

POLICY

**ON APPOINTMENT, COMPENSATION
AND SUCCESSION OF THE BOARD
OF DIRECTORS**



GRUPO ARGOS

Investments that transform

1. GENERAL ASPECTS

1.1. OBJETIVE

This policy aims to establish the general parameters that the different governing bodies of the Corporation, especially the Shareholders Meeting, must consider to ensure that persons designated to be members of the Board of Directors ('Board Members') are the most suitable according to the needs of the Corporation and are adequately compensated.

1.2. SCOPE

This policy is applicable to the shareholders, Board Members and employees of the Corporation.

Members of Senior Management participating in subsidiaries companies' Boards of Directors must take the necessary steps to ensure that the same policy will be adopted by the corporate bodies of those companies.

1.3. DISCLOSURE

As this policy has a special impact on Corporation shareholders, it will be published on the Corporation's website (www.grupoargos.com) when approved by the Shareholders Meeting. Any change that is made to it must have the same level of disclosure.

1.4. UPDATING

This policy may be updated by the Shareholders Meeting according to the recommendation of the Board of Directors, once it has been approved by the Talent and Compensation Committee, with respect to the compensation of the Board of Directors, and the Sustainability and Corporate Governance Committee, regarding the appointment and succession of the Board of Directors.

The Appointments and Compensation Committee will regularly and whenever it considers necessary review this policy and propose changes it deems relevant.

1.5 GLOSSARY

The terms used in this text with capital letter will have the meaning given in the Good Governance Code.

2. APPOINTMENT

2.1. SELECTION CRITERIA

In addition to the general criteria set out in the bylaws or the Good Governance Code, the Shareholders Meeting will consider the following aspects for the appointment of Board Members:

- Taking into account that Board Members must retire at the age of 72 and that the Board period is two years, the candidates on the respective lists may not be over 70 years old.
- All candidates must demonstrate experience in participation in boards of directors and a professional specialty that is relevant to the activity of the Corporation, set periodically by the Sustainability and Corporate Governance Committee.
- All candidates must demonstrate basic skills to adequately perform their functions, including analytical and managerial skills, strategic business vision, global perspective, objectivity and ability to present their point of view and ability to evaluate senior management charts.
- The lists should include candidates with experience in environmental, social and corporate governance matters.

2.2 DEFINITION AND DISCLOSURE OF PROFILES

The Board of Directors, with the support of the Sustainability and Compensation Committee, will define in each election year:

- The functional profiles associated with aspects such as knowledge and professional experience required for the respective period.
- Personal profiles linked to career, recognition, prestige, availability, leadership, group dynamics, etc. that are considered most suitable in accordance with the circumstances the Corporation expects to face.
- The time and effort necessary so that they can properly perform their obligations.

For purposes of this definition, the Board may request the support of the Corporation's employees or hire external advisors, if appropriate.

The profiles defined by the Board will be published on the Corporation's website on the same date that the Shareholders Meeting in which elections for the Board of Directors will take place is summoned.

2.3 SUBMISSION AND EVALUATION OF PROPOSALS FOR THE ELECTION OF THE BOARD OF DIRECTORS

Proposals for appointment of members for the Board of Directors must be submitted by the Shareholders within 10 calendar days following the call for the General Shareholders' Meeting in which the election will take place.

Shareholder proposals must be accompanied by the documents indicated in the Corporation's bylaws.

Upon receipt of the proposals, the Sustainability and Corporate Governance Committee will proceed with the respective evaluation to determine if the candidates meet the profiles proposed by the Board of Directors, comply with selection and independence criteria set by the Good Governance Code and if they incur in any ineligibility cause stipulated in this Policy the Corporation's bylaws.

2.4 COMMUNICATION OF THE EVALUATION OF PROPOSALS

The results of the evaluation done by the Sustainability and Corporate Governance Committee shall be published on the Corporation's website not less than two calendar days before Shareholders Meeting in which the respective election will take place.

In the event that any shareholder expressly requests, the conclusions of the mentioned evaluation may be presented during the Shareholders Meeting.

3. SETTING OF COMPENSATION

This document is an unofficial English translation provided for informational purposes only. In the event of any discrepancies or conflicts, the official Spanish version shall prevail.

3.1 COMPONENTS

Board Members shall receive compensation for their services consisting of the following items:

- A fixed fee for each attended meeting of the Board of Directors set every year by the Shareholders' Assembly.
- A fixed fee for each attended meeting of the Board committees set every year by the Shareholders' Assembly.

Additionally, when it is considered relevant, the Talent and Compensation Committee shall submit to the Board of Directors who will in turn submit it to the Shareholders Meeting a compensation program through which the Board Members receive part of their compensation for services in shares of the Corporation or of its subordinated companies.

In any case this compensation to Directors must be maintained for not less than three years.

If this remuneration program is approved, the applicable methodology to determine the values must be objectively measurable, subject to audit and must be posted on the Company's web page.

Executive Members participating in the Board will not receive additional remuneration as Directors.

The Chairperson of the Board, by approval of the Shareholders Meeting, may receive a higher compensation compared to the one established to the other Directors due to his/her additional functions.

3.2 COSTS

The Corporation shall pay all costs that are necessary so Board Members can properly carry out their functions, including travel, accommodation, ground transportation, technology supplies, and sending of information.

In addition, the Corporation will pay all costs associated with training, updates, and hiring of external consultants required by the Board of Directors.

The Corporation will pay the Board Members and Administrators insurance policy, which must expressly include all Board Members.

In no case will the Corporation pay or recognize payments to Board Members for retirement pensions or for life insurance premiums.

The CEO of the Corporation annually shall submit to the Shareholders Meeting the Budget for total Board costs as well as a report on the implementation of the budget approved in the prior year.

4. SUCCESSION

If a position of Board Member becomes vacant for any reason, the Board of Directors shall apply the provisions set forth in the Corporation's bylaws and the applicable law.