



ANNUAL CORPORATE GOVERNANCE REPORT

► **2022**

At Grupo Argos we are committed to the generation of long-term value and to the adoption and implementation of high corporate governance standards that promote compliance with our business strategy, with the aim of honoring the trust placed in us by our shareholders and investors and promoting 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 2022. Its structure follows the recommendations of the Country Code and describes the way in which the corporate governance guidelines adopted by the company were complied with.

Relevant events



Centro de Distribución Cementos Argos Medellín
Antioquia

- A meeting of the Board of Directors was held without the Administration in which the results of the evaluation of the Board of Directors and the President of the company for the 2021 fiscal year 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 tenth consecutive year the Investor Relations recognition from the Colombian Stock Exchange, with a score of 93%, which recognizes the best standards in disclosure and investor relations.
- The Company was included for the tenth consecutive year in the Dow Jones Global Sustainability Index and ranked second in its industry, consolidating its position among the leaders in the Dow Jones Global, Emerging Markets and Latin American Integrated Market indexes, which recognize the best practices in economic, social and environmental sustainability of companies listed on the stock markets, achieving the highest rating in the Economic and Corporate Governance dimension.
- The procedures established by law were carried out for the Shareholders Assembly to decide on the authorization of some members of the Board of Directors who expressed potential conflicts of interest to deliberate and decide regarding the public tender offers on the shares of Grupo Nutresa S.A. and Grupo de Inversiones Suramericana S.A. Then, in the

corresponding sessions, five members of the Company's Board of Directors participated, including the four independent members.

- The Company's Corporate Governance Code was modified to keep the best corporate governance practices up to date.
- The Annual Course on Conduct was held, led by the different conduct officers of the corporate 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 Course of Conduct 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 social

Authorized capital:
\$75.000.000.000
represented by **1,200,000,000**
shares with a par value of \$62.50

Subscribed and paid-in capital:
\$54.697.419.688
represented by **875,158,715**
shares with a par value of \$62.50

657.629.103 common shares outstanding

211.827.180 preferred shares outstanding

5.702.432 common shares repurchased

324.841.285 shares held in reserve

 **Túnel de Oriente**
Antioquia

Significant 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 Protección Moderado
41.701.070 | 19,69%

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

Fondo Bursátil Ishares MSCI Colcap
15.192.555 | 7,17%

Fondo de Pensiones Obligatorias Colfondos Moderado
14.133.482 | 6,67%

¹ For the purposes of this Report, significant interests are considered to be those that exceed 5% of the total outstanding shares as of December 31, 2022.



Relations between the holders of significant interests and the company, or between the holders of significant interests among themselves

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

Grupo Argos had commercial relations with some of the subordinate companies of Grupo de Inversiones Suramericana S.A. and Grupo Nutresa 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 company shares

In 2022, the administrators did not trade with company shares.

Shareholders’ agreements

No shareholder agreements have 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 granted 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. Employees and directors of Grupo Argos refrain from:

- Encouraging, promoting, or suggesting to shareholders the granting of powers of attorney where the name of the representative for the meetings is not clearly defined.
- Receiving special powers of attorney from shareholders prior to the call to assemblies.
- Admitting as valid powers of attorney granted by the shareholders, without fulfilling the legal requirements; that is to say, the powers of attorney 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. Legal entities granting power of attorney must accompany it with a recent certificate attesting their existence and representation in accordance with the law.
- Suggesting or determining the name of those who act as proxies in the Shareholders Assemblies.
- Recommending to the shareholders to vote for a certain list to integrate 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 its consideration.
- Suggesting, coordinating or agreeing with any shareholder or any representative of shareholders, the 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 Company's Bylaws, the administrators and employees of Grupo Argos may not represent other people's shares at Shareholders Assembly meetings, nor may they substitute the powers of attorney 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 liquidation.

 **Cementos Argos' Rioclaro Plant**
Antioquia



- In any case, the administrators or employees of Grupo Argos may exercise the voting rights inherent to their own shares and those they represent when acting as legal representatives. The administrator who is also a shareholder of Grupo Argos, who decides to represent his shares at a Shareholders Assembly meeting or to be represented in the same by granting a power of attorney to a third party, must expressly inform, when requesting his credential or in the respective power of attorney, his condition, so that his vote will not be taken into account in the approval of the financial statements.
- c. The company discloses through its website financial and non-financial information including the rights and obligations inherent to the quality of shareholder or investor, as well as the classes of shares and securities issued, the amount of shares and securities issued and in reserve.

Channels of access to information

- Website: www.grupoargos.com
- Shareholder Service Center managed by Fiduciaria Bancolombia S.A., at the following telephone numbers: + (60 4) 404 2371, + (60 4) 404 2362, + (60 4) 404 2453, + (60 4) 404 2451, + (60 4) 404 2452.
- Investor Relations Office, whose e-mail address is Invgrupoargos@grupoargos.com
- Website of the Finance Superintendence through which the Relevant Information is disclosed to the market: www.superfinanciera.gov.co
- Social media: Instagram, LinkedIn, Twitter 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 administrators:

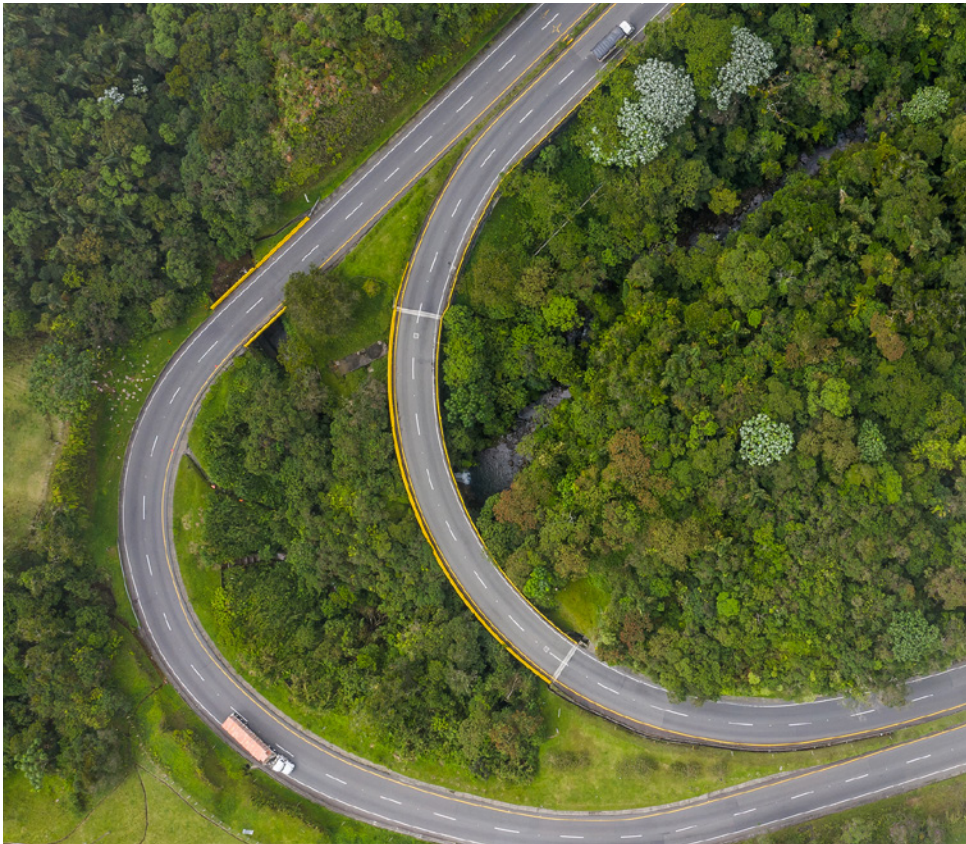
- Investor Relations and Presidential Affairs Management: reports directly to the President of the company and its main function is to maintain fluid and permanent communication with all investors. This department also serves analysts from brokerage firms, pension funds and investment funds who are interested in information about the company.
- Shareholder Service Center: is managed by Fiduciaria Bancolombia, which under an agreement signed more than 10 years ago, is in charge of answering the requirements and inquiries made by shareholders and their requirements related to off-exchange operations, issuance of certificates, payment of dividends, among others.
- Quarterly conference call: 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	466	
Phone calls	96	
Depositor changes	63	
Office visits	33	
Dividend payment news	31	
General certificates	21	
Certificates of deposit	14	
Dematerialized transfers	14	
Historical certificates	9	
Rights to petition	6	
Data update news (dematerialized)	4	
Blocking or unblocking	3	
Total	760	

Investor Relations Activities:

- During 2022, one regular and four special Shareholders Assembly meetings were held.
- Four performance teleconferences were held (February, May, August and November). A total of 416 analysts and investors connected to the conferences held during 2022.
- 38 meetings were held with investors and virtual conferences held by banks and brokerage firms were attended.



Autopistas del Café
Eje Cafetero

Regular Shareholders Assembly Meeting

On March 24, 2022, the regular Shareholders Assembly meeting was held.

Attendance data

Quorum:

86,14%
of the total outstanding common shares of the company

566.504.923
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, 2021.
- Approval of the Profit Distribution Proposal.
- Election of the Board of Directors and determination of fees.
- Election of the Statutory Auditor and determination of fees.

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

In Grupo Argos, in addition to complying with the applicable legal regime, the following good governance practices have been adopted to ensure 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 common days in advance.
- In the events in which the Assembly is intended to deal with a substantial change in 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 matters must be expressly indicated in the notice of the meeting.
- In no case will the call include items such as "Miscellaneous" or "Other Matters" or similar items that prevent prior knowledge of the totality of the topics to be discussed at the respective meeting.
- During the term of the call, shareholders may consult the corresponding meeting documents on the website and at the company's management offices.
- 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 integrate said Board.

Measures to encourage the participation of shareholders in the 2022 Shareholders Assembly

- In 2022 the company updated its website to continue facilitating the search for clear and sufficient information for its shareholders and investors.
- The regular meeting of the Shareholders Assembly was called 26 common days in advance.
- The regular meeting was held in person.
- A power of attorney form was provided to shareholders who wished 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 web page and at the offices of the company's administration during the term of the call.
- Additionally, 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.

 **Cementos Argos' mixer Atlántico**



Special Meetings of the Shareholders Assembly

First special meeting

On January 4, 2022, a special meeting of the 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 de Inversiones Suramericana S.A., made by JGDB Holding S.A.S. on December 16, 2021.

Attendance data

Quorum:

84,55%
of the total outstanding common shares of the company

566.013.046
common shares represented

Main decisions

- Mrs. Claudia Betancourt was authorized to deliberate and decide, in her capacity as 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 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 to encourage shareholder participation

- The Shareholders Assembly was called for a special meeting 6 calendar days in advance.
- 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 Shareholders Assembly were made available to the shareholders on the website and at the offices of the company's management during the term of the call.
- Grupo Argos guaranteed equitable treatment to all its shareholders, allowing and encouraging the exercise of their rights.



 **Grupo Empresarial Argos employees**
Colombia



Túnel de Oriente
Antioquia

Second special meeting

On February 21, 2022, a special meeting of the 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 offers on common shares of Grupo de Inversiones Suramericana S.A., formulated by JGDB Holding S.A.S. and of Grupo Nutresa S.A. formulated by Nugil S.A.S. on January 31, 2022.

Attendance data

Quorum:

81,08%
of the total outstanding common shares of the company

533.209.881
common shares represented

Main decisions

- Mrs. Claudia Betancourt was authorized to deliberate and decide, in her capacity as member of the Board of Directors of Grupo Argos, regarding the offers.
- 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 offers.
- As requested by Mr. Gonzalo Alberto Pérez, he was not authorized to deliberate and decide, in his capacity as member of the Board of Directors of Grupo Argos, regarding the offers.

- 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 offers.

Measures to encourage shareholder participation

- The Shareholders Assembly was called for a special meeting 6 calendar days in advance.
- 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 Shareholders Assembly were made available to the shareholders on the website and at the offices of the company's management during the term of the call.
- Grupo Argos guaranteed equitable treatment to all its shareholders, allowing and encouraging the exercise of their rights.

Third special meeting

On April 19, 2022, the special meeting of the 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 offers on common shares of Grupo de Inversiones Suramericana S.A., formulated by JGDB Holding S.A.S. and of Grupo Nutresa S.A. formulated by Nugil S.A.S. on March 29, 2022.

Attendance data

Quorum:

81,54%
of the total outstanding common shares of the company

536.249.507
common shares represented

Main decisions


- Mrs. Claudia Betancourt was authorized to deliberate and decide, in her capacity as member of the Board of Directors of Grupo Argos, regarding the offers.
- 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 offers.
- As requested by Mr. Gonzalo Alberto Pérez, he was not authorized to deliberate and decide, in his capacity as member of the Board of Directors of Grupo Argos, regarding the offers.

- 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 offers.

Measures to encourage shareholder participation

- The Shareholders Assembly was called for a special meeting 6 calendar days in advance.
- 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 Shareholders Assembly were made available to the shareholders on the website and at the offices of the company's management during the term of the call.
- Grupo Argos guaranteed equitable treatment to all its shareholders, allowing and encouraging the exercise of their rights.



 **Calima Hydroelectric Plant**
Valle del Cauca



 **Cementos Argos' Martinsburg Plant**
Estados Unidos

Fourth special meeting

On November 16, 2022, the special meeting of the 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 tender offer for common shares of Grupo Nutresa S.A. made by IHC Capital Holding LLC on October 19, 2022.

Attendance data

Quorum:

69,49%
of the total outstanding common shares of the company

457.045.391
common shares represented

Main decisions

- Mrs. Ana Cristina Arango was authorized to deliberate and decide, in her capacity as a member of the Board of Directors of Grupo Argos, regarding the offer.
- The Shareholders Assembly acknowledged the update of information presented by Mrs. Claudia Betancourt and authorized her to deliberate and decide, in her capacity as member of the Board of Directors of Grupo Argos, regarding the offer.

Measures to encourage shareholder participation

- The Shareholders Assembly was called for a special meeting 6 calendar days in advance.
- 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 Shareholders' Assembly were made available to the shareholders on the website and at the offices of the company's management during the term of the call.
- Grupo Argos guaranteed equitable treatment to all its shareholders, allowing, and encouraging the exercise of their rights.

Board of Directors and Support Committees

Composition, attendance and functioning of the Board of Directors and its Support Committees.

Composition and attendance

The Board of Directors is composed of seven (7) principal members, of which there are two (2) vacancies. 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 indicated below.

■
100%
attendance at the Board of Directors

■
17
Board of Directors meetings

■
100%
compliance with the action plan (*)

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



Rosario Córdoba

Type of member
• Independent member and Chairperson of the Board of Director

Start date
• March 23, 2011

Exercise window
• 5,43

Attendance to Board of Directors
• 100%

Support Committee
• Sustainability and Corporate Governance Committee (Chairperson)
• Audit, Finance and Risk Committee
• Compensation Committee

Attendance to Committees
• 100%



Claudia Betancourt

Type of member
• Equity Member

Start date
• April 16, 2018

Exercise window
• 2,74

Attendance to Board of Directors
• 100%

Support Committee
• Sustainability and Corporate Governance Committee

Attendance to Committees
• 100%



Ana Cristina Arango

Type of member
• Independent member

Start date
• March 25, 2009

Exercise window
• 6,42

Attendance to Board of Directors
• 100%

Support Committee
• Audit, Finance and Risk Committee
• Compensation Committee

Attendance to Committees
• 100%



Jorge Uribe

Type of member
• Independent member

Start date
• March 25, 2015

Exercise window
• 3,75

Attendance to Board of Directors
• 100%

Support Committee
• Compensation Committee (Chairperson)
• Talent Committee (Chairperson)

Attendance to Committees
• 100%



Armando Montenegro

Type of member
• Independent member

Start date
• March 25, 2015

Exercise window
• 3,75

Attendance to Board of Directors
• 100%

Support Committee
• Audit, Finance and Risk Committee (Chairperson)

Attendance to Committees
• 100%

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

Main functions of the Board of Director

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 the area of human talent and corporate governance in Grupo Empresarial Argos.

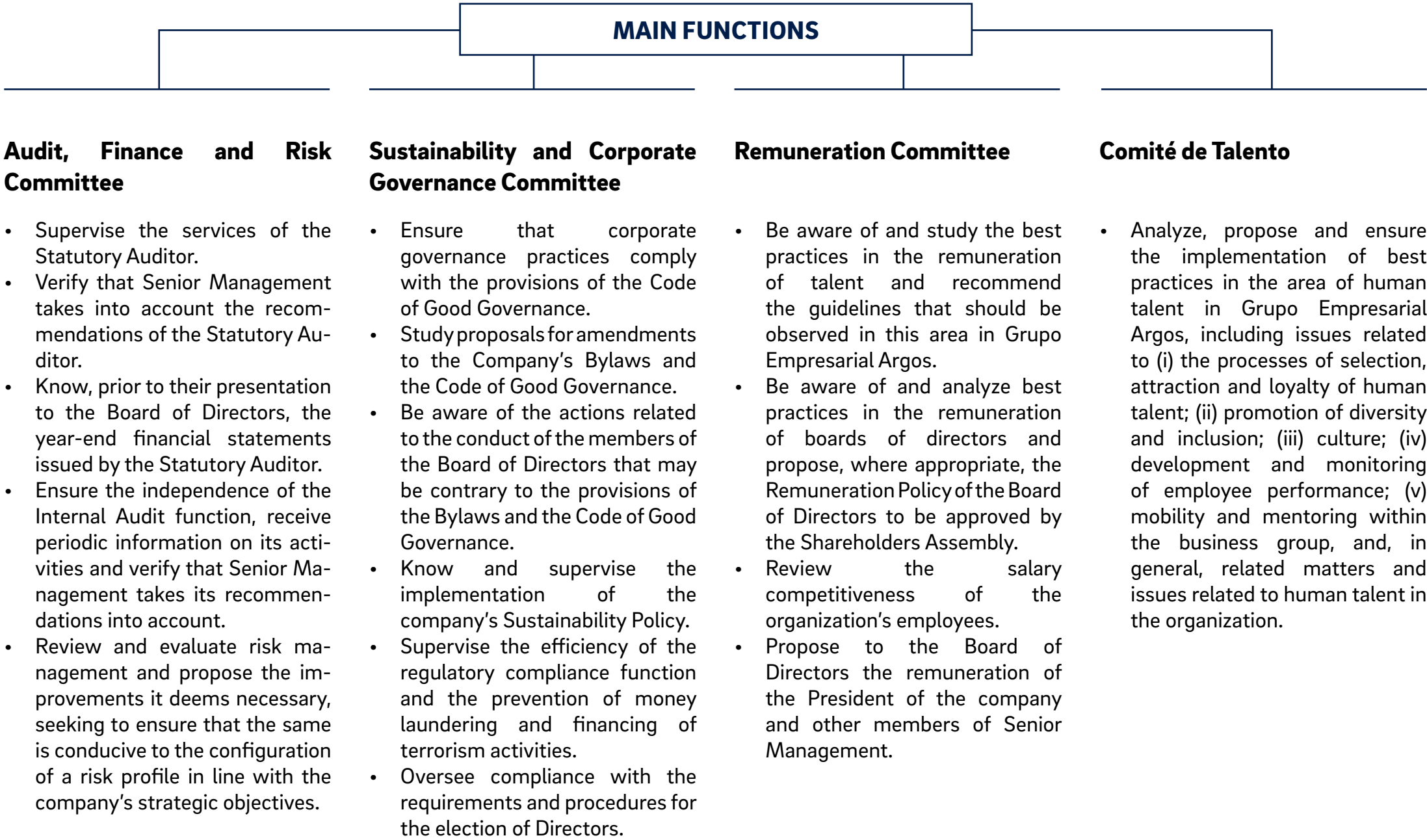
Internal Regulations of the Board of Directors

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

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

Committees supporting the Board of Directors

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



MAIN ACTIVITIES		
Audit, Finance and Risk Committee <ul style="list-style-type: none">Review of financial information.Evaluation of the candidate for the appointment of the Statutory Auditor and the conditions of his/her hiring.Follow-up of the annual Internal Audit plan.Review and follow-up of the Statutory Auditor's work plan.	Sustainability and Corporate Governance Committee <ul style="list-style-type: none">Reform of the Code of Good Governance.Review of the work plan for 2022 in Sustainability.Follow-up on the implementation of Decree 151/2021.Update of the materiality analysis of Grupo Argos and Grupo Empresarial Argos.Review of the compliance report.	Compensation Committee <ul style="list-style-type: none">Review of the compensation and benefits scheme for employees.Salary benchmarking analysis.Review of best practices in remuneration.

On April 27, 2022, the Code of Good Governance was reformed and among the changes made, the reorganization of the Board of Directors Support Committees stands out. In this sense, the Appointments and Remuneration Committee was eliminated and its functions were distributed among the Sustainability and Corporate Governance Committee (two meetings), the Compensation Committee (three meetings) and the Talent Committee (no meetings were held due to lack of quorum -resignation of two members of the Board of Directors-). Prior to this modification, two sessions of the Appointments and Remuneration Committee had been held, in which topics related to talent and compensation of employees were discussed.

Election of the Board of Directors during the year

At the regular meeting held in March 2022, the Shareholders Assembly elected the following members of the Board of Directors:

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

Gonzalo Alberto Pérez and Carlos Ignacio Gallego were members of the Board of Directors of Grupo Argos until June 22, 2022, date on which they resigned.

Members of the Board of Directors of the parent company who are members of the Boards of Directors of the subsidiaries or who hold executive positions in these companies

No member of the Board of Directors of Grupo Argos is a member of the Board of Directors of the subordinated companies or holds executive positions therein.

Policies approved by the Board of Directors during the period

In 2022, the Code of Good Governance was updated in order to keep the company's corporate governance practices up to date.

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



 **Guanacaste Wind Farm**
Costa Rica

Appointment of the Board of Directors

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

- **Election:** Shareholders Assembly.
- **Period:** 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 or disqualification established in the Appointment, Remuneration and Succession Policy 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 substitutes, adds to or amends it.
 - The independence criteria adopted by the company for the appointment of Directors can be found in paragraph 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 one required to decide.

Chair of the Board of Directors

The Chair of the Board of Directors is Rosario Córdoba, who is in charge, among others, of the following functions: (i) facilitating the Board of Directors to efficiently set and implement the strategic direction of the company; (ii) coordinating and planning the functioning 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, among others, of the following functions: (i) deliver information to the Directors in due time and form; (ii) duly reflect in the minutes 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.



 **Sofitel Calablanca hotel - Urban Development Business**
Bolívar

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

In March 2022, the Shareholders Assembly elected KPMG S.A.S. as Statutory Auditor for the period from April 2022 to March 2023 with an allocation of \$189,378,000 plus VAT payable in four quarterly installments. During the year, the Statutory Auditor participated in the Audit, Finance and Risk Committee, where it presented the audit activities plan and its follow-up.

The Company received advice from different investment banks for the evaluation and structuring of projects, as well as for the analysis in the decision-making process, among which BNP Paribas and J.P. Morgan stand out. We also received strategic advice from Bain & Company and the support of an external legal advisor.

In the first half of 2022, BRC Ratings (S&P Global S.A.) and Fitch Ratings published their technical document through the Relevant Information mechanism. BRC Ratings (S&P Global S.A.) increased Grupo Argos' rating to AAA and Fitch Ratings ratified Grupo Argos' AAA rating with a stable outlook.

The concepts issued by these agencies can be consulted in the Relevant Information on the website of the Finance Superintendence of Colombia ([www. superfinanciera.gov.co](http://www.superfinanciera.gov.co)).

Management of the Board of Directors' information

In 2022 the company provided the Directors with information via e-mail and continued to make use of the Board of Directors' website that allows storing and sharing all the information necessary for the proper functioning of the Board of Directors' meetings.

 **Cementos Argos Panamá Mixer**
Panamá City


► **El Dorado airport**
Bogotá



Remuneration Scheme for the Board of Directors and Senior Management

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

The remuneration of the Directors considers the structure, obligations, responsibilities, and dedication time to the Board of Directors and its Support Committees.

For the period from April 2022 to March 2023, a fee of \$8,700,000 per Board of Directors' meeting attended and \$8,700,000 per meeting attended by the Support Committees was established.

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

The evaluation process of the Board of Directors as a collegiate body, its support committees and individual members was carried out as of December 31, 2022.

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

Senior Management

The Chairman is evaluated by the Board of Directors in accordance with the best corporate governance practices, which allows following up on their performance and obtain the corresponding feedback.

The Board of Directors carried out the evaluation process of the President of the company as of December 31, 2022. The evaluation of the Vice-Presidents is carried out annually by the President.

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

The Board of Directors and its Support Committees

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

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 Relationships between Related Companies and a Policy on Transactions between Related Companies.

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

Detail of the most relevant related party transactions

The detail 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 during the right of inspection and is delivered during the Shareholders Assembly.

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

The 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, Directors and officers of the company must make a timely and adequate disclosure, describe the situation in a complete and detailed manner, document the event and

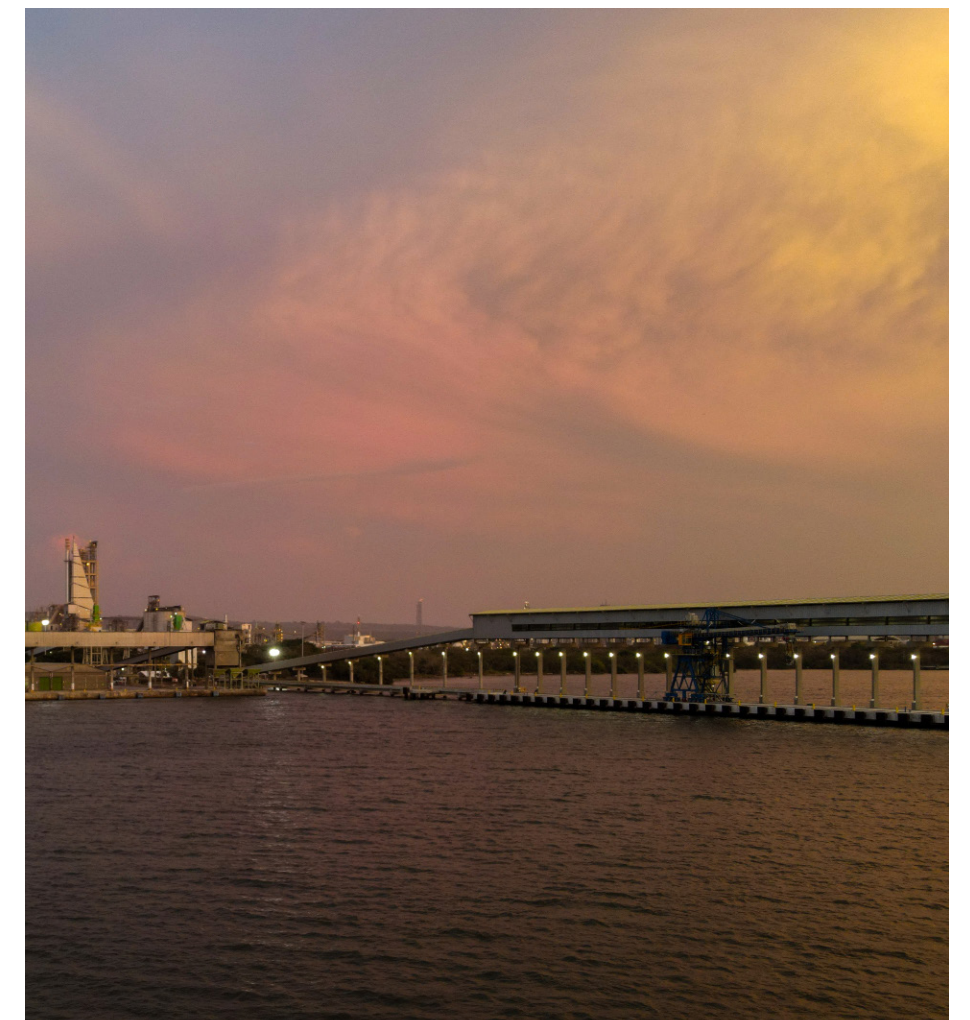
provide all relevant information for making the corresponding decision in accordance with legally established procedures.

For the purpose of disclosing conflicts of interest, the company requires all its employees to fill out an annual 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, directors 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 directors 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 members of the Board of Directors

As indicated on pages 8, 9, 10 and 11 of this Report, the procedures established by law regarding potential conflicts of interest were carried out.



Cementos Argos' Cartagena Port Bolívar

Internal control and risks



 **Cementos Argos' Planta Cartagena**
Bolívar

1. 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 comprising management, the Risk area, the Compliance area, the Internal Audit, the Statutory Auditor and the Board of Directors, through its Audit, Finance and Risk Committee, which participate in the management of the internal control system according to their roles and responsibilities, in accordance with the Code of Good Corporate Governance, the Company's Bylaws, 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 2022, management, the Risk area, Internal Audit, the Statutory Auditor and the Board of Directors, through its Audit, Finance and Risk Committee, evaluated the design and effectiveness of the internal control system and 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, with the objective of managing strategic and operational risks.

The company has a robust 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 more information on Grupo Argos corporate governance, please visit www.grupoargos.com. In addition, you can contact Adriana Bravo, Legal Affairs Manager, at abravo@grupoargos.com.



GRUPO ARGOS

Investments that transform

www.grupoargos.com/en