

TALENT

Strategy



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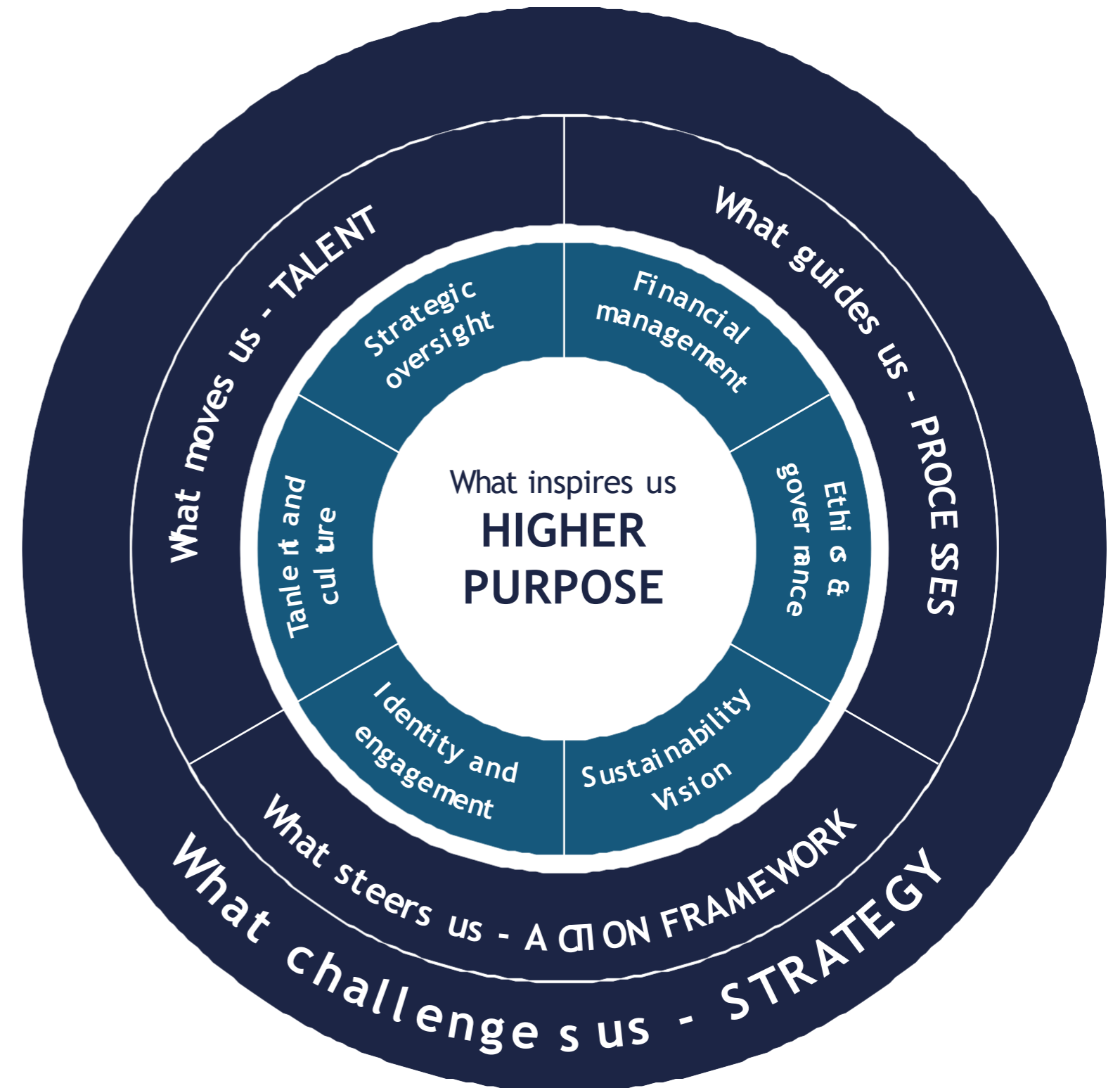
VALUE CREATION Model

What move us

Value drivers

Management system

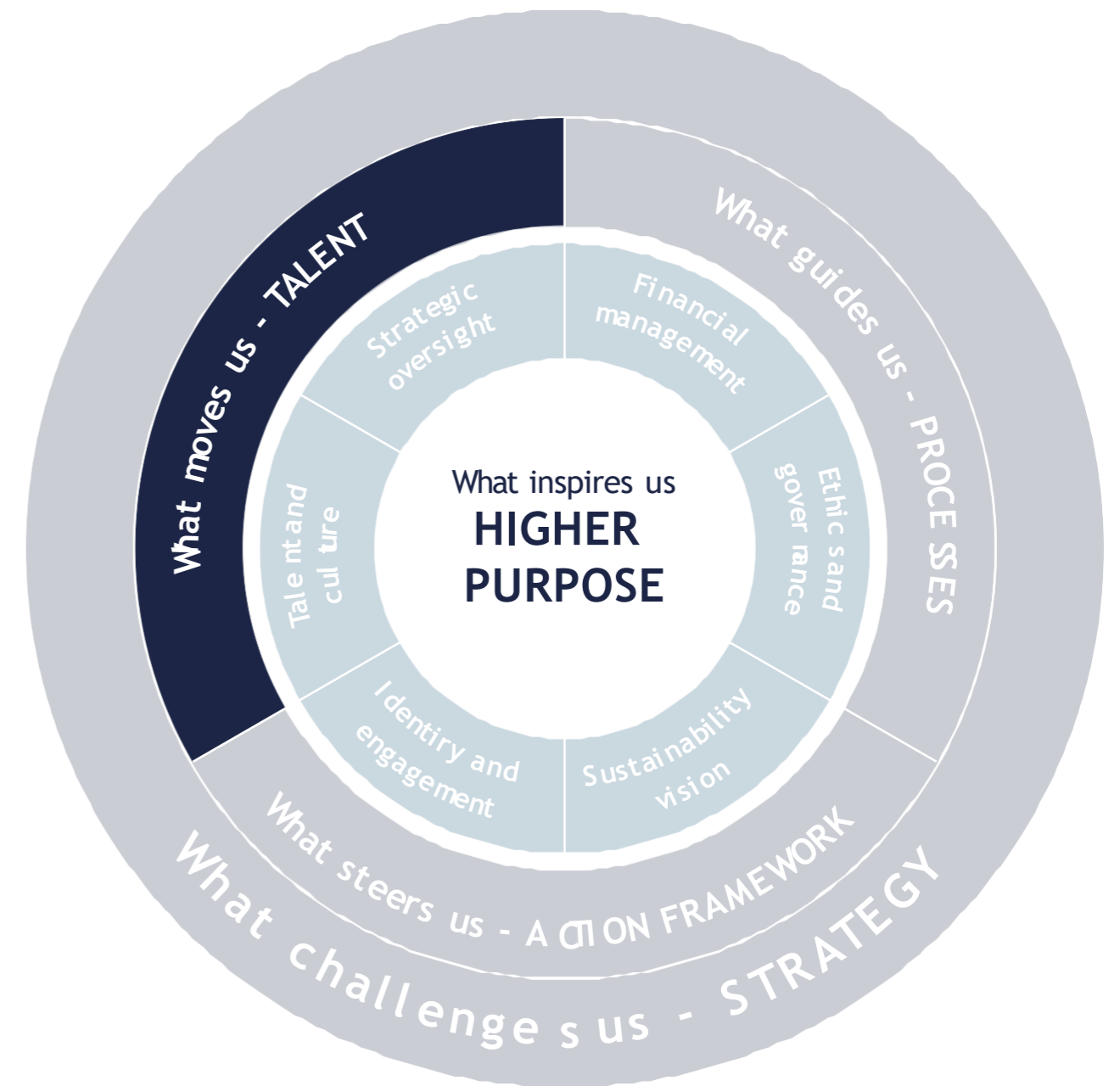
We have defined **six drivers** that determine the actions through which we **generate value** at all Grupo Empresarial Argos' companies. These drivers have a **management system** made up of **four sets of tools** that enable their application.





TALENT

Talent and culture management are initiatives framed within our Group Culture under the pillars of transcendence, integrity, inspiration, and commitment. We aim to attract, develop and retain the best talent to respond to business challenges, and full fill our higher purpose and our strategy.



TALENT

Why does talent create value?

Proper talent and culture management enables and promotes among employees the behaviors and leadership required to achieve Grupo Argos’ strategy.

It also provides solutions for supporting business challenges with innovative practice, and provides employees with a personal, empathetic experience in healthy work environments. Talent management allows developing integral employees and diverse and efficient teams that are committed to the company’s higher purpose.

How is talent managed?

Each company is fully responsible for managing their own talent, within the framework and corporate guidelines designed for the corporate group.

Grupo Argos leads the management talent strategy for the entire Corporate Group.

We define common compensation guidelines to assure internal equality and talent mobility. Each company has its own culture, and we share four cross-cutting pillars, that are part of our identity and facilitate mobility.

To develop our strategy:

We have aligned our leadership model to make progress towards strategy achievement.

We implement a talent attraction strategy.

We plan succession for critical positions at Grupo Empresarial Argos.

We promote talent development with training processes, feedback, exposure, performance management, and full compensation.

We provide special support for strategic talent development to achieve successful successions.

We lead cultural consolidation for the organization and promote diversity and inclusion

We ensure our talent’s wellbeing and personal and professional growth, generating commitment to and pride in working at Grupo Empresarial Argos.

We have aligned our compensation schemes with organizational objectives so our talent can make progress towards strategy achievement.

We provide the best technological and administrative tools for our employees, so they have all the tools they need to do their work.

We have a talent synergy network that allows us to articulate joint efforts and share knowledge and experiences between companies.



CULTURE AND LEADERSHIP

OUR LEADERSHIP PROGRAM

We strengthen the development of our collaborators through an inclusive leadership model

Leaders as actors of transformation. Inspiring by example, respect and coherence, committed to the higher purpose and living the Group Culture as the way to transcend

Transcendence



How do I create value for my community?

- Creamos valor social to leverage the development of leadership skills: mentoring and awareness with the environment
 - Volunteering

How do I create value for my organization?

- PRO
- Performance appraisal



Integrity



How to inspire and develop my team?

- Team leadership and empowerment tools: inspire, transformative conversations, career coaching

Inspiration



Who am I?

- Conscious balance
- Self-Awareness Toolkit: Assessments and 360 evaluation
- Mentoring and accompaniment from the being

How to develop my career?

- Self-management
- individual development plans
 - Training



Commitment

CULTURA GRUPO

Culture is the framework for action that guides the behavior of our employees, creating a source of competitive advantage for Grupo Empresarial Argos. We have four cross-cutting cultural pillars that empower the culture inherent to each business:

TRASCENDENCE

- I decide and act considering a financial, environmental and social balance.
- I participate in the construction of an ethical and transparent society.
- I understand and acknowledge the challenges and opportunities of our business so my decisions can generate higher results.

INSPIRATION

- I lead by example when I am consistent, optimistic, inclusive, and empowering.
- I make my arguments respectfully and do not impose them, seeking to build solutions.
- I promote constructive debate, foster two-way communications and integrate diverse opinions.

INTEGRITY

- I do not cut corners to achieve objectives.
- I care as much about results, as the way they are achieved.
- I am compelling and effective to solve situations.
- I am respectful and empathetic towards others.

COMMITMENT

- I use the organization's resources optimally, as though they were my own.
- I am responsible for my achievements and mistakes, learning from them.
- I make decisions and support decisions made by others.





DIVERSITY AND INCLUSION

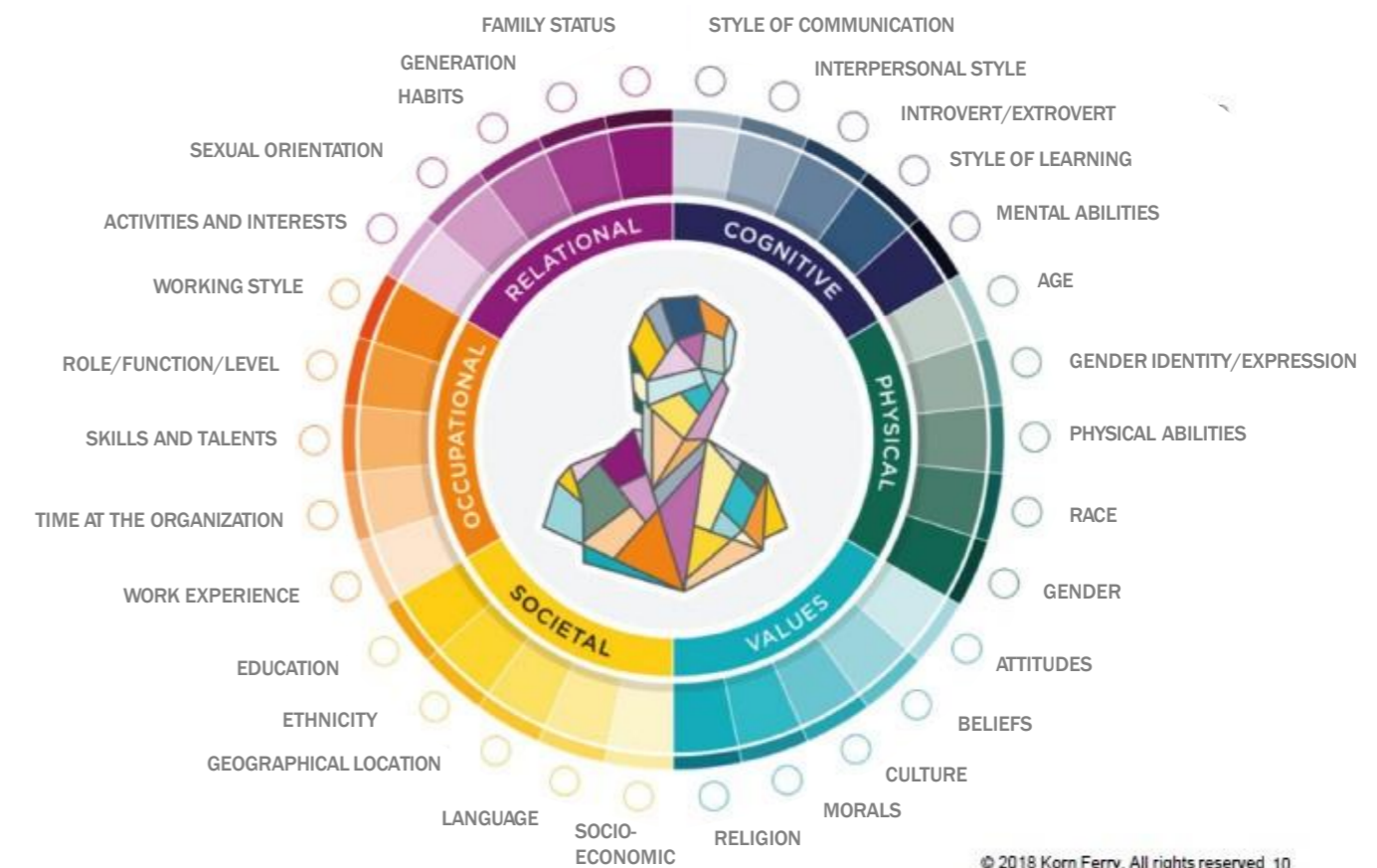
OUR DEFINITION OF DIVERSITY AND INCLUSION

Diversity condenses all the ways in which we are different and unique. Inclusion puts diversity into action, allowing us to get the best out of differences for the common good.

According to **Korn Ferry** there are over 30 ways to consider diversity.

Our goal: To go from just talking about diversity and start talking about inclusion, recognizing that the path is to focus our efforts on the place where we have the greatest opportunity to make a positive impact.

Full range of differences and similarities, visible and invisible, that make every individual unique – Korn Ferry



OUR ACTION REFLECTS OUR COMMITMENT TO DIVERSITY AND INCLUSION

At Grupo Empresarial Argos we promote and value diversity, inclusion and equal opportunity employment.

We promote equal and transparent treatment for all our employees, recognizing that diversity allows us to learn from difference, improve the richness of analysis, decision-making, and increase creativity and innovation as a competitive advantage.

We reject any act of discrimination and, therefore, we make no distinction regarding gender, age, origin, physical or cognitive condition, race, sexual orientation, language, religion, collective or political affiliation, marital status, social origin, economic position, or any other condition or opinion.



To learn more about our Diversity and Inclusion Policy, click [here](#) or scan the code

Training in diversity management to promote inclusive environments through programs like Diversity Multipliers.

Invitations and recruitment channels not biased regarding any condition.

We continuously train the people responsible for recruitment in unconscious bias to guarantee inclusive selection processes.

We offer benefits like progressive return for fathers and mothers, extended breast feeding, and co-parenting strategies.

We strengthen the identification and inclusion of women in succession matrixes so they can continue their careers within the Corporate Group

Grupo Argos was recognized by the 2021 Latam PAR Ranking. Cementos Argos has received the Equipares Golden Seal and Celsia received the Silver Seal

Grupo Argos and Opain implemented the Gender Equality Management System and obtained the recognition of the Equipares Seal by the Ministry of Labor in Colombia

Grupo Argos obtained recognition in the Bloomberg Gender Equality Index



OUR GOALS RELATED TO DIVERSITY AND INCLUSION

↑ 35 %

Gender equality: minimum percentage of women in senior management at the Corporate Group by 2030.

Progress
2021 vs. 2017

Women in upper management: increased from 21% to 22%

Female key talent: increased from 27% to 46%

Progress
2021 vs. 2019

Women nominated as successors: increased from 36% to 42%

↑ 83 %

Inclusion: We will maintain or improve the dimension of diversity in the Mercer workplace environment survey that allows measuring the sense of inclusion of our employees.

MERCER | SIROTA

Progress
2020 vs. 2019

Grupo Argos, Argos Colombia, Odinsa, Summa and Celsia received an 85% favorable consolidated score in 2020 described as “Very favorable”, the highest ranking possible on this dimension

60% increase in hours of training in diversity and inclusion

2,786 hours of training in diversity and inclusion during 2021, on topics such as: unconscious biases, new masculinities, generational diversity, gender and regional inclusion, inclusive communication, and construction of healthy environments.

Formation of a new diversity committee where leaders from each business participate, different from the human talent areas.



OUR STRATEGY OF DIVERSITY AND INCLUSION

OBJECTIVE

Talent with purpose

Strengthen the employer brand through ambassadors, social networks, gender equity management systems and public and private alliances.

INITIATIVE

- 1. Aequales and Equipares PAR Rankings at Argos, Celsia, Grupo Argos
- 2. Social Network strategy
- 3. Employer brand communications

Identify me, Invite me, Include me

Strengthen talent identification in succession matrix, invitations to participate and unbiased selection (blind CVs and inter views without personal questions).

- 1. Analysis and action plan to close gender pay gaps
- 2. Training in talent policies and processes
- 3. Mentorship

Diversity that transcends

Prepare employees with a capacity for influencing and create networks for democratizing diversity.

- 1. Diversity multipliers
- 2. D&I committee training
- 3. Upper management training (VPs-managing directors)
- 4. Program for CEOs

Our differences unite us 2.0

Effectively communicate how to go from diversity to inclusion, from tolerating to respecting our differences.

- 1. Summary/capsules
- 2. Action dissemination
- 3. Testimonies by multipliers
- 4. Shared content



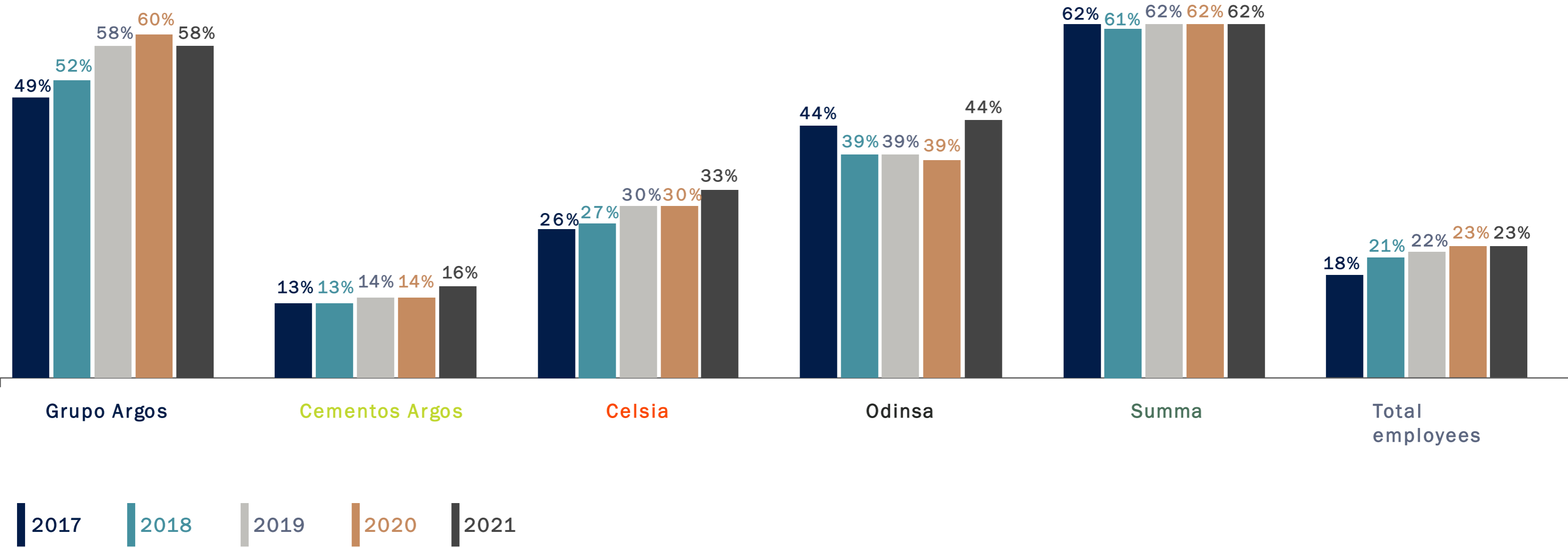
To learn more about our diversity and inclusion strategy [click here](#) or scan the code.



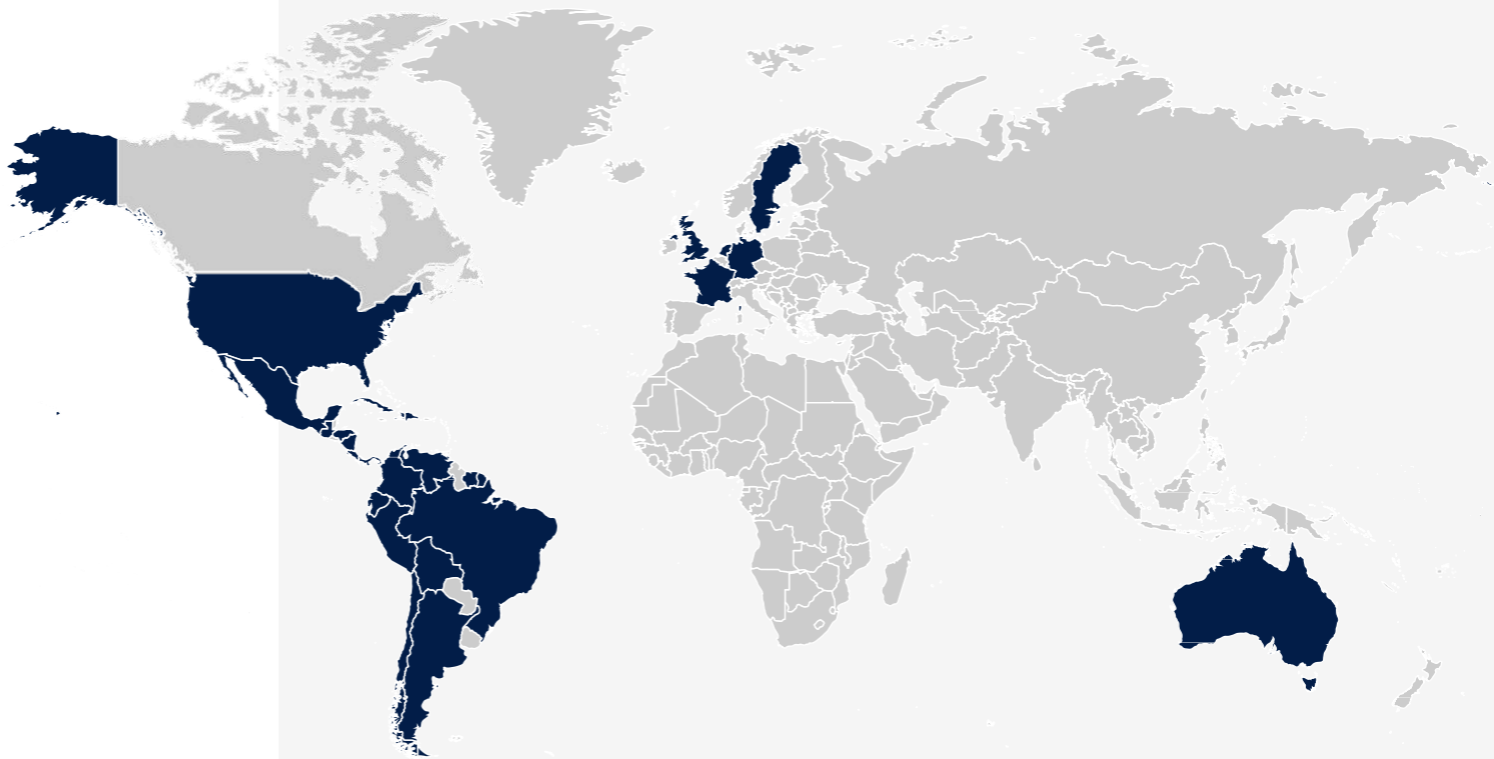
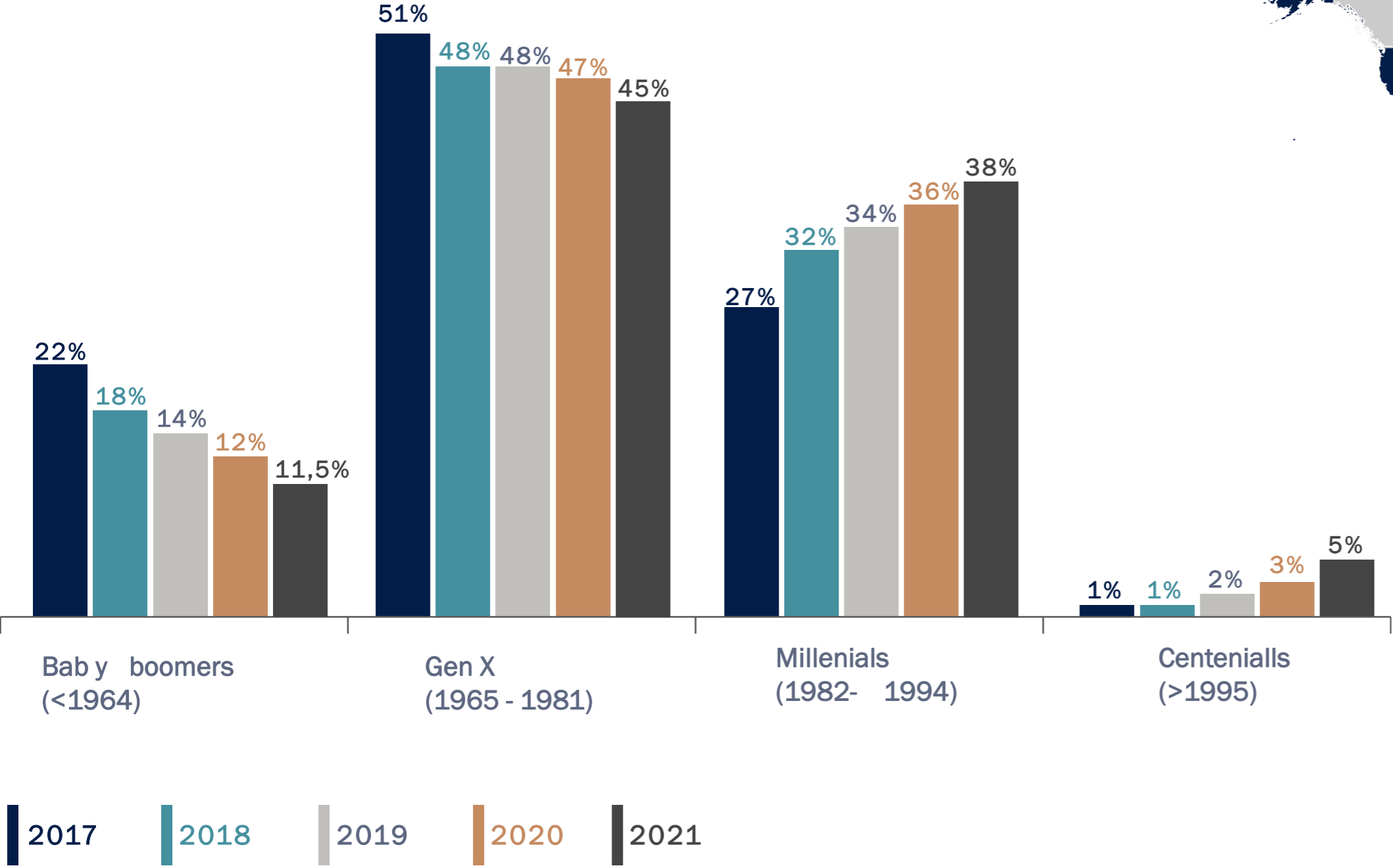
OUR INITIATIVES HAVE ALLOWED GOING FROM 18% A 23% OF WOMEN IN OUR TOTAL EMPLOYEE COUNT

+12 percentage points in the participation of employees with public education, going from 14% in 2020 to 26% in 2021.

+7 percentage points in triples with women going from 29% in 2020 to 36% in 2021,



WE HAVE DIVERS TALENT IN BOTH AGE AND ORIGEN



67 %

of employees are
Colombian

19 %

are from the
United States

13 %

are from the Caribbean,
and Central and South
America



ATTRACTION

EMPLOYEE VALUE PROPOSITION AS THE CENTER OF OUR EMPLOYER BRAND

We grow together

We achieve great things thanks to our strength as a Group. We are inspired to see our talent motivated and committed to a common purpose. Therefore, we invest in development and well-being for them and their families.

Talent with purpose

Great transformations are the reflection of extraordinary, diverse and multicultural talent that make them possible, acting within the framework of our Corporate Group’s Culture. We join our strengths and vision to fulfill the dreams and positively transform the lives of millions of people.

Commitment to the future

We can always do our best work to create value for all our stakeholders. That is why at Grupo Empresarial Argos we promote innovation as the way to ensure sustainability.

Attributes

Teamwork
Professional development
Increased benefits

Diversity, inclusion, and multiculturality
Respect for our people

Innovation
Commitment to sustainability

Programs

Special and innovative benefits that take into account every moment of the lives of our employees (education, health, entertainment, housing, etc.)

Wellbeing and quality of life programs for the mind, emotions, body, and in relation to others.

Communications and network strategy: diversity and inclusion.

Corporate partnerships: Proantioquia and ANDI.
Gender equality management systems and PAR Ranking.

We Create Social Value.

Sustainability Initiatives (DJSI)

Employer brand
recognition:

Cementos Argos: **#11** Celsia: **#35** Grupo Argos: **#45** en Colombia – MERCO TALENTO 2022
Grupo Argos: **#8** en Colombia - UNIVERSUM 2019
Odinsa: **# 9** – EMPLOYERS FOR YOUTH 2018

Unified career website

WWW.JOBS.GRUPOARGOS.COM





PERFORMANCE APPRAISAL AND DEVELOPMENT

OUR COMPETENCY MODEL

AS A FRAMEWORK FOR DEVELOPMENT

Competencies are the set of provable characteristics and abilities that favor efficiency in the performance of work. In our Corporate Group we have defined a competency model made up of the following elements::

Cross-cutting competencies

Those that all Corporate Group employees must develop independently of their role

Competencies depending on the contribution level

Those that Corporate Group employees must develop according to their level of responsibility..

| Competency Group | Individual Contributor – G11 eand below- | Specialist with direct reports – G11 &below- | Middle mgmt - G12 y G13 - | High management | Executive -G19 & above- |
|--|--|---|--|--|--|
| Grupo Argos Corporate Competencies | <div>1. Peer relationships</div> <div>2. Ethics and values</div> <div>3. Drive for results</div> | | | | |
| Obligator y competencies according to the contribution level (Grupo Argos Corporate) | N / A | 4. Managing people and teams | 5. Priority setting 6. Developing direct reports and others. 7. Communi- cation skills | 8. Business acumen 9. Developing direct reports and others. 10. Communi- cation skills | 12. Understan- ding of others 13. Dealing with ambiguity 14. Strategic acuity 15. Innovation Management 16. Strategic agility 17. Management of vision and purpose 18. Political savvy |

TALENT PLANNING

92
Critical positions

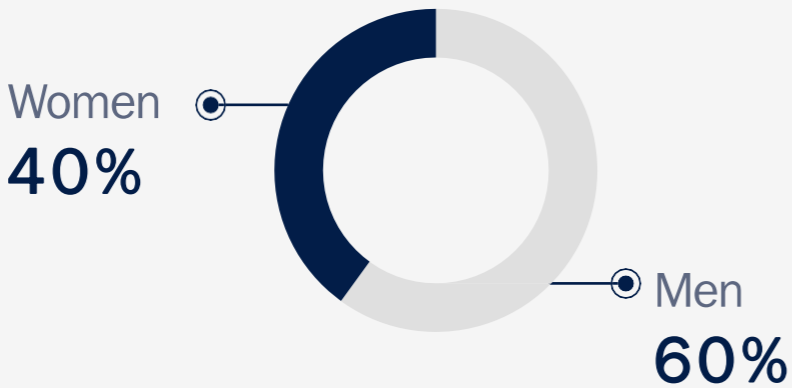
Grupo Argos supports talent planning for critical Corporate Group positions and potential successors to improve their level of readiness and comprehensive development

100%
key talent with ongoing support

We offer development for key talent that is being observed for critical and other relevant positions around the corporate group.

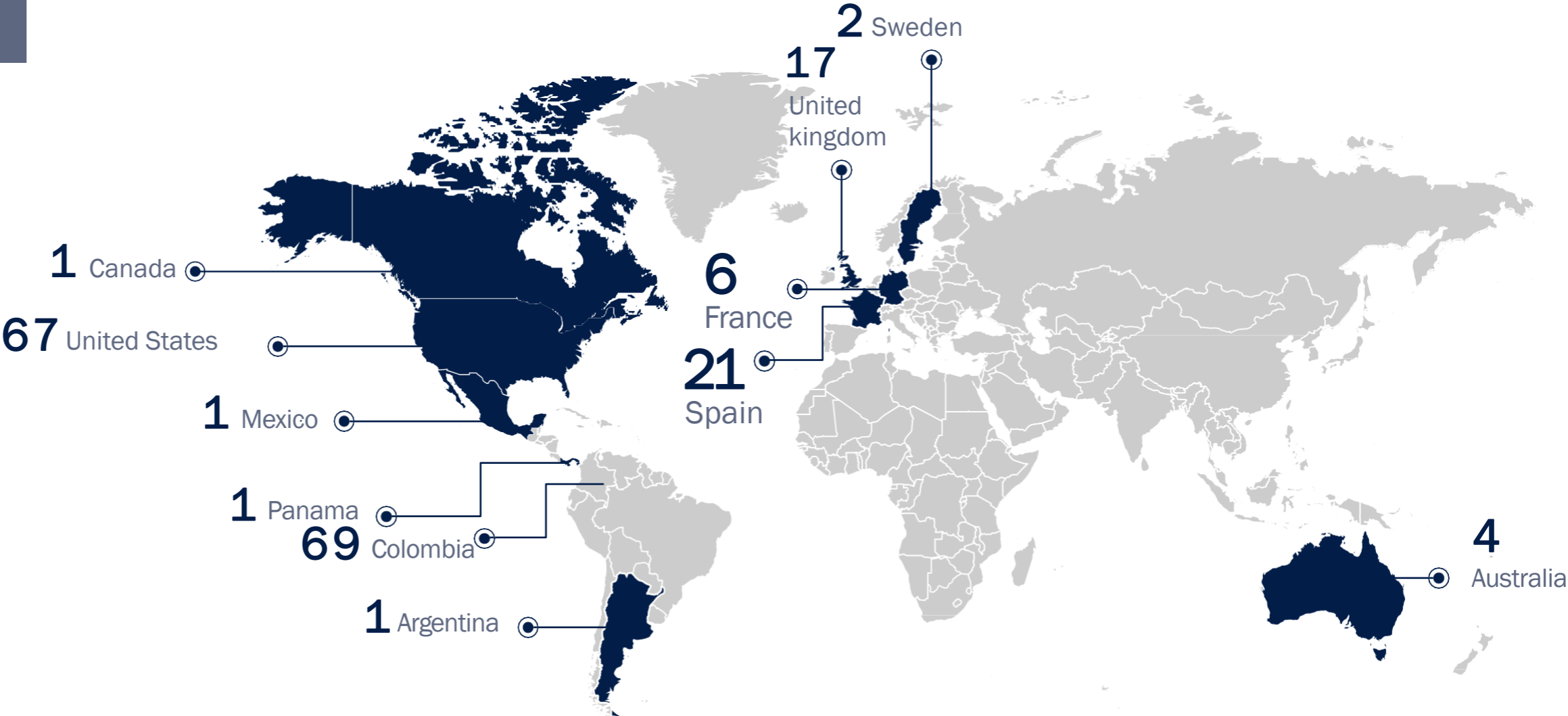
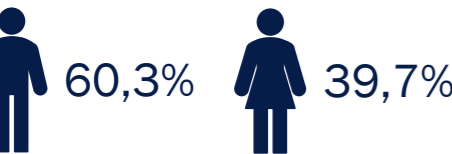
201
people
key talent

93%
colombians



WE GRANT SCHOLARSHIPS FOR ADVANCED TRAINING

194 Scholarships since 2017



21
Active students 2022

41%
promoted

24%
Horizontal movement

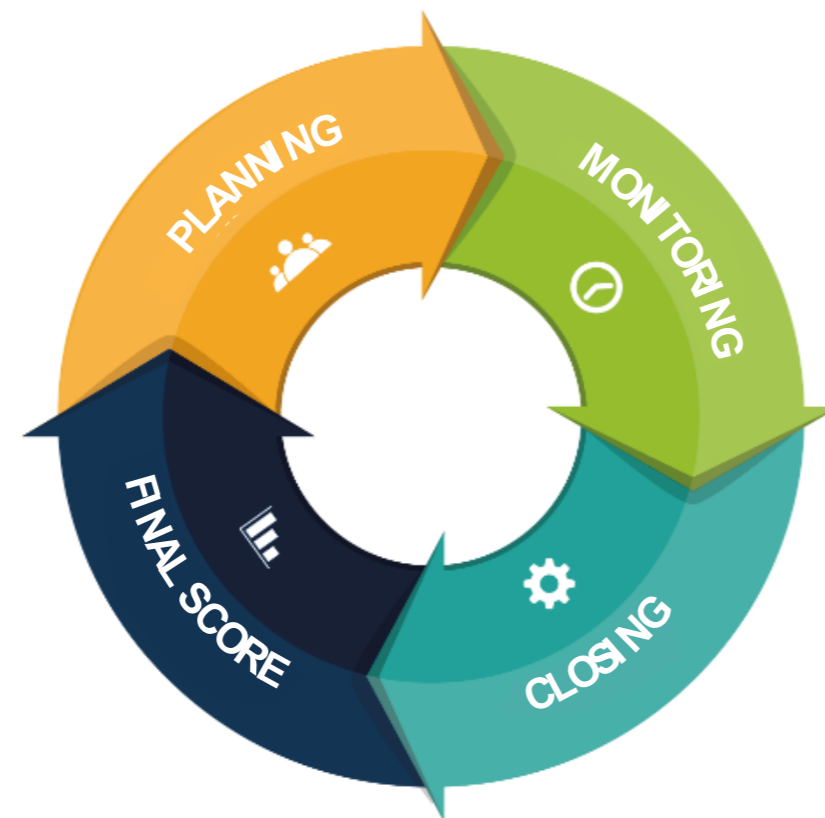
17%
Mobility between companies

76%
Lines of sucesions



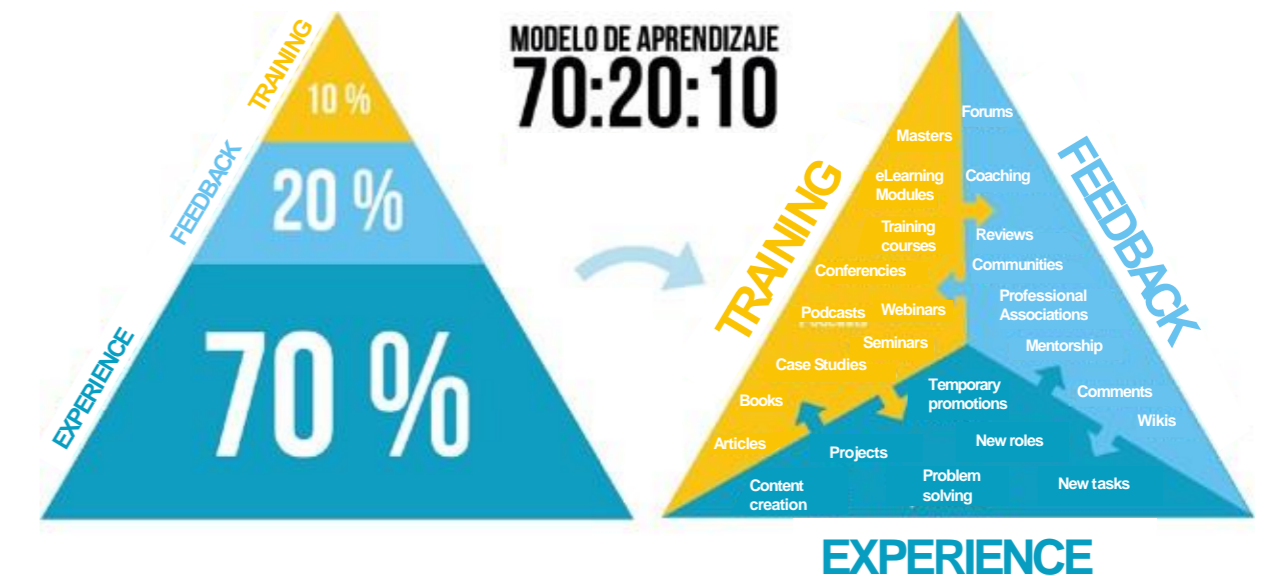
PERFORMANCE APPRAISAL

Performance appraisal program is a cyclical and ongoing process where leaders and employees identify how much they contribute to achieving corporate results and how they need to perform to develop the competencies expected by the organization.



INDIVIDUAL DEVELOPMENT PLAN

At the Corporate Group we use the 10-20-70 model to close development gaps, as needed. This Model proposes that learning is obtained 10% from theory, 20% from working with others, and 70% from direct exposure to the task.



OUR DEVELOPMENT PROGRAM

WITH 10-20-70 ACCIONS

10% Training

Virtuality has allowed us to reach more collaborators and continue advancing in training initiatives

+93

hours of training per employee +60% compared to 2020

High-level events to promote skills of the future in the business group

- Conscious Capitalism Congress with the EIA.
- Where is talent going in the world?: A practical vision of the future of human talent.
- Prestigio Leadership Forum: Reinventing leadership.
- Talent U Business Show: Leadership event.
- Management of VICA environments
- Inclusive leadership tools

20% Feedback

We raise our self-awareness to recognize the impact of our actions and decisions

80%

of our leaders have included the 360-degree assessment to complement their individual development plans

In order to share experiences and knowledge among the collaborators of the Business Group, **we strengthened the mentoring program**, in which we are training 55 mentors, with the aim of going from 22 duplas to a minimum of 55 duplas

67% of Grupo Argos employees receive **personal support to complement their individual development plans**, of which 51% are leaders

70% Experience

We developed concrete actions that helped us strengthen the skills of our leaders

+600

movements made to accelerate the development of our talents, equivalent to 10% of our administrative population

We went from 126 to 424 volunteers Business Group, who have put their knowledge and skills into practice, accompanying 300 entrepreneurs, suppliers and cultural entities

More than 1047 hours in activities of We Create Social Value and volunteering



Eduardo Braun,
author of Chief Emotions
Officer and teacher of
Leadership in dynamic
environments



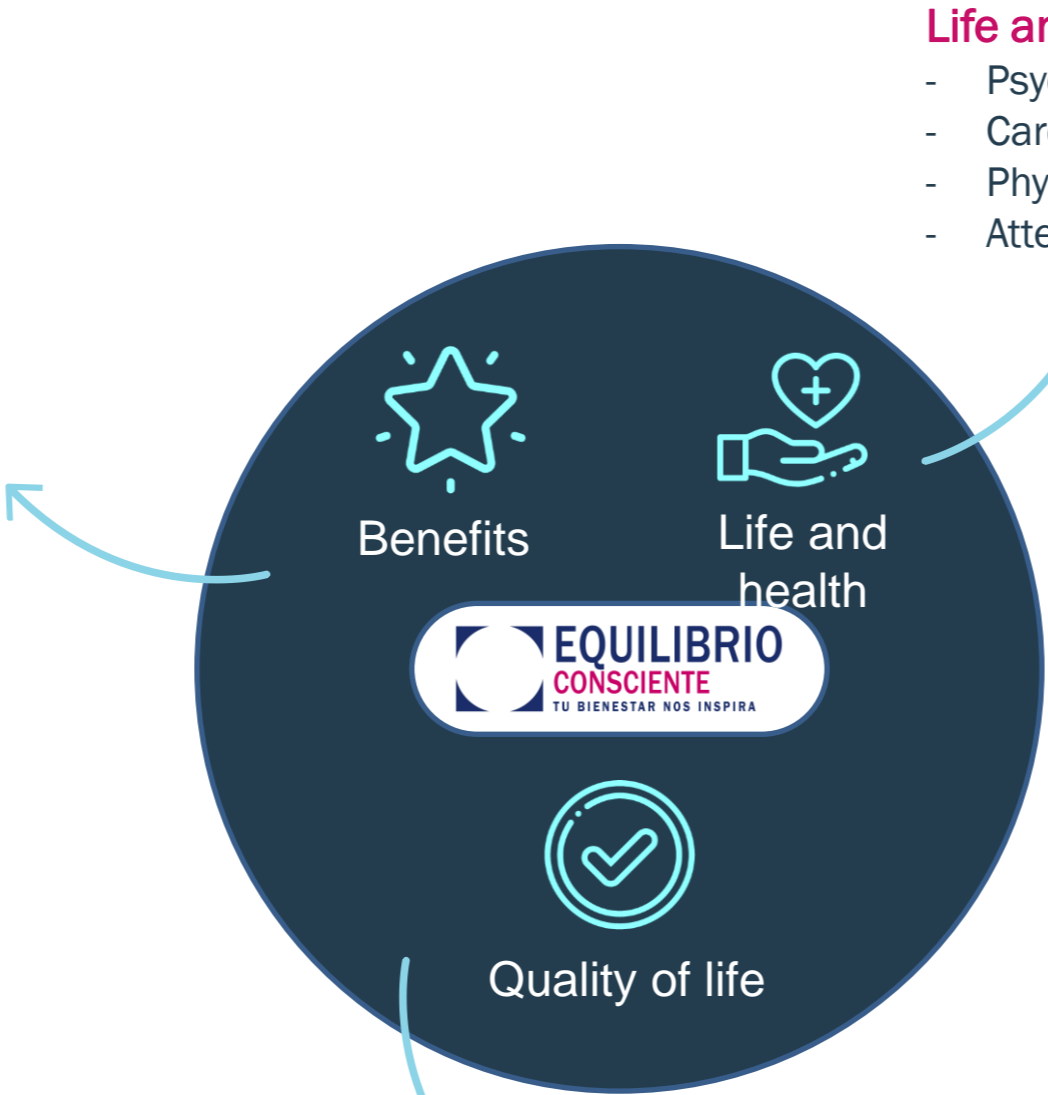
WELLBEING PROGRAM

OUR WELLBEING PROGRAM

EQUILIBRIO CONSCIENTE

Benefits

- **General:** life policy, disability assistance, cell phone, parking
- **Mercables:** Sodexo, health and vehicle policies and experiences
- **By application:** scholarships and credits



Life and health:

- Psychosocial risk
- Cardiovascular risk
- Physical spaces
- Attention Covid-19



Quality of life:

Initiatives that aim to strengthen the well-being of employees

- Emotion:** special moments
- Mind:** balance and disconnection
- Relationship with the environment:** We create Social Value

OUR WELLBEING PROGRAM

At Grupo Argos we design wellness strategies focused on Reconnection, physical activity, mental health, conscious eating, talks focused on quality of life and celebration of important moments. We have activities that involve the family of collaborators and their environment in order to promote a balance in their personal and family life.



OUR WELLBEING PROGRAM

We participate in important moments of the collaborator such as birthdays, graduations, union of couple, birth of children, pension, graduation. With this strategy, we aim to focus on the collaborator as an integral human being, promoting balance and giving special importance to their moments in life.





WORKPLACE ENVIRONMENT AND ENGAGEMENT



WORKPLACE ENVIRONMENT AND ENGAGEMENT SURVEY RESULTS

2020 Findings Report
GRUPO ARGOS



MEASUREMENT DATA SHEET

GRUPO ARGOS

TARGET POPULATION

82 Employees

PARTICIPATING POPULATION

82 Employees

PERCENTAGE OF PARTICIPATION

100%

DATE OF MEASUREMENT APPLICATION

November 17 to
December 11, 2020



SUMMARY

We strengthened our workplace environment, satisfaction and engagement

Overall rating:

very favorable

MAIN INDEXES



Satisfaction: Measurement that reflects short-term pride and motivation.

94%



Engagement: Measurement that reflects long-term pride and motivation.

94%



Workplace environment: Average of the 10 employee experience dimensions

89%

Results

2019 2020

| | | |
|---------------------------------|----|----|
| Satisfaction | 82 | 94 |
| Engagement | 88 | 94 |
| Workplace environment | 84 | 89 |
| Performance Activation | 82 | 84 |
| Agility and Innovation | 77 | 81 |
| Confidence | 89 | 94 |
| Culture of Integrity | 90 | 98 |
| Diversity and Inclusion | 77 | 85 |
| Senior Management Effectiveness | 81 | 89 |
| Direct Leader Effectiveness | 87 | 91 |
| Strategic Focus | 86 | 91 |
| Collaborator Experience | 79 | 85 |
| Equitable Rewards | 89 | 89 |

HEAT MAP

This summary, broken down by gender, provides an overall view of strong and weak points. Each value represents a favorable percentage. Colors are explained below:



| Group | Number of employees | Satisfaction | Engagement | Workplace Environment | Performance Activation | Agility and Innovation | Confidence | Culture of Integrity | Diversity and Inclusion | Senior Management Effectiveness | Direct Leader Effectiveness | Strategic Focus | Employee Experience | Equitable Rewards |
|--------------------|---------------------|--------------|------------|-----------------------|------------------------|------------------------|------------|----------------------|-------------------------|---------------------------------|-----------------------------|-----------------|---------------------|-------------------|
| GA Gender | 82 | 94 | 94 | 89 | 84 | 81 | 94 | 98 | 85 | 89 | 91 | 91 | 85 | 89 |
| GA Gender - Female | 48 | 94 | 94 | 89 | 86 | 83 | 96 | 96 | 84 | 88 | 87 | 93 | 85 | 90 |
| GA Gender - Male | 34 | 89 | 94 | 89 | 83 | 79 | 93 | 99 | 86 | 91 | 96 | 89 | 85 | 87 |

HEAT MAP

This summary, broken down by gender, provides an overall view of strong and weak points. Each value represents a favorable percentage. Colors are explained below:



| Group | Number of employees | Satisfaction | Engagement | Workplace Environment | Performance Activation | Agility and Innovation | Confidence | Culture of Integrity | Diversity and Inclusion | Senior Management Effectiveness | Direct Leader Effectiveness | Strategic Focus | Employee Experience | Equitable Rewards |
|----------------------------|---------------------|--------------|------------|-----------------------|------------------------|------------------------|------------|----------------------|-------------------------|---------------------------------|-----------------------------|-----------------|---------------------|-------------------|
| GA Specialist Level | 44 | 95 | 96 | 91 | 87 | 84 | 97 | 99 | 88 | 90 | 96 | 93 | 84 | 87 |
| GA Senior Management Level | 15 | 87 | 90 | 83 | 71 | 76 | 88 | 90 | 74 | 84 | 85 | 85 | 84 | 90 |
| GA Middle Management Level | 15 | 100 | 92 | 88 | 87 | 78 | 91 | 98 | 82 | 89 | 86 | 93 | 85 | 93 |

HEAT MAP

This summary, broken down by gender, provides an overall view of strong and weak points. Each value represents a favorable percentage. Colors are explained below:



| Group | Number of employees | Satisfaction | Engagement | Workplace Environment | Performance Activation | Agility and Innovation | Confidence | Culture of Integrity | Diversity and Inclusion | Senior Management Effectiveness | Direct Leader Effectiveness | Strategic Focus | Employee Experience | Equitable Rewards |
|----------------|---------------------|--------------|------------|-----------------------|------------------------|------------------------|------------|----------------------|-------------------------|---------------------------------|-----------------------------|-----------------|---------------------|-------------------|
| GA Age - 23-30 | 16 | 81 | 95 | 86 | 82 | 77 | 95 | 99 | 82 | 86 | 93 | 85 | 76 | 81 |
| GA Age - 30-39 | 35 | 94 | 90 | 86 | 82 | 79 | 89 | 95 | 82 | 87 | 90 | 89 | 84 | 87 |
| GA Age - 39-52 | 28 | 100 | 98 | 93 | 89 | 85 | 100 | 99 | 88 | 93 | 90 | 98 | 90 | 94 |

HEAT MAP

This summary, broken down by gender, provides an overall view of strong and weak points. Each value represents a favorable percentage. Colors are explained below:

GA ETHNIC GROUP

**75% favorable
or higher**

**65-74%
favorable**

56-64%
favorable

**55% favorable
or less**

82 Total Respondents
(100% participation)

| Grupo | Number of employees | Satisfaction | Engagement | Workplace Environment | Performance Activation | Agility and Innovation | Confidence | Culture of Integrity | Diversity and Inclusion | Senior Management Effectiveness | Direct Leader Effectiveness | Strategic Focus | Employee Experience | Equitable Rewards |
|------------------------------------|---------------------|--------------|------------|-----------------------|------------------------|------------------------|------------|----------------------|-------------------------|---------------------------------|-----------------------------|-----------------|---------------------|-------------------|
| GA Ethnic Group Ethnic majority | 77 | 94 | 94 | 89 | 85 | 81 | 94 | 97 | 85 | 90 | 90 | 92 | 85 | 89 |
| GA Ethnic Group Ethnic minority | 5 | 100 | 97 | 87 | 73 | 84 | 96 | 100 | 80 | 84 | 95 | 83 | 80 | 90 |

BENCHMARK

Compared to the Global Financial market comparison, Grupo Argos has better results in all dimensions of the study



GRUPO ARGOS EMPLOYEES VALUE MOST THEIR RELATIONSHIP WITH THEIR BOSS AS PART OF “YOUR IDEAL JOB”

QUESTION

Think about an IDEAL JOB: If you had to choose a job today, what aspects of those below would you favor? Please mark your top 7 with an “x” without defining an order of preference.





COMPENSATION



COMPENSATION MODEL

At Grupo Argos we understand compensation as a tool to achieve our strategy, and a point of differentiation that consolidates us as an organization that values its human talent.

Our compensation methodology is based on job position description and valuation, which ensures a correct definition of functions, responsibilities and abilities. This valuation allows us to compare our positions against the market to create a data-based compensation system. We work permanently on an equitable and transparent system for salary assignment, to ensure employee retention and an optimum return on investment.

Note: The Company has a compensation policy that applies to the president of the company and other members of senior management (in addition to other levels). This policy is complemented by guidelines for the Variable compensation.




COMPENSATION

MODEL


Korn Ferry Hay Group Methodology: Position valuation

Position valuation is based on international standards and uses a point-based system to consider the following components of the position:




Knowledge, experience and skills:

- Knowledge breadth and depth
- General skills
- Human relations



Problem solving:

- Framework of reference/environment
- Problem complexity



Responsibility, freedom to act and magnitude

- Freedom to act Magnitude
- Impact

Position valuation generates a score, associated with a previously defined market-based compensation scale. These means that salaries are assigned using an objective approach

| | | Korn Ferr y Hay score | |
|-----------------------------|--------|-----------------------|-------|
| Levels | Grades | From | TO |
| CEO/ Directive Committee | 23 | 3021 | 23580 |
| | 22 | 2551 | 3020 |
| | 21 | 2141 | 2550 |
| | 20 | 1801 | 2140 |
| | 19 | 1520 | 1800 |
| High management | 18 | 1300 | 1519 |
| | 17 | 1056 | 1299 |
| | 16 | 901 | 1055 |
| | 15 | 749 | 900 |
| | 14 | 624 | 748 |
| Middle Management | 13 | 519 | 623 |
| | 12 | 442 | 518 |
| Specialists | 11 | 365 | 441 |
| | 10 | 311 | 364 |
| | 9 | 265 | 310 |
| | 8 | 213 | 264 |
| Other employees | 7 | 179 | 212 |
| | 6 | 150 | 178 |
| | 5 | 125 | 149 |
| | 4 | 104 | 124 |
| | 3 | 85 | 103 |
| | 2 | 70 | 84 |

TOTAL COMPENSATION

Salary curves are built according to market surveys carried out by the Korn Ferry Hay group. This strategy helps us design a competitive compensation system used as a tool for talent attraction and retention.

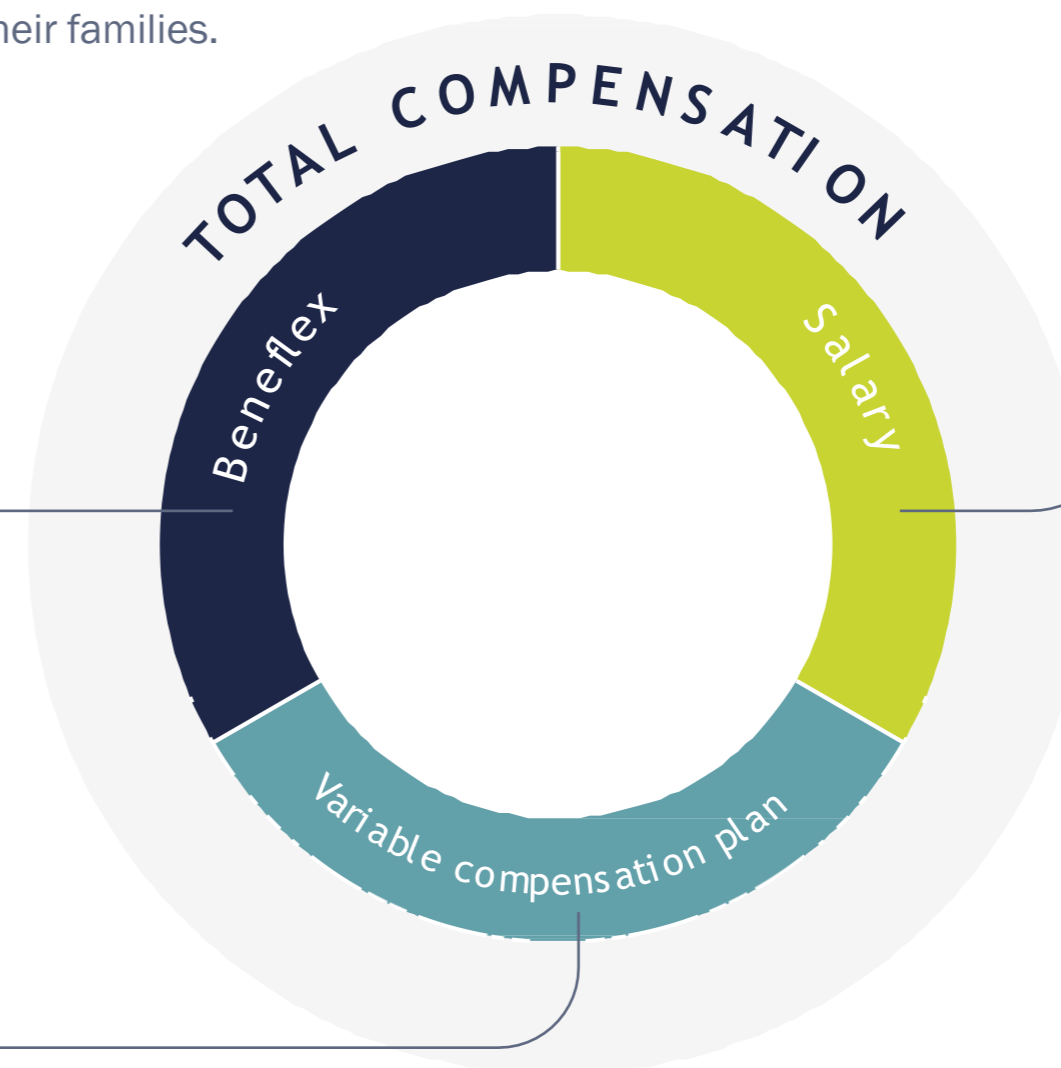
We seek to create value by aligning our organizational strategy and our stakeholders' interests. We focus on a long-term vision, efficiency, profitability, and business sustainability.

This program supports the future and wellbeing of employees and their families.

It has three dimensions:

- Generable benefits
- Marketable benefits
- Benefits by application

Compensates employee responsibilities and performance



Subject to fulfillment of objectives. There are two programs:

Short-term program (STP): Promotes an annual alignment between performance and short-term strategic objectives.

Long-term program (LTP): Promotes alignment between the strategy and value creation.

VARIABLE COMPENSATION

Our variable compensation program seeks to align our employees with business results and shareholder interests.

This component reinforces a high-performance culture, through incentives and the recognition of teamwork to achieve high levels of competitiveness, sustainability, profitability and efficiency.

We have implemented a cross-cutting approach containing financial indicators for all Corporate Group employees.

Every year, a variable compensation indicator proposal is developed and submitted to the company’s Compensation Steering Committee.

Metrics used for the short-term variable are EBITDA, net profit to the controlling entity, primary surplus, debt stock, and strategic projects. Metrics used for the long-term variable are: ROCE, operating cash flow vs. EBITDA, TSR delta Grupo Argos vs. ICOLCAP, and sustainability (Which includes climate change metrics and Dow Jones Sustainability Index).

| | Short-Term Program | | Long-Term Program |
|--------------------------|-------------------------|---------------|-------------------------|
| | <u>Component weight</u> | | <u>Component weight</u> |
| | Corporate | Area/Business | Corporate |
| CEO/ Directive Committee | 60% | 40% | 100% |
| High management | | | |
| Middle management | 50% | 50% | |
| Specialists | 40% | 60% | |
| Other employees | | | |

System entry keys:

- 1. Certification of “Committed” under the code of conduct
- 2. Performance Evaluation.

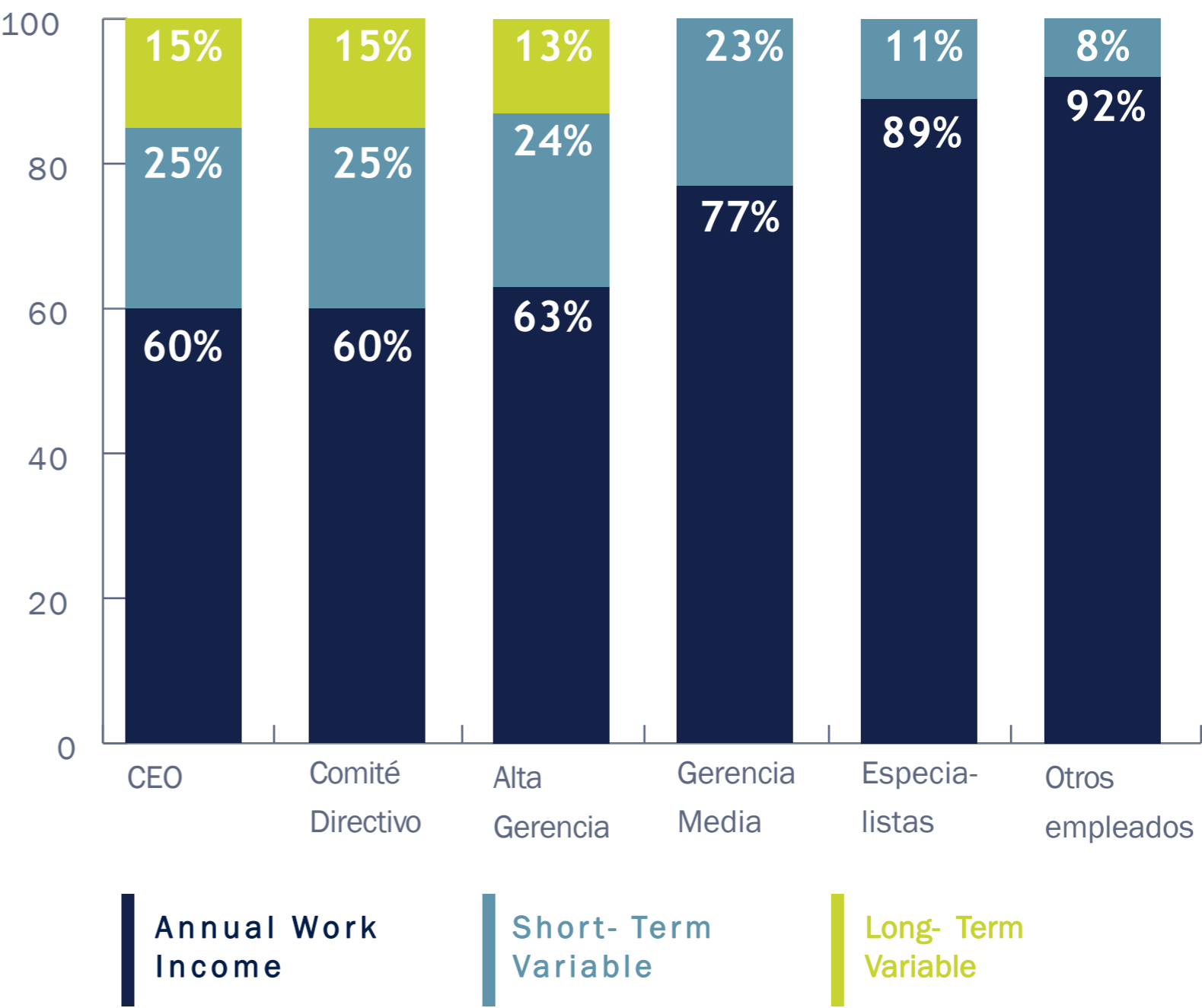
Note: The Company has a compensation policy that applies to the president of the company and other members of senior management (in addition to other levels). This policy is complemented by guidelines for the Variable compensation.

VARIABLE COMPENSATION

For our CEO and Directive Committee: The percentage of variable compensation within our total compensation program is: 40% during 2021. This 40% is shared as 25% short-term variable and 15% long-term variable compensation..

For High Management: The percentage of variable compensation to total compensation is 37%. 40% is shared as 24% short-term variable and 13% long-term variable compensation.

Note: The Company has a compensation policy that applies to the president of the company and other members of senior management (in addition to other levels). This policy is complemented by guidelines for the variable compensation.



VARIABLE COMPENSATION

LONG-TERM PROGRAM

Frecuency

Payment is made annually according to fulfillment of Key Results Indicators.

Payment date

Paid once financial statements are approved by the Grupo Argos S.A. Shareholder Meeting.

Payment method

Managed by an outside firm. The incentive is deposited in a Grupo Argos investment fund.

Deferred payment

Payment is deferred over a period of 3.25 years after the measurement period.

General limit

The plan allows sharing a maximum of 10% of Grupo Argos net profit to the controlling company for the period.

| Event | Payment percentage |
|---|--------------------|
| 3.25 years after acquisition | 100% |
| Retirement (due to age, permanent disability) | 100% |
| Promotion to a subsidiary of Grupo Argos | 100% |
| Death | 100% |
| Change to a position ineligible for program participation | 100% |
| Involuntary termination without just cause | 0% |
| Resignation or termination with just cause | 0% |

COMPENSATION

The Variable is part of Grupo Argos ´s total rewards system. It has two main programs: Long-term program (LTP) and Short-term program (STP).

Compensation Plan (VCP)

Both programs use Key Performance Indicators (KPI) that support the organizational strategy and goals. The program's objective is to ensure cash flow generation, sustainability, and profitability.

The VCP objectives are:



To align the work teams with the interests of the shareholder, and with goals focused on the medium / long term and sustainability.



To incite long-term thinking.



To recognize and encourage high performance among teams.



To strengthen total rewards competitiveness, align with the organizational strategy to attract, motivate, and retain the best talent.

THE SHORT TERM PROGRAM

This program is measured and paid out on an annual basis It is a mix of a company ´s financial indicators and area/business´ indicators, which are distributed according to the contribution of each level.

| | % Company | % Area/ Business |
|------------------------------|-----------|---------------------|
| Directive Committee | 60 | 40 |
| High Management | | |
| Middle Management | 50 | 50 |
| Specialist - Other employees | 40 | 60 |

The STP aims to recognize and to encourage the high performance of teams by accomplishing business competitiveness and the alignment with the organizational strategy. This program represents 25% of the total reward system of the Corporate Executive Committee.

Short-term financial indicators for 2021 are:

| Weight | KPI | |
|--------|------------------------|---|
| 35% | EBIDTA | For the CEO, the Executive Committee, and the Top Management, as an optional alternative, up to 100% of the short-term award can be paid through equivalent units of Grupo Argos and its subsidiaries shares. In 2021, the percentage of the short-term bonus deferred in the form of equivalent units of Grupo Argos and its subsidiaries' shares for the CEO was 38% |
| 30% | Controlling Net Income | |
| 15% | Primary Surplus | |
| 20% | Debt Stock | |

THE LONG TERM PROGRAM

The LTP performance period is 3-years, and it has a vesting period of 3.25 years. It aims to encourage the decision-making processes based on a long-term vision, to achieve and exceed goals in a sustainable way

The payout of this program is through a stock fund established to invest in equivalent units of shares. This system represents 15% of the total compensation of the CEO, the Corporate Executive Committee, and the Top Management.

Long-term indicators for 2021 are:

| Weight | KPI | <p>We have a Clawback Policy in place that establishes that in the event of business misconduct, or falsehoods in financial reports, the long-term incentives deposited to the employees, with no more than three (3) years old, must be returned to the company.</p> <p>Moreover, if the CEO or the executive leaves the company by resignation or termination of the employment contract before the consolidation time (3.25 years), the Clawback Policy must be activated.</p> |
|--------|-----------------------------------|---|
| 40% | ROCE/ROIC | |
| 35% | Operating cash flow vs. EBITDA | |
| 5% | Delta TSR Grupo Argos vs. ICOLCAP | |
| 20% | Sustainability | |

The CEO and the Executive Committee has stock ownership requirements up to 0,75 times the annual base salary.

The CEO has 1,98 times the annual base salary in equivalent units of Grupo Argos and its subsidiaries shares, and the other executive members have an average of 1,29 times the annual base salary.



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