

CORPORATE TAX POLICY

**GRUPO ARGOS, AFFILIATES
AND SUBSIDIARIES**



GRUPO ARGOS

Investments that transform

The Corporate Tax Policy applicable to Grupo Argos and its affiliates and subsidiaries (hereinafter, referred as the "Corporate Tax Policy"), establishes the general guidelines to ensure the common understanding of applicable tax law within the Group, the efficiency in management of resources and full compliance with tax law.

OVERALL PURPOSES OF THE CORPORATE TAX POLICY

- Ensure strict compliance with tax rules within the Corporate Governance and Conduct codes.
- Avoid multiple taxation.
- Minimize the risks derived from the inaccurate calculation of the fiscal obligations in the different jurisdictions in which Grupo Argos its affiliates and subsidiaries operate.
- Define, establish and/or monitor in cooperation with the affiliate companies, the effective tax rates of the Group, considering their applicable tax law and business models.

PILLARS OF THE CORPORATE TAX POLICY

- Good Governance
- Code of Conduct
- Common understanding of tax law
- Compliance of law
- Tax Efficiency
- Implementation of better practices
- Transparency
- Clear and complete information

SCOPE AND GENERAL STATEMENTS

- The Corporate Tax Policy and tax guidelines defined herein are binding for the holding company, Grupo Argos, its affiliates and subsidiaries.
- The Corporate Fiscal Policy is in development of the corporate role of Grupo Argos S.A. approved by its Board of Directors.
- The tax risk management of the Group is carried out by a team of experts who report to the Vice President of Corporate Finance of the holding company.
- This team works in coordination with the affiliates and subsidiaries, to identify and mitigate the fiscal risks derived from the different operations.
- Based on the Corporate Tax Policy, Grupo Argos' Legal Tax Management will set the guidelines for the affiliates and subsidiaries in key tax decision that could have an impact over the holding company.
- The affiliates and subsidiaries must ensure the compliance with said guidelines and take them into account in decision making processes, within the pillars of the Corporate Tax Policy.
- Grupo Argos values having a fluid and transparent interaction with tax authorities in the countries where it operates and commits to comply with the spirit and the text of

regulations and to deliver the required information in a timely, complete and truthful manner.

- Grupo Argos' Corporate Tax Policy is in line with the principles of its Corporate Governance and Conduct codes which are binding to the holding company and its affiliates and subsidiaries.
- Grupo Argos, its affiliates, and subsidiaries, do not participate in practices considered as aggressive tax planning or tax avoidance, nor engage with abusive operations or corporate structures located in or to transfer value to non-cooperative, secrecy and/or low tax jurisdictions ("tax havens").
- Tax aspects are assessed dynamically, continuously and always safeguarding the benefit of the different stakeholders, in line with one of the Group's main objectives of maximizing the company's value, by always applying the Corporate Fiscal Policy.
- Whenever an uncertain tax position arises, Grupo Argos will always request for an independent opinion from an expert.

CORPORATE TAX POLICY GOVERNMENT SYSTEM

The formulation, execution, updating and monitoring of compliance with the Corporate Tax Policy is as follows:

- The Corporate Tax Policy is defined by Grupo Argos S.A. as a holding company, upon recommendations given by the Legal Tax Management team. Tax Policy will be informed to the controlled affiliates' board of directors, as well as to any entities in which Grupo Argos invests. The Corporate Tax Policy defines the methodology and level in which Grupo Argos as a holding participates in its compliance.
- Grupo Argos, its affiliates and subsidiaries will execute the Corporate Tax Policy, always taking into account the guidelines set forth by Grupo Argos as a holding.
- The Tax Legal Management, on behalf of Grupo Argos, in coordination with the staff in charge of implementing the guidelines and the policies in the affiliates and subsidiaries, will follow up the compliance with said guidelines. Likewise, the internal auditors will ensure the compliance with the guidelines, and the results of such monitoring will be taken to the Audit Committee and be subject of evaluation by the Corporate Comptroller's Office.
- Grupo Argos S.A. is in charge of updating of the Corporate Tax Policy.

GUIDELINES ON GRUPO ARGOS' ROLE IN TAX STRATEGY

Grupo Argos, its affiliates, and subsidiaries must comply with the Corporate Tax Policy. The holding company will issue guidelines defining which operations shall be deemed relevant to establish the participation and interaction of the holding and the affiliates in the design, decision, execution and control of the tax strategy.

Grupo Argos' business decisions and operations with potential tax implications must consider the present Corporate Tax Policy, apply transparency standards, follow the Corporate Conduct

and Good Governance codes, maintain common tax law understanding, publish and report the information regarding accrued/paid taxes, comply with the applicable tax law of each jurisdiction and always implement best tax practices.

Grupo Argos will be in charge of setting forth the tax strategy which includes, inter alia, the following aspects:

- **Dynamic model for updating and normative interpretation**

Grupo Argos promotes legal interpretation discussions with governmental and legislative bodies seeking to improve the tax system of the countries in which it operates. Moreover, it actively participates in the discussions of national or local reforms, analyzes its impact and timely informs its affiliates and subsidiaries. Similarly, Grupo Argos will lead the legal interpretation related to the assumption of tax positions in relevant transactions, seeking for common understanding in the various business and jurisdictions where it operates.

- **Tax planning of special operations and M&A**

Grupo Argos sets forth, supports and/or approves the tax strategy on special operations including mergers, acquisitions and divestitures. This task will be carried out in both, a reactive manner on any special operation, and proactive, through the formulation of new tax schemes to be applied on businesses in response to normative changes, situations of legal uncertainty, double taxation, or any other situation that does not fit into the Corporate Tax Policy.

- **Identification and early intervention of tax contingencies**

Grupo Argos shall be warned of the arising tax contingencies whenever they are identified by the affiliates and/or subsidiaries, or they are revealed by tax authorities within a tax audit. The affiliates shall timely inform the holding of those contingencies to the Legal Tax Management and, subsequently, they will decide whether to intervene or not and define the defense strategy or the acceptance of authority's objections. This system of identification of contingencies implies regular submission of information involving said procedures to the holding company.

- **Prior review of some elements of the tax returns**

Prior to the filing date, Grupo Argos can review the relevant elements of its affiliate's and subsidiaries' tax returns with the support of an independent expert, to ensure that they are in line with the Corporate Tax Policy.

- **Tax assurance of the intercompany operations**

Grupo Argos will establish the decision framework of transactions between affiliates, including the transfer pricing policy, which aims to respect the arm's length principle and

ensures the placement of taxation in the jurisdictions where value is generated. Grupo Argos, its affiliate's, and subsidiaries will implement transfer pricing best practices and comply with the disclosure standards required by the different jurisdictions.

- **Support committees for the tax decision making.**

Grupo Argos will define the support committees that may be needed for the compliance of the Corporate Tax Policy, defining its periodicity, topics and decision levels.

- **Set off the measurement guidelines and objectives of Grupo Argos' effective tax rate**

Grupo Argos will set the method and guidelines on how to measure Grupo Argos' and its affiliate's' and subsidiaries' effective tax rate, and will define the elements of the above-mentioned rate. To this effect, affiliates and subsidiaries will timely submit to Grupo Argos all the information regarding accrued and paid taxes, in both local and national level.

CONCEPTUALIZATION OF THE ELEMENTS AND VARIABLES FOR THE CONSTRUCTION OF THE DEFERRED TAX

Affiliates and subsidiaries accrue the current income tax and deferred tax and formulate the tax reconciliations. Grupo Argos validates the necessary elements, methodology and variables for the determination of the deferred tax of the affiliate or subsidiary, which ought to be constructed from their business model and the assets and liabilities realization perspectives.

DEFINITION OF STANDARDS AND ESTABLISHMENT OF CONTROLS FOR TAX COMPLIANCE

Grupo Argos defines the methodology and minimum controls needed to ensure that the tax compliance process is consistent with the Corporate Tax Policy, seeking to avoid risks and maintaining common understanding of the tax law.