

90 YEARS

ANNUAL CORPORATE GOVERNANCE REPORT

2023



At Grupo Argos we are committed to generating long-term value and to adopting and implementing high corporate governance standards that promote compliance with our business strategy, 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 2023. 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.

Significant Events



 **Grupo Argos Employees**
Medellín

- A meeting of the Board of Directors was held without Management in which the results of the evaluation of the Board of Directors and the President of the company for fiscal year 2022 were presented
- The Country Code survey was completed and transmitted, which reflects the adoption of corporate governance practices that add value to the company, its shareholders, investors and other stakeholders
- Grupo Argos obtained for the eleventh consecutive year the Issuer Recognition - IR from the Colombian Stock Exchange, with a score of 95.1%, which highlights the company's efforts and commitment to best practices in disclosure and investor relations
- In the last 12 years the company has been included in the Dow Jones Global Sustainability Index. By 2023 it ranked third in its industry, remaining among the leaders in the Dow Jones Global, Emerging Markets and Latin American Integrated Market indices, which recognize the best practices in economic, social, and environmental sustainability of companies listed on the stock markets
- The procedures provided by law were carried out so that the Shareholders Assembly: (i) could decide on the authorization of the legal representatives to vote at the Shareholders Assembly meetings of Grupo Nutresa and Grupo Sura and on the ratification of all votes made by the legal representatives of Grupo Argos, directly or through proxies, at the Shareholders Assembly meetings of those companies; and (ii) could decide

on the authorization required regarding potential conflicts of interest of some members of the Board of Directors to deliberate and decide on the Framework Agreement for the exchange of Grupo Nutresa shares

- At the regular Shareholders Assembly meeting of March 30, 2023, the company's Corporate Bylaws were amended to update provisions regarding corporate operations
- An internal corporate governance diagnosis was carried out with the purpose of complementing and strengthening Grupo Argos' corporate governance practices, taking into consideration the recommendations established in the Country Code and the standards of the S&P 2023 corporate sustainability evaluation
- The Annual Conduct Course was held, led by the different conduct officers of the business group. This course provided employees with tools for decision making based on the corporate pillars of ethics and transparency and reinforced their knowledge of the organization's compliance system
- 100% of Grupo Argos employees completed the evaluation of the Annual Conduct Course and filled out the Annual Declaration of Potential Sources of Conflicts of Interest

Ownership Structure



Grupo Argos is the parent company of Grupo Empresarial Argos, which includes companies with presence in several countries in the American continent, with participation in the cement, energy, road and airport concessions, urban development and real estate rental businesses.

Capital Stock

Authorized capital:

\$75.000.000.000

represented by **1.200.000.000**
 shares with a nominal value of \$62,50

Subscribed and paid-in capital:

\$54.697.419.688

represented in **875.158.715**
 shares with a nominal value of \$62,50

651.720.961 outstanding shares of common stock

210.811.080 outstanding preferred shares

11.610.574 repurchased shares of common stock

1.016.100 repurchased shares of preferred stock

324.841.285 shares held in reserve

Mixer truck Autocar

C.S. Johnson Mixing Plant
 1956

Significant shareholders¹

Holders of common shares

Grupo de Inversiones Suramericana S.A.

234.285.682 | 35,95%

Sociedad Portafolio S.A.

82.300.360 | 12,63%

Amalfi S.A.S.

37.525.045 | 5,76%

Holders of preferred shares

Fondo de Pensiones Obligatorias Protección Moderado

41.701.070 | 19,78%

Fondo de Pensiones Obligatorias Porvenir Moderado

34.282.389 | 16,26%

Fondo Bursátil Ishares MSCI Colcap

15.376.857 | 7,29%

Fondo de Pensiones Obligatorias Colfondos Moderado

13.859.824 | 6,57%

¹ For the purposes of this Report, significant shareholdings are considered to be those exceeding 5% of the total outstanding shares as of December 31, 2023.



Relationships between owners of significant shareholdings and the company, or between owners of significant shareholdings and each other

Grupo Argos directly and indirectly holds common shares of Grupo de Inversiones Suramericana S.A. and Sociedad Portafolio S.A.

Grupo Argos had commercial relations with some of the subordinate companies of Grupo de Inversiones Suramericana S.A., which were developed at arm's length and within the ordinary course of business.

Trades of the members of the Board of Directors and other administrators with shares of the company

In 2023, administrators did not trade in company shares.

Shareholders' Agreements

No Shareholders' Agreement has been deposited with the administration of Grupo Argos.

Shareholders Assembly

Governance structure adopted by the issuer to achieve equitable treatment of shareholders and promote their participation

In accordance with the Code of Good Governance, the policies, mechanisms and procedures implemented to provide equitable treatment to shareholders and to promote their participation are contained in the following rules:

a. The Board of Directors ensures that equal treatment is given to all shareholders who, within the same class of shares, are in the same conditions and, consequently, is responsible for verifying that the following guidelines are complied with:

- That the decisions adopted in Grupo Argos are guided by the respect, protection and promotion of all shareholders and investors
- That all shareholders and investors are treated fairly and equally
- That shareholders and investors obtain a timely and complete response to any concerns they may have regarding matters whose disclosure is mandatory, or which are not prohibited by any legal or contractual confidentiality restriction
- That the company's dividends and returns, among others, are paid in full and on time, as agreed or ordered by the relevant corporate body

b. The employees and directors of Grupo Argos refrain from:

- Encouraging, promoting or suggesting to shareholders the granting of proxies where the name of the representative for the meetings is not clearly defined
- Receiving special proxies from shareholders prior to the call to meetings
- Accepting as valid proxies granted by the shareholders, without fulfilling the legal requirements; that is to say, that the proxies must be granted in writing, indicating the name of the proxy, the person who may substitute him/her, if applicable, and the date or time of the meeting
- Suggesting or determining the names of those who act as proxies at shareholders assemblies
- Recommending to the shareholders that they vote for a certain list to serve on the Board of Directors
- Suggesting, coordinating or agreeing with any shareholder or any representative of shareholders, the presentation at the meeting of proposals to be submitted for their consideration
- Suggesting, coordinating or agreeing with any shareholder or any representative of shareholders, to vote for or against any proposal to be presented at the meeting
- The aforementioned conducts are also prohibited when they are carried out through an intermediary
- In accordance with the Corporate Bylaws, the directors and employees of Grupo Argos may not represent other's shares at Shareholders Assembly meetings, nor may they substitute the proxies granted to them. Nor may they vote, even with their own shares, in decisions to approve the balance sheets and accounts at the end of the fiscal year or the liquidation of the company
- In any case, the directors or employees of Grupo Argos may exercise the voting rights inherent to their own shares and those they represent when acting as legal representatives

▶ **Margaret Hunt Hill Bridge, work with Argos seal**
United States



c. The company discloses on its website financial and non-financial information, including the rights and obligations inherent to being a shareholder or investor, as well as the classes of shares and securities issued, the number of shares and securities issued and in reserve.

Channels of access to information













- Web page: www.grupoargos.com
- Shareholder Service Center managed by Fiduciaria Bancolombia S.A., at the following telephone numbers: + (604) 404 2371, + (604) 404 2362, + (604) 404 2453, + (604) 404 2451, + (604) 404 2452
- Investor Relations Office, whose e-mail address is invgrupoargos@grupoargos.com
- Website of the Finance Superintendence through which Relevant Information is disclosed to the market: www.superfinanciera.gov.co
- Social media: Instagram, LinkedIn, X (formerly Twitter), Facebook, TikTok and YouTube

Mechanisms for resolving requests for information and communication

The company has the following mechanisms to ensure adequate attention to requests for information and communication between investors, the issuer, its Board of Directors and other managers:

- Corporate and Presidential Affairs Management: is responsible for investor relations, and its main function is to maintain fluid and permanent communication with all investors and shareholders. This department also serves analysts from brokerage firms, pension funds and investment funds who are interested in information about the company
- Shareholder Service Center: is managed by Fiduciaria Bancolombia, which under a contract signed more than 10 years ago, is responsible for meeting the requirements and queries made by shareholders and attend to their requests related to off-exchange operations, issuance of certificates, payment of dividends, among other matters
- Quarterly conference call: in this space the company's financial results are reported in detail and investors can have a direct interaction with the company's President and members of Senior Management

Number of requests and matters on which shareholders have requested information from the company:

Tax certificates	380	
Telephone calls	139	
Depositor changes	51	
Service office visits	50	
Divident payment news	30	
General certificates	23	
Certificates of deposit	14	
Dematerialized transfers	14	
Historical certificates	9	
Rights to petition	8	
Date update news (dematerialized)	5	
Blocking or unblocking	9	
Total	732	

Investor Relations Activities:

- One regular and two special Shareholders Assembly meetings were held during 2023
- Four earnings conference calls took place (February, May, August and November). 634 analysts and investors connected to the conferences held during 2023
- 80 meetings were held with investors and virtual conferences held by banks and brokerage firms were attended



 **Mariscal Sucre Airport**
Ecuador

Regular Shareholders Assembly Meeting

The regular meeting of the Shareholders Assembly was held on March 30, 2023.

Attendance data

Quorum:

86,25%

of the total outstanding common shares of the company

566.753.891

common shares represented

Main decisions

- Approval of the Management Report of the Board of Directors and President
- Approval of the Financial Statements as of December 31, 2022
- Approval of the Profit Distribution Proposal
- Approval of a share repurchase proposal and change in the allocation of reserves
- Election of the Board of Directors and setting of fees
- Election of the Statutory Auditor and setting of fees
- Consideration and approval of an amendment to the by-laws

 **Cementos del Nare plant. 1982**
Antioquia

Differences in the operation of the regular meeting of the Shareholders Assembly between the minimum regime of the current regulations and the one defined by the Corporate Bylaws and the Regulations of the Company's Assembly

In addition to complying with the applicable legal regime, Grupo Argos has adopted the following good governance practices to guarantee the greatest transparency and respect for shareholders' rights in the development of the Shareholders Assembly:

- The call for regular meetings is made no less than 25 calendar days in advance
- In the events in which the Shareholders Assembly is intended to deal with a substantial change of the corporate purpose, waiver of preemptive rights in the subscription of common shares, change of the corporate domicile, early dissolution or segregation of the company, these issues must be expressly indicated in the notice of the meeting
- In no case shall the notice of the meeting include items such as "Miscellaneous" or "Other Matters" or similar items that prevent prior knowledge of all the items to be discussed at the respective meeting
- During the term of the call, the shareholders may consult the documents of the corresponding meeting on the web page and at the offices of the company's administration
- When a meeting foresees the election of members of the Board of Directors, the information available to the shareholders must contain the proposal of candidates to be members of the Board of Directors

Measures to encourage shareholder participation at the Shareholders Assembly in 2023

- Grupo Argos kept its website updated in order to continue facilitating the search for clear and sufficient information for its shareholders and investors
- The regular meeting of the Shareholders Assembly was called in accordance with the Corporate Bylaws
- A proxy form was provided to shareholders wishing to be represented, which included the items to be discussed in the agenda
- Information related to the Shareholders Assembly was made available to shareholders on the website and at the company's management offices during the term of the call
- In addition, conference calls were held for shareholders, analysts and the general public for the presentation of the company's quarterly results
- Grupo Argos guaranteed equitable treatment to all its shareholders, allowing and encouraging the exercise of their rights



90 AÑOS

Special Meetings of the Shareholders Assembly

First special meeting

A special meeting of the Shareholders Assembly was held on March 30, 2023 to decide on: (i) the authorization required regarding potential conflicts of interest of the legal representatives of Grupo Argos, to vote at the Shareholders Assembly meetings of Grupo Nutresa S.A. and Grupo Sura S.A. on matters related to the election of the Board of Directors of Grupo Nutresa S.A. and Grupo Sura S.A., as well as in relation to any other decision submitted for consideration at the Shareholders Assembly of Grupo Nutresa S.A. and Grupo Sura S.A.; and (ii) the ratification of all votes made by the legal representatives of Grupo Argos, directly or through proxies, at the meetings of the shareholders assembly of Grupo Nutresa S.A. and Grupo Sura S.A.

Attendance data

Quorum:

80,28%

of the total outstanding common shares of the company

527.539.874

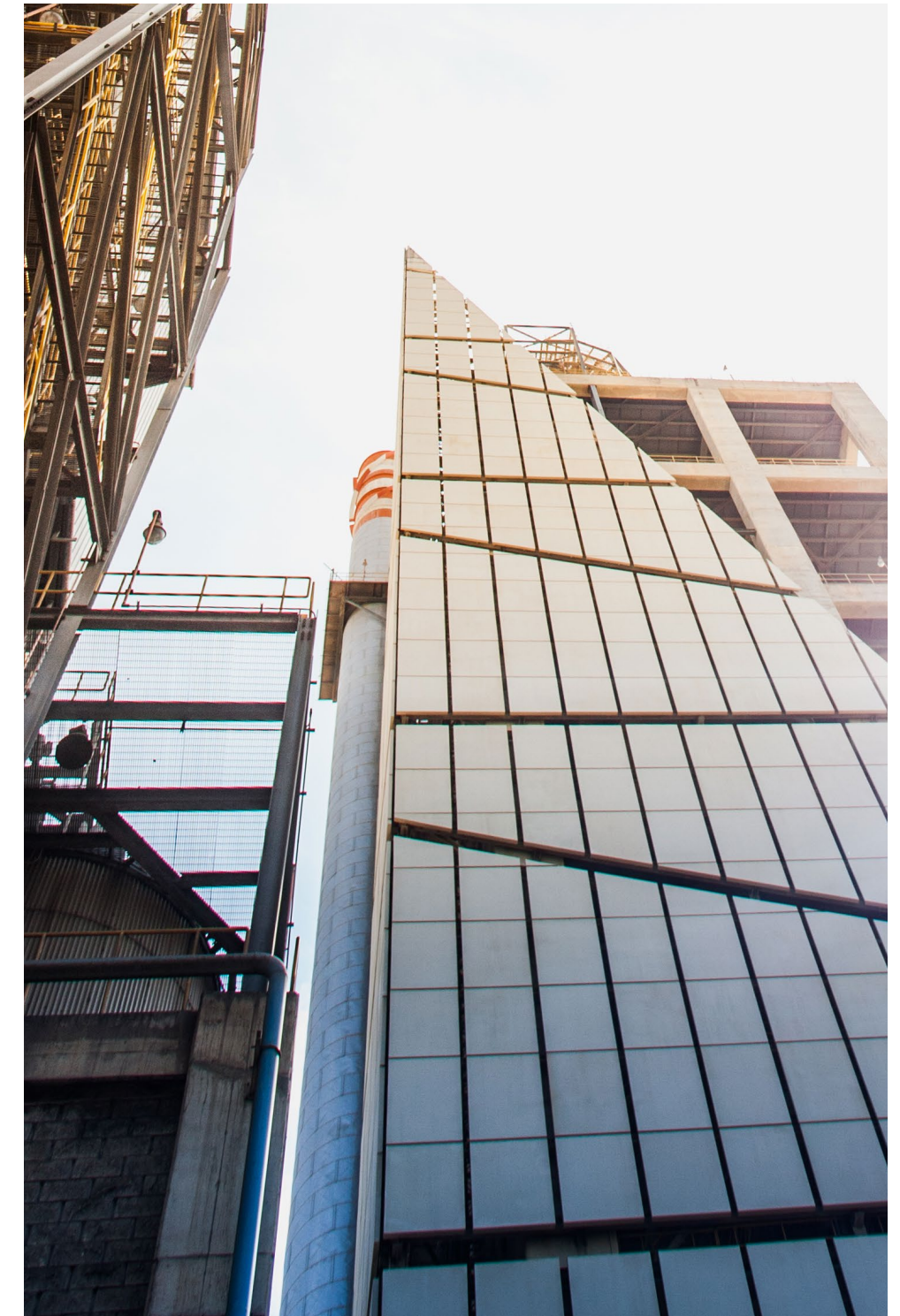
common shares represented

Main decisions

- The legal representatives of Grupo Argos were authorized to vote on the decisions submitted for consideration of the shareholders assemblies of Grupo Nutresa S.A. and Grupo Sura S.A.
- All votes made by the legal representatives of Grupo Argos, directly or through proxies, at the meetings of the shareholders assembly of Grupo Nutresa S.A. and Grupo Sura S.A. were ratified

Measures to encourage shareholder participation

- The Shareholders Assembly special meeting was called five calendar days in advance
- A proxy form was provided to the shareholders including the items to be discussed in the agenda
- The documents to evaluate the matters submitted for consideration at the Shareholders Assembly were made available to shareholders on the website and at the company's management offices during the term of the call
- Grupo Argos guaranteed equitable treatment to all its shareholders by allowing and encouraging the exercise of their rights



▶ **Cartagena plant Cementos Argos**
Bolívar



Second special meeting

A special meeting of the Shareholders Assembly was held on June 26, 2023 to decide on: (i) 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 Framework Agreement entered into with Grupo Nutresa S.A., Grupo Sura S.A., JGDB Holding S.A.S., Nugil S.A.S. and IHC Capital Holding L.L.C. for the exchange of Grupo Nutresa S.A. shares owned by Grupo Argos, for a direct and indirect participation of Grupo Sura S.A. and Grupo Argos shares; and (ii) the ratification and authorization required regarding potential conflicts of interest of the legal representatives of Grupo Argos to enter into and execute all acts, agreements, operations and transactions related to the Framework Agreement.

Attendance Data

Quorum:

80,89%

of the total outstanding shares of common stock of the company

531.423.768

common shares represented

Main decisions

- 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 Framework Agreement
- Mrs. Claudia Betancourt was authorized to deliberate and decide, in her capacity as member of the Board of Directors of Grupo Argos, regarding the Framework Agreement
- The actions of the legal representatives of Grupo Argos related to the execution and performance of all acts, agreements, operations and transactions related to the Framework Agreement were ratified and authorized

Measures to encourage shareholder participation

- The Shareholders Assembly special meeting was called five calendar days in advance
- A proxy form was provided to the shareholders, which included the items to be discussed in the agenda
- The documents to evaluate the matters submitted for consideration at the Shareholders Assembly were made available to the shareholders on the website and at the company's management offices during the term of the call
- Grupo Argos guaranteed equitable treatment to all its shareholders, allowing and encouraging the exercise of their rights

▶ **Cauca Pacifico 2 Bridges**
Antioquia

Board of Directors and Support Committees

Composition, attendance and operation of the Board of Directors and its Support

Composition, attendance and operation of the Board of Directors and its Support Committees

The Board of Directors is composed of seven main members, at least two of whom must meet the independence criteria established in Law 964/2005 and in the Company's Code of Good Governance. The independent or non-independent status of each of the members of the Board of Directors and the attendance data of the meetings of the Board of Directors and its Support Committees are shown below.

97% of attendance to the Board of Directors
17 meetings of Board of Directors
100% compliance with the action plan (*)

(*) According to amendments approved by the Board of Directors

Rosario Córdoba



Type of member

- Independent member and Chairman of the Board of Directors

Date of initiation

- April 1, 2011

Period of exercise

- 6.41

Attendance to the Board of Directors

- 100%

Support Committee

- Sustainability and Corporate Governance Committee (Chair)
- Audit, Finance and Risk Committee
- Compensation Committee

Attendance to committees

- 100%

Claudia Betancourt



Type of member

- Equity member

Date of initiation

- April 16, 2018

Period of exercise

- 3.74

Attendance to the Board of Directors

- 100%

Support Committee

- Sustainability and Corporate Governance Committee

Attendance to committees

- 100%

Esteban Piedrahita



Type of member

- Equity member

Date of initiation

- April 1, 2023

Period of exercise

- 0.75

Attendance to the Board of Directors

- 86%

Support Committee

- Talent Committee

Attendance to committees

- 100%

Ana Cristina Arango



Type of member

- Independent member

Date of initiation

- April 1, 2009

Period of exercise

- 7.41

Attendance to the Board of Directors

- 100%

Support Committee

- Audit, Finance and Risk Committee
- Compensation Committee

Attendance to committees

- 100%

Jorge Alberto Uribe



Type of member

- Independent member

Date of initiation

- April 1, 2015

Period of exercise

- 4.75

Attendance to the Board of Directors

- 94%

Support Committee

- Compensation Committee (Chair)
- Talent Committee (Chair)

Attendance to committees

- 100%

Armando Montenegro



Type of member

- Independent member

Date of initiation

- April 1, 2015

Period of exercise

- 4.75

Attendance to the Board of Directors

- 100%

Support Committee

- Audit, Finance and Risk Committee (Chair)

Attendance to committees

- 100%

Mauricio Ortega



Type of member

- Independent member

Date of initiation

- April 1, 2023

Period of exercise

- 0.75

Attendance to the Board of Directors

- 100%

Support Committee

- Sustainability and Corporate Governance Committee
- Talent Committee

Attendance to committees

- 100%

[Click here to see the professional profiles and experience of the Board members](#)

Main functions of the Board of Directors

The Board of Directors of Grupo Argos is mainly oriented towards making decisions regarding corporate strategic objectives, supervising the activities of Senior Management, identifying relevant risks and monitoring its management, always in the best interest of the company and its shareholders.

The Board of Directors is responsible for directing and supporting Senior Management in the management and monitoring of the company's strategic plan and the competitive dynamics of the business.

Likewise, the Board of Directors ensures the implementation of best practices in human talent and corporate governance in Grupo Empresarial Argos.

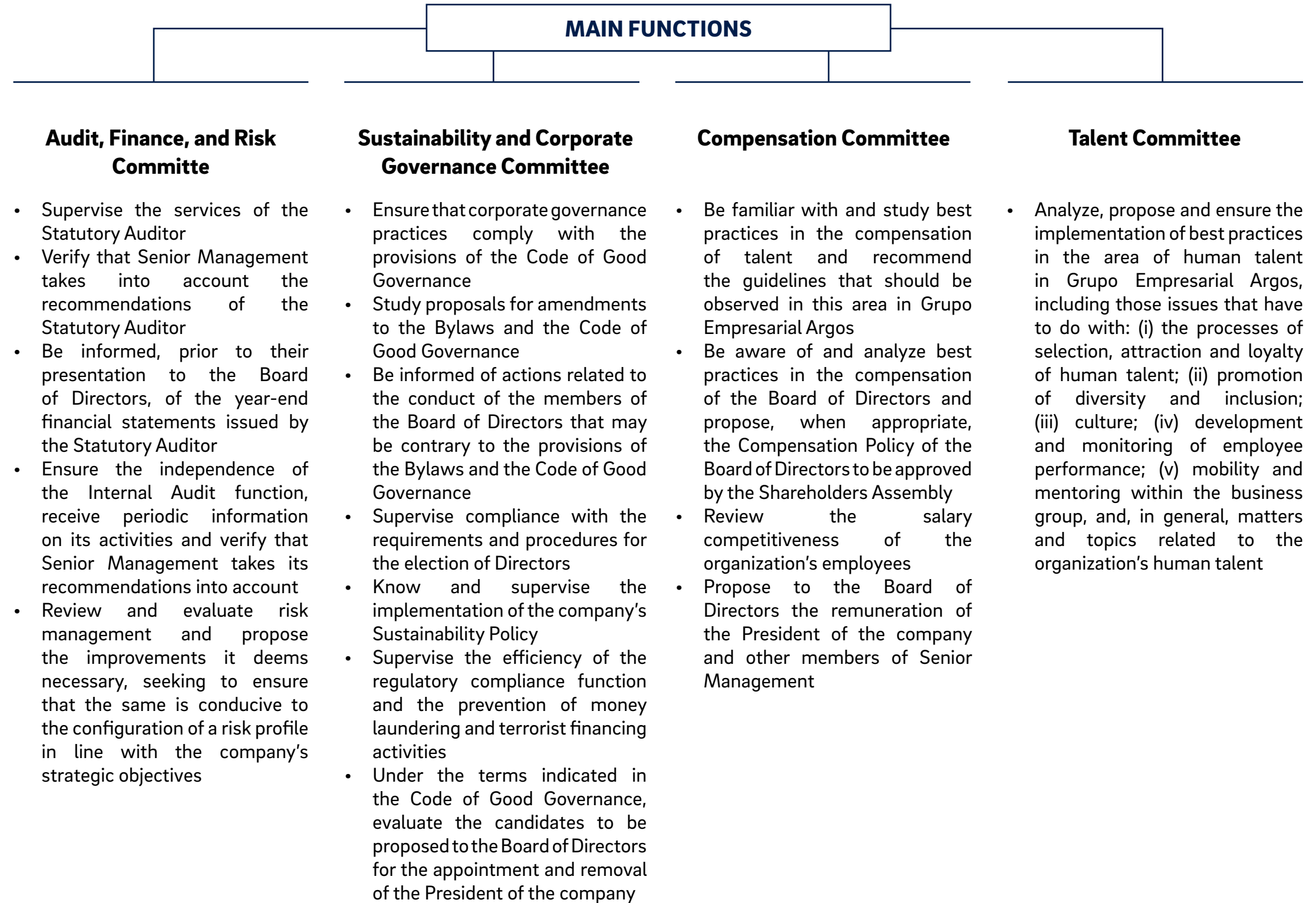
Internal Regulations of the Board of Directors

The operating regulations of the Board of Directors are found in Chapter III of the Code of Good Governance, available on the website.

[Click here to see the Code of Good Governance](#)

Committees supporting the Board of Directors

- Audit, Finance and Risk Committee
- Sustainability and Corporate Governance Committee
- Compensation Committee
- Talent Committee





Election of the Board of Directors during the year

The Shareholders Assembly chose the following members of the Board of Directors at the regular meeting held in March 2023:

Name	Capacity
1. Rosario Córdoba	Independent
2. Claudia Betancourt	Equity
3. Esteban Piedrahita	Equity
4. Ana Cristina Arango	Independent
5. Jorge Alberto Uribe	Independent
6. Armando Montenegro	Independent
7. Mauricio Ortega	Independent

Members of the Board of Directors of the parent company that make part of the Boards of Directors of the subordinates or that hold executive offices therein

No member of the Board of Directors of Grupo Argos makes part of the Board of Directors of the subordinated companies nor holds executive offices therein.

Policies approved by the Board of Directors during the period

No new corporate policies or amendments to the existing ones were approved in 2023.

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

Appointment of the Board of Directors

The appointment of the Board of Directors is regulated by the Company's Bylaws, the Code of Good Governance and the Policy on Appointment, Compensation and Succession of the Board of Directors.

- **Election:** Shareholders Assembly
- **Term:** one year. Members are eligible for re-election
- **Criteria to be considered in the election:**
 - Personal qualities, knowledge relevant to the activity carried out by the company, track record, diversity and experience in business management and participation in other boards of directors
 - Directors may not be over 72 years of age and may not be in any of the circumstances of incompatibility and inability established in the Appointment, Compensation and Succession Policy of the Board of Directors
 - The proposals 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 replacing, adding to or modifying it
 - The independence criteria adopted by the company for the appointment of Directors are 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 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 Shareholders Assembly meeting

Quorum of the Board of Directors

In accordance with the law, the Board of Directors shall validly deliberate with the presence of the majority of its members and this majority is the majority required to decide.

Chairman of the Board of Directors

The Chairman of the Board of Directors is Rosario Córdoba, who is in charge of, among others, the functions of: (i) facilitating the Board of Directors to efficiently set and implement the strategic direction of the company; (ii) coordinating and planning the operation of the Board of Directors by establishing an annual work plan; (iii) calling the meetings, directly or through the Secretary of the Board of Directors; (iv) chairing the meetings and managing the debates; and (v) monitoring the active participation of the members of the Board of Directors.

Secretary of the Board of Directors

The General Secretary of the company is Rafael Olivella, who is in charge of, among others, the following functions: (i) deliver information to the Directors in due time and form; (ii) duly reflect in the minute books the development of the meetings; (iii) ensure that the actions of the Board of Directors are in accordance with the applicable regulations; (iv) provide legal advice to the Board of Directors; and (v) communicate the decisions of the Board of Directors to the different areas and officers of Grupo Argos.



▶ First bag of Argos Cement

Relations of the Board of Directors with the Statutory Auditor, financial analysts, investment banks and rating agencies during the year

In March 2023, the Shareholders Assembly elected KPMG S.A.S. as Statutory Auditor for the period from April 2023 to March 2024 with an allowance of \$214,224,000 plus VAT payable in four quarterly installments. During the year, the Statutory Auditor participated in the Audit, Finance and Risk Committee, where he presented the audit activities plan and its follow-up.


On the other hand, during the period we had the assistance of different investment banks for the evaluation and structuring of projects, as well as for the analysis in the decision-making process, among which J.P. Morgan stands out. Likewise, Bain & Company provided strategic advice with the accompaniment of an external legal advisor.

During 2023, the rating agencies BRC Ratings (S&P Global S.A.) and Fitch Ratings published their technical document through the Relevant Information mechanism, in which the AAA rating of Grupo Argos was ratified with a stable outlook.

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

Management of the Board of Directors' Information

In 2023 the company delivered to the Directors the necessary information for the fulfillment of their functions through e-mail and continued to make use of the Board of Directors' website that allows storing and sharing all the necessary information for the proper operation of the Board of Directors' meetings.


El Dorado airport
 Bogotá


Celsia Solar San Felipe
Tolima



Board of Directors and Senior Management Compensation Scheme

The compensation scheme for the Board of Directors established in the Policy for Appointment, Compensation and Succession of the Board of Directors, approved by the Shareholders Assembly, states that the Directors will receive for their services a compensation composed of the following elements: (i) a fixed fee per Board of Directors' meeting attended, whose value will be determined each year by the Shareholders Assembly; and (ii) a fixed fee per meeting attended of the Board of Directors' Support Committees, whose value will be determined each year by the Shareholders Assembly.

For the period from April 2023 to March 2024, a fee per Board of Directors' meeting of \$10,000,000 and a fee of \$10,000,000 per meeting attended by the Support Committees was established.

The compensation of the Directors takes into account the structure, duties, responsibilities and time dedicated to the Board of Directors and its Support Committees.

The compensation of Senior Management is comprised of a fixed component and a short and long-term variable component, which are tied to the company's performance.

Evaluation processes of the Board of Directors, its Support Committees and Senior Management

Board of Directors and its Support Committees

The Board of Directors is evaluated annually, alternating the external evaluation with self-evaluation. This evaluation is carried out in accordance with best corporate governance practices and allows the Board of Directors to monitor its operation and maintain its performance.

For 2023, the evaluation of the Board of Directors and its support committees was carried out with external advisors, Governance Consultants S.A.

[Click here to see the summary of the results of the Board of Directors and Support Committees evaluations](#)

Senior Management

The President is evaluated by the Board of Directors in accordance with the best corporate governance practices, which allows for follow-up and feedback.

The Board of Directors carried out the evaluation process of the President of the company as of December 31, 2023. The evaluation of the Vice-Presidents is carried out annually by the President.

Related Party Transactions and Conflicts of Interest

In accordance with the provisions of the Company's Bylaws, the Board of Directors is responsible for knowing and authorizing transactions between related companies, when applicable. Likewise, the company has a Policy on Relations between Companies Related to Grupo Empresarial Argos and a Policy on Transactions between Related Companies.

[Click here to learn more about these policies](#)

Details of the most relevant transactions with related parties

The details of all the operations carried out between the companies of Grupo Empresarial Argos can be found in the Business Group Report prepared in accordance with Article 29 of Law 222/1995, which is part of the documentation made available to the shareholders in the right of inspection and is delivered during the Shareholders Assembly.

Handling of conflicts of interest of members of the Board of Directors and Senior Management

Grupo Argos' Code of Business Conduct establishes the parameters for the identification, disclosure and prevention of potential conflicts of interest. Upon identifying a conflict of interest or a situation that may eventually generate a conflict of interest, the company's administrators

and collaborators must make a timely and adequate disclosure, describe the situation in a complete and detailed manner, document the event and provide all relevant information for making the corresponding decision in accordance with the legally established procedures.

For the purpose of disclosing conflicts of interest, all company employees and members of the Board of Directors must annually fill out the Declaration of Potential Sources of Conflicts of Interest.

Conflicts of interest shall be resolved by strictly applying the following principles: when the interests of Grupo Argos and those of its shareholders, administrators or a third party related to the company are in conflict, the interests of Grupo Argos shall always be preferred; when the interests of the shareholders and those of its administrators or a third party related to the company are in conflict, the interests of the shareholders shall always be preferred.

Potential conflicts of interest and actions of the directors

The situations that could represent a potential conflict of interest of the directors during 2023 were managed in accordance with the procedures established by law, as indicated on pages 8 and 9 of this Report.



Mixer Cementos Argos
United States

Internal control and risks



▶ **Operations Control Center Pacifico 2**
Antioquia

Internal Control System

Grupo Argos has an internal control system to ensure the adequate preparation, presentation and disclosure of financial information to its shareholders, the market and the general public. The internal control system is structured considering international methodological frameworks such as COSO and COBIT, local regulatory provisions and quality standards related to internal control and risk management practices. The fundamental purpose of this system is to unify the control culture and ensure the efficiency and effectiveness of all operations of the company and its affiliates.

For this purpose, there is a structure comprised of management, the Risk area, the Compliance area, the Internal Audit, the Statutory Auditor and the Audit, Finance and Risk Committee, who participate in the management of the internal control system in accordance with their roles and responsibilities, pursuant to the Company's Bylaws, the Code of Good Corporate Governance, policies and other company procedures.

Internal Audit prepares its work plan considering the risks and business processes and submits it to the Audit, Finance and Risk Committee for approval and follow-up during the year.

During 2023, management, the Risk area, Internal Audit, and the Statutory Auditor evaluated the design and effectiveness of the internal control system. These analyses were presented to the Audit, Finance and Risk Committee, and it was concluded that it is functioning adequately.

Risk Policy

Grupo Argos has a Comprehensive Risk Management System (SGIR) that incorporates the analysis of the performance of the company and its businesses, to manage strategic and operational risks.

The company has a model focused on the quantification and analysis of risks, which allows prioritizing and managing them. For this purpose, different simulation methodologies, scenarios and sensitivity analysis are used to monitor risk management, which is discussed in the corresponding governance bodies.

The Risk Policy applies transversally to the entire business group and is complemented by a series of manuals and guidelines that frame the strategy, projects and processes, within the best standards of corporate governance and sustainability.

For further information about corporate governance of Grupo Argos visit the website www.grupoargos.com. In addition, you may contact Adriana Bravo, Corporate Legal Affairs Manager at the email abravo@grupoargos.com



90 YEARS

www.grupoargos.com