees Attendance

- 100%

Support committees

- Appointment and Remu-
neration (Chairman)



Armando Montenegro

Type of Member

- Independent

Start Date

- March 25, 2015

**Board of Directors Atten-
dance**

- 100%

Committees Attendance

- 100%

Support committees

- Audit, Finance and Risks
(Chairman)

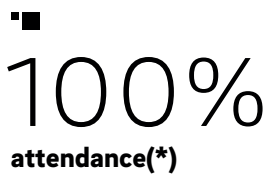
[Click here to see the Board of Directors members' CVs](#)

Election of the Board of Directors during the period

Name	Capacity
1. Gonzalo Alberto Pérez	Equity
2. Carlos Ignacio Gallego	Equity
3. Claudia Betancourt	Equity
4. Ana Cristina Arango	Independent
5. Rosario Córdoba	Independent
6. Armando Montenegro	Independent
7. Jorge Uribe	Independent

Members of the Parent Company Board of Directors comprising the Boards of Directors of Subordinates or holding Executive Positions therein

No member of the Board of Directors of Grupo Argos makes part of a Board of Directors of subordinate companies nor holds executive positions therein.



(*) Gonzalo Alberto Pérez and Carlos Ignacio Gallego did not attend the meetings of the Board of Directors in which they deliberated and decided on the tender offer for Grupo Nutresa S.A. shares, in accordance with the decisions of the special meeting of the General Shareholders Assembly held on December 3, 2021.

(**) According to modifications approved by the Board of Directors.

Policies Approved by the Board of Directors during the Period

In 2021, the Code of Good Governance was updated in order to reflect the bylaw reform approved by the General Shareholders Assembly at its special meeting.

[Click here to see the company policies.](#)

Appointment of the Board of Directors

The appointment of the Board of Directors is governed by the Bylaws, the Code of Good Governance and the Policy on Appointment, Remuneration and Succession of the Board of Directors.

- **Election:** General Shareholders Assembly.
- **Period:** One year. Members are of indefinite reelection.
- **Criteria to be considered for election:**
 - Personal qualities, knowledge relevant to the company's activity, trajectory, diversity and experience in business management and participation in other boards of directors.
 - Directors may not be older than 72 years and cannot be found in any of the circumstances of incompatibility and inability established in the Policy on Appointment, Remuneration and Succession of the Board of Directors.
 - The lists submitted for the corresponding election of the Board of Directors must include

the number of independent members representing at least the percentage established in Law 964/2005 or the one that replaces, adds to or modifies it. The independence criteria adopted by the company for the appointment of directors can be found in letter f, numeral 4, Chapter III of the Company's Code of Good Governance.

- **Procedure:** The profiles defined by the Board of Directors shall be published on the company's website on the same date on which the call to the regular meeting of the General Shareholders Assembly at which the election of the Board of Directors is to be held is made public. In accordance with the law, the Board of Directors is elected through the application of the electoral quotient system, based on the proposals submitted by the shareholders no less than five business days prior to the meeting of the General Shareholders Assembly.

Remuneration Policy of the Board of Directors

The remuneration scheme for the Board of Directors is regulated in the Policy on Appointment, Remuneration and Succession of the Board of Directors, which establishes that directors shall receive for their services a remuneration composed of the following elements: (i) a fixed monthly fee whose value shall be determined each year by the General Shareholders Assembly; and (ii) a fixed amount determined by the General Shareholders Assembly for participation in the committees supporting the Board of Directors.



Cementos Argos Cartagena Plant
Bolívar

Directors' compensation takes into account the structure, duties, responsibilities and time commitment of the Board of Directors and its committees.

For the period from April 2021 to March 2022, a monthly fee of \$8,100,000 was established for the members of the Board of Directors and \$8,100,000 for each session of the Board committees.

Board of Directors Quorum

In accordance with law, the Board of Directors will validly deliberate with the presence of the majority of its members and this majority is necessary to approve decisions.

Chairman of the Board of Directors

The chairman of the Board of Directors is Rosario Córdoba, who, among others, is in charge of the following functions: (i) ensure that the Board of Directors sets and efficiently implements the strategic direction of the company, (ii) coordinate and plan the operation of the Board of Directors by establishing an annual work plan, (iii) make the call to meetings, directly or through the secretary of the Board of Directors, (iv) chair meetings and manage discussions, and (v) monitor the active participation of the members of the Board of Directors.

Secretary of the Board of Directors

The General Secretary is Rafael Olivella, who, among others, is responsible for the following functions:

(i) deliver in time and content the information to the directors, (ii) duly reflect in the book of minutes the development of the sessions, (iii) ensure that the actions of the Board of Directors are in compliance with applicable rules, (iv) provide legal advice to the Board of Directors, and (v) communicate the Board's decisions to different areas and officials of Grupo Argos.

Relations of the Board of Directors with the Tax Auditor, Financial Analysts, Investment Banks and Rating Agencies throughout the Year

In March 2021, the General Shareholders Assembly elected KPMG S.A.S. as Tax Auditor for the period comprised between April 2021 and March 2022 with a fee of \$179,301,000 plus VAT payable in four quarterly instalments. During the year, the Tax Auditor participated in the Audit, Finance and Risks committee, presenting a plan of audit activities and follow-up.

Advice was provided by different investment banks for the evaluation and structuring of projects, as well as for the analysis in the decision-making, among which are: BNP Paribas, J.P. Morgan, Santander and Bancolombia Investment Banking.

In the first half of 2021, the rating agencies BRC Standard & Poor’s and Fitch Ratings published their technical document through the Relevant Information mechanism. Fitch Ratings ratified Grupo Argos’ rating, AAA with stable perspective. Likewise, BRC Standard & Poor’s ratified the rating of Grupo Argos, AA+ and improved the perspective from stable to positive.

The opinions issued by those agencies can be consulted in the Relevant Information section of the website of the Finance Superintendence of Colombia (www.superfinanciera.gov.co)

External Advice Received by the Board of Directors

During 2021, meetings were held with experts in each of the sectors where the company has its main investments.

In addition, the following participated as guests at the Board of Directors’ meetings: (i) Moisés Naím, who led a discussion on current geopolitical and economic issues; (ii) Jeffrey Currie, representative of Goldman Sachs, who presented a perspective on the commodities cycle and its transversal impact on the economy and emerging markets; and (iii) Federico Merlo, General Director of the WBCSD, who presented the organization’s vision 2050 and the roadmap for its achievement.

Handling of Information of the Board of Directors

In 2021, the company delivered to the directors the information via email and continued using the Board of Directors’ website that allows the storage and sharing of all necessary information for the proper functioning of the Board of Directors.

Information of the Evaluation Processes of the Board of Directors and Senior Management, as well as a Summary of the Results

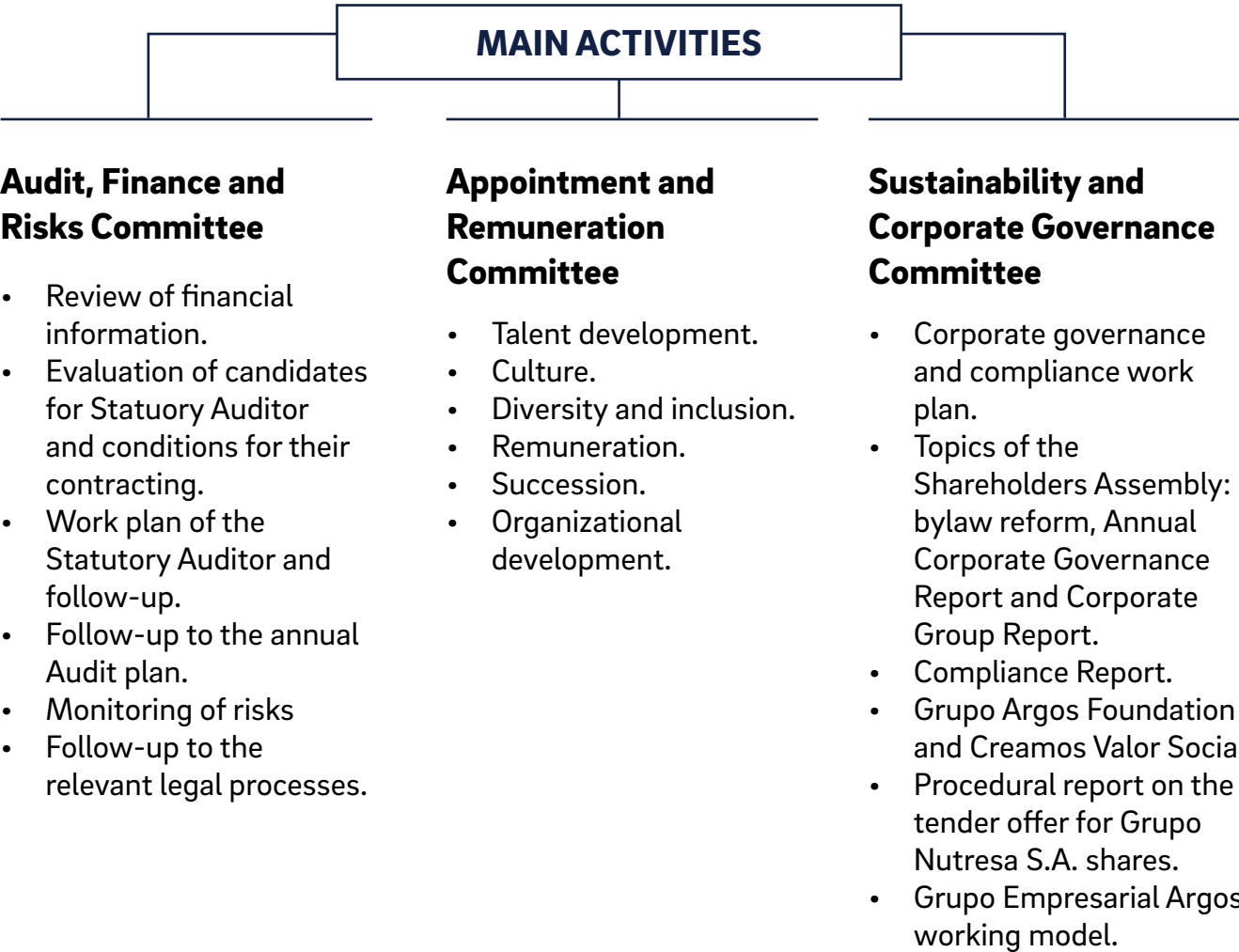
The evaluation process of the Board of Directors as a governing body, its support committees and individual members was carried out as of December 31, 2021.

Additionally, the Board of Directors carried out the evaluation process of the President of the company as of December 31, 2021.

[Click here to see a summary of the Board of Directors’ and support committees’ self-assessment results.](#)

Support Committees of the Board of Directors

- Audit, Finance and Risks Committee
- Appointment and Remuneration Committee
- Sustainability and Corporate Governance Committee



Operations between Related Parties and Conflicts of Interest

In accordance with the provisions of the Bylaws, it is the function of the Board of Directors to know and authorize transactions between related companies, when applicable. In addition, the company has a Relations Policy with Related Companies and a Policy of Operations between Related Companies.

[Click here to see these policies.](#)

Handling Conflicts of Interest of Members of the Board of Directors and Senior Management

The Code of Business Conduct of Grupo Argos sets the parameters for the identification, disclosure and prevention of potential conflicts of interest. When a conflict of interest or a situation that can eventually lead to a conflict of interest is identified, company directors and officials must make a timely and adequate disclosure, describe the situation in a complete and detailed manner, document the event and provide all the information that is relevant to make the relevant decision.

For the purposes of revealing conflicts of interest, the company requires all its employees to annually complete the Statement of Potential Sources of Conflicts of Interest.

Conflicts of interest will be resolved by giving strict application to the following principles: when the interest of Grupo Argos and that of its shareholders, administrators or that of a third party related to the company are opposed, the interest of Grupo Argos will always be preferred; when the interest of shareholders and its administrators or that of a third party related to the company are opposed, the interest of shareholders will always be preferred.

Detail of Operations with Most Relevant Related Parties

The detail of all operations carried out between the companies of Grupo Empresarial Argos is found in the Special Report prepared pursuant to article 29 of Law 222/1995, which is part of the documentation made available during the right of inspection and which is delivered to shareholders.



Celsia Solar Comayagua
Honduras

Potential Conflicts of Interest and Action of the Members of the Board of Directors

As indicated in page 8 of this Report, the procedures established in the law in terms of potential conflicts of interest were carried out.

Internal Control and Risks

Martinsburg Cementos Argos Plant
United States



Internal Control System

The Grupo Argos Internal Control System is based on a methodological framework developed based on international standards, such as COSO, COBIT and quality standards related to internal control and risk management practices, whose purpose is to unify the culture of control and ensure the efficiency and effectiveness of all operations in the organization.

For the above, there is a structure made up of the Audit, Finance and Risks Committee, Corporate Audit, Legal Affairs Management, Processes and Compliance, the Tax Audit and the Risks team.

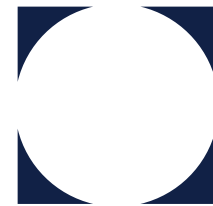
Risks Policy

Grupo Argos has a Comprehensive Risk Management System (SGIR) that incorporates the analysis of the company's performance and business, with the aim of managing strategic and operational risks.

The company has a risk quantification and analysis model to prioritize and manage risks. For this purpose, different simulation and sensitivity analysis methodologies are used to monitor risk management, which is discussed in the corresponding governance bodies.

The Risk Policy is transversally applied for the entire Business Group and is complemented by a series of manuals and guidelines that frame the strategy, projects and processes, within the best corporate governance and sustainability standards.

For more information on Grupo Argos corporate governance visit the website www.grupoargos.com. Additionally, you can contact Adriana Bravo, Corporate Legal Affairs Manager at abravo@grupoargos.com.



GRUPO ARGOS

Investments that transform

www.grupoargos.com