

## Executive Summary

For the period 2019, an external assessment of the Board of Directors (BoD) of Grupo Argos was performed with the accompaniment of a strategic consultancy firm with experience in the matter. The assessment was performed based on the best international practices and standards of corporate governance and the specialized literature. The methodology used allows holistically assessing the operation dynamic of the Board as a governing body, determining the state of maturity of the Board according to its performance, and identifying the strengths and improvement opportunities of the Board.

The seven members of the Board of Directors and four members of the Management Team participated in the assessment.

### I. Performance of the Board of Directors as a governing body

The BoD of Grupo Argos is a mature mandate body that shows advanced performance regarding best practices and that continues to improve compared to the results of previous assessments. Areas in which the BoD has good performance were identified, which strengthen the dynamics of sessions and opportunity areas:

Main Strengths	Main Opportunity Areas
<ul style="list-style-type: none"> <li>• The group's strategic units are treated with the same depth and frequency in the BoD's Annual Plan</li> <li>• The participation of the BoD members is active, fostering a culture open to debate</li> <li>• The BoD is involved from the beginning in important and strategic matters of the Company</li> <li>• The combination and set of skills of the BoD members is ideal and contributes to generate value for the Company</li> <li>• The operation of the BoD committees is satisfactory</li> </ul>	<ul style="list-style-type: none"> <li>• Address Senior Management's succession plan more regularly; review profiles and successors</li> <li>• Ensure the complementary knowledge of the Directors, keeping them updated on matters and challenges that may affect the business</li> <li>• Define the Group's sustainability concept and ensure that there is full knowledge of the value generated in the long term</li> <li>• Ensure that the necessary details of each committee are communicated to the BoD; define a standard submission of reports and presentations, and make the delivery on time</li> </ul>

### II. Dynamics inside the Board of Directors

For the assessment of dynamics inside the BoD, the *High-Performance Board of Directors Conducts* that must be present at Board meetings were taken as a benchmark. As a result of this analysis, it is found that the BoD of Grupo Argos, as a governing body, must focus its efforts on fostering debate and prioritizing the BoD agenda to dedicate relevant time to critical matters.

#### Main Recommendations

1. Prioritize as a more relevant matter for the Board of Directors the long-term strategy for Grupo Argos and its implications in the medium term.
2. Ensure that there are suitable mechanisms and appropriate spaces to take the discussions around the table to the next level.
3. Level the complementary knowledge of the group of Directors in relevant matters for the Group's strategy.
4. Strengthen the operation of the Appointment and Remuneration Committee to give greater visibility to the full Board on its addressing of group key talent development processes, succession plans for senior management and succession of the Board of Directors itself.
5. Continue to improve the documentation processes of the Board of Directors.