

POLICY ON RELATIONSHIPS BETWEEN AFFILIATED COMPANIES



ARGOS



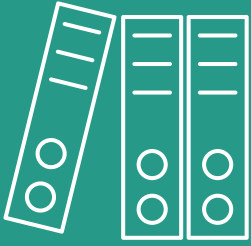


POLICY

ON RELATIONSHIPS BETWEEN AFFILIATED COMPANIES

The objective of this Policy on Relationships between the Affiliated Companies of Argos Corporate Group (hereinafter, the “Policy” or the “Policy on Relationships”) is to establish the rules and principles that Argos Corporate Group member companies and their Directors, Officers and Employees must abide in their economic, legal, administrative and operational relationships, as well as to strengthen the value of the businesses, preserve corporate reputation, consolidate organizational identity and unify criteria.

The Policy on Relationships provides an overall framework for the adoption and strengthening of management and governance practices, always based on integrity as the guiding principle, while respecting at all times the institutional frameworks adopted by each company.



OVERALL ASPECTS

1. SCOPE OF APPLICATION

The principles and rules contained in this Policy on Relationships apply to all member companies of Argos Corporate Group and their Directors, Officers and Employees.

2. DEFINITIONS

The terms included in this glossary, as well as those defined in other sections of this document, and that are displayed in upper case in this document, shall have the meanings assigned below. Terms in singular shall also include the plural and vice-versa whenever the context requires it. Any terms not expressly defined here shall have the meanings assigned to them in the corresponding technical language, or otherwise they shall have the natural and obvious meanings of general usage.

Affiliate: Any company in which Grupo Argos directly or indirectly owns a participation equal to or greater than 50% of the total share capital or holds the power of decision in virtue of an agreement or contract.

Affiliate Companies: All the companies that, according to the inscription made in the commercial register, are part of the Argos Corporate Group including the parent company.

Argos Corporate Group or Corporate Group: It is the group of companies registered in the mercantile registry as subsidiary companies of Grupo Argos, which are subject to a unified purpose and direction.

Directors: Members of the Boards of Directors of Argos Corporate Group member companies.

Employees: All individuals hired by means of an employment contract by Argos Corporate Group member companies.

Grupo Argos: It is Grupo Argos S. A., the parent company of Argos Corporate Group.

Minority Shareholder: An individual or legal entity that holds a non-controlling interest in any of the companies of Argos Corporate Group.

Non-Controlled Companies: Any company in which Grupo Argos directly or indirectly holds an interest equal to or lower than 50% of the company's share capital and no control situation is configured.

Officers: The President, Vice-Presidents, legal representatives, liquidators and those who hold,

exercise or perform management functions according to the By-laws of Argos Corporate Group member companies or corporate manuals.

Subsidiaries: Any company in which Grupo Argos, through any of its affiliates or other subsidiaries, holds an interest of over 50% of the company's share capital or has decision-making power by means of an agreement or contract.

3. VALIDITY

Once approved by the Board of Directors of Grupo Argos and the Boards of Directors of Cementos Argos, Celsia and Odinsa, the Policy on Relationships shall come into effect for all Affiliated Companies.

During the valid term of the Policy, any Affiliated Company may suggest changes, revisions or updates. These are to be channeled through the General Secretary of Grupo Argos, but their implementation will require prior approval by the Board of Directors of Grupo Argos and by the Boards of Directors of Cementos Argos, Celsia and Odinsa.

4. PUBLICATION

The Policy on Relationships shall be published on the websites of Grupo Argos and of each of the Affiliated Companies, and shall be updated whenever an amendment is approved.

5. MANDATORY

The Policy on Relationships shall be binding and mandatory for Grupo Argos and its Affiliated Companies, and their Directors, Officers and Employees.





STRATEGIC ORIENTATION

1. UNIFIED PURPOSE AND DIRECTION

Argos Corporate Group is a conglomerate of companies committed to generating sustainable long-term value, where innovation is the basis for the future growth of its businesses and investments. Argos Corporate Group carries out its corporate activities based on the adoption and implementation of high international standards on corporate governance, adequate relations with its stakeholders and a balanced view of the sustainability of the business organization, with human talent as the main foundation, always maintaining integrity as a guiding principle for action.

Argos Corporate Group transforms resources into products and services, creating value in a responsible manner, maintaining a balance between financial profitability, inclusion and social development and a reduction of environmental impact, under the guiding principles of good corporate governance.

In the framework of transparent, ethical and innovative action, sustainability is at the center stage of the strategy of Argos Corporate Group. With a long-term view, Argos Corporate Group aims for the sustainability and competitiveness of the businesses in which it invests.

Grupo Argos and its Affiliated Companies have their own autonomous management teams, organized into separate administrative and governance structures, conceived to focus on business activities that constantly generate value for shareholders with a long-term horizon. To this effect, there are different levels of governance within the corporate group, established according to the nature of the various corporate structures. Though the activities of the companies of Argos Corporate Group are aligned with the overall corporate strategy defined by the Board of Directors of Grupo Argos, each Affiliated Company autonomously and independently defines the competitive and growth strategy for its own business.

2. OVERALL CORPORATE STRATEGY

The overall corporate strategy of Argos Corporate Group focuses on investing in the responsible transformation of natural resources to generate products and services required by basic sectors of the economy where there are natural barriers to entry and long business cycles, which enables achieving constant adequate returns above the cost of capital.

To ensure its continuity over time, Argos Corporate Group seeks the industrial and geographic diversification of its investments, under the principle of the separation of its businesses with individual strategies for each of its Affiliated Companies.

Overall, the business activities of Argos Corporate Group are guided by the following main principles:

- Ethics and integrity as the ruling principles for clear and transparent action;
- Alignment of the businesses with the overall corporate strategy of Argos Corporate Group, aimed at focusing and consolidating the Affiliated Companies;
- Orientation towards excellence through the continuous improvement of financial results, based on the efficiency of operations, aimed at responsible, profitable and sustainable growth;
- Sustainability as the strategic pillar of the businesses, aimed at reducing the impact of operations, planning the use of resources and permanently searching for new sources of production, always maintaining high levels of environmental and social responsibility;
- Development and retention of the best human talent, based on a policy of inclusion, diversity and respect for human rights; and
- Promotion of constant innovation in each of its industries, companies and businesses.

3. PRINCIPLES OF ACTION

The activities of Grupo Argos and its Affiliated Companies are framed by the following general principles:

- They orient and revise their strategy, main projects and business plans in order to verify fulfillment of the established goals in the framework of the Unified Purpose and Direction. To this end they must maintain long-term horizon that incorporates efficiency and innovation, without neglecting the creation of value in the short term;
- They abide by the ethical guidelines established in the Corporate Group's Code of Conduct, which covers all the Affiliated Companies. This Code is a unified guide of conduct for all Directors, Officers and Employees of all the companies of Argos Corporate Group. Consequently, any company may suggest changes, revisions or updates to the Code of Conduct, which are to be channeled through the General Secretary of Grupo Argos; however, their implementation requires approval by the Board of Directors of Grupo Argos and by the Boards of Directors of Cementos Argos, Celsia and Odinsa;
- Recognizing the existence of risks that may affect achievement of objectives and the continuity of the business, they identify, mitigate, offset or transfer such risks through the adoption of safety and incident prevention practices, striving for the continuous improvement of operations;
- They develop corporate objectives based on a balance between economic, social and environmental considerations;



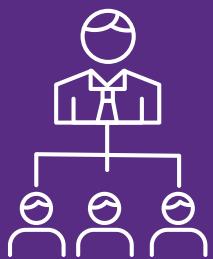
- They maintain a meticulous information management system. They disclose information to stakeholders subject to considerations of confidentiality, legality and timeliness; and
- They consider knowledge management and innovation to be fundamental factors for value generation, and promote at all times the comprehensive development of team members. They continuously strengthen organizational learning, incorporating new knowledge and taking advantage of the best existing practices within corporate group companies.

4. PROTECTION TO MINORITY SHAREHOLDERS

The decisions adopted by Argos Corporate Group are guided by the respect, protection and promotion of the rights of the Minority Shareholders of Argos Corporate Group member companies.

Consequently, the companies of Argos Corporate Group strive to ensure that the exercise of the Unified Purpose and Direction takes into account the interests of Minority Shareholders. To ensure the above, Argos Corporate Group shall duly process all decisions in consultation with the statutory governance bodies established at each of the Affiliated Companies.





ORGANIZATIONAL STRUCTURE

1. CORPORATE STRUCTURE

Argos Corporate Group is a conglomerate whose parent company, Grupo Argos, has strategic investments and an investment portfolio. Grupo Argos is a securities issuer and its shareholders include strategic investors, institutional investors, individuals and legal entities that invest through the securities market, none of which holds a controlling position.

Grupo Argos holds strategic investments both in companies listed in the Securities Market and in privately-held non-listed companies. In most of these, Grupo Argos holds a controlling position. They are divided into the following categories:

- Affiliates;
- Subsidiaries; and
- Non-Controlled Companies.

2. RELATIONSHIP MODEL

The Board of Directors of Grupo Argos is the highest body of strategic direction in Argos Corporate Group, and consequently it maintains an overall and consolidated view of all its businesses, while at the same time seeking to identify global trends.

In turn, the Boards of Directors of the Affiliated Companies are the highest bodies of strategic direction and supervision of each of their businesses, and they identify growth opportunities and provide guidance for their respective business activities.

The Board of Directors of Grupo Argos facilitates the achievement of the following corporate objectives of Argos Corporate Group:

- Consolidation of the organizational identity of Argos Corporate Group, strengthening of corporate reputation and the sense of belonging;
- Overall view of the businesses and synergies at the corporate level, focusing on the joint capacity to innovate and negotiate;



- Comprehensive management of the risks that can affect fulfillment of the consolidated strategic objectives, providing an overall view of the actions required to manage them in an efficient and effective manner;
- Identification of trends and opportunities for growth and development for the businesses and their teams;
- Industrial and geographic diversification through analysis of access to new businesses and markets; and
- Allocation of capital among the various businesses and investments through structures that enable access to different types of international financial and capital markets.

For the effects of ensuring adequate implementation of the corporate strategy and policies, and aligned with what is described in this Policy regarding management of the Affiliated Companies and the protection of Minority Shareholders, the strategic direction of Grupo Argos is established by means of participation in the Boards of Directors of its Affiliated Companies. In this sense, Grupo Argos promotes the application of the guidelines and principles contained in this Policy through the following mechanisms:

- At the Affiliates, at least two members of senior management team of Grupo Argos are members of the respective Board of Directors, where the purpose is to have a majority of members to be independent directors.
- At Affiliates, whenever possible, the President of Grupo Argos should be the Chairman of the Board of Directors of these companies;
- At Non-Controlled Companies, strategic direction is exercised through the participation of senior management team of Grupo Argos in their Boards of Directors, as defined by their respective shareholders meetings, or if applicable, following any shareholder agreements.

Additionally, in Argos Corporate Group there are synergy and good practices committees that analyze and debate specific topics that contribute to the establishment of corporate guidelines and monitor their implementation. The committees are comprised by officers of Grupo Argos and Officers of each of its Affiliated Companies. They are consultative bodies responsible for reviewing guidelines, analyzing best practices and proposing actions to the formal governance bodies of the Affiliated Companies. The committees do not act as governance bodies, and consequently they are not decision-making bodies that assume functions, replace or substitute the governance bodies of Grupo Argos or of the Affiliated Companies.

3. SYNERGIES

Based on the premises of the separation of the different businesses, no co-management of operations, and different levels of responsibility, the Argos Corporate Group seeks to identify, promote and share best practices among its Affiliated Companies, thereby creating synergies and mobility of human talent, knowledge, innovation and management, among others. Grupo Argos aims for the widespread dissemination throughout Argos Corporate Group of leading-edge practices identified at any of its Affiliated Companies, or in other contexts.

The Argos Corporate Group will promote and facilitate the capture of synergies that add value to their business, allowing to have the highest standards in matters of human talent, continuous transactional operations, finance, information technology, procurement of goods and services, among others, where it is ensured that the conditions of price, quality and guarantees, among others, benefit each of the Affiliated Companies. Synergies will materialize through the existence of shared service centers or centers of excellence, seeking the implementation of common practices and operations designed to benefit Argos Group and Affiliated Companies.

4. GUIDELINES AND POLICIES

With the aim of fulfilling the corporate strategy and adopting best practices, as part of its corporate role Grupo Argos establishes guidelines and policies on significant matters for cohesive direction in its Affiliated Companies, including:

- Ethics, conduct and transparency;
- Strategy;
- Sustainability;
- Reputation, brand and corporate image;
- Corporate governance;
- Comprehensive risk management;
- Internal control;
- Personnel development and wellbeing;
- Unification of technical criteria.

5. INFORMATION MANAGEMENT

Access to and use of the information of the Affiliated Companies by Grupo Argos represents a mechanism to propend for the adequate performance of its duties and functions as parent company and its decision-making rights within Argos Corporate Group, which facilitates adequate planning of economic and financial policies.

It additionally allows fulfillment of legal duties established by applicable legislation in connection with Argos Corporate Group.

Information is a necessary asset for the proper management, competitiveness and sustainability of Argos Corporate Group. Consequently, for the effects of developing corporate guidelines, monitoring risks and supervising performance of the consolidated strategic objectives, Grupo Argos shall have full access to the information on the operations of all its Affiliated Companies.



The supply of information shall abide by the following principles:

- **Transparency:** The ow of information should be performed in a timely, sufficient and clear manner;
- **Adequate use:** The information is supplied by the Affiliated Companies in order to fulfill the goals described above;
- **Quality:** The information supplied by the Affiliated Companies should be provided in a manner that fulfills the following criteria:
 - **Confidentiality:** The companies of Argos Corporate Group have mechanisms in place that provide for the protection of the information.
 - **Integrity:** The information provided is precise, coherent, complete and updated.
 - **Availability:** The information is provided in a timely manner and in the required format.
- **Efficiency:** The information is processed and provided making the best use possible of available resources.

To ensure adequate recording of transactions and the consolidation of the Financial Statements of Argos Corporate Group, the relevant areas of Grupo Argos and the Affiliated Companies continuously coordinate activities to achieve timely and reliable transmission and disclosure of information on the results of the Corporate Group.

6. TRANSACTIONS BETWEEN AFFILIATES

At the Corporate Group the transactions between Affiliated Companies, shall be made according to what is established in the Policy of Transactions between Affiliated Companies or in the respective By-laws of the intervening parties.





CONTROL ARCHITECTURE

Argos Corporate Group is committed to strengthening and continuously improving internal control systems to enable proactive risk management. In this way, Grupo Argos promotes adequate corporate behavior, transparent and efficient management and disclosure, always in compliance with the legal frameworks of the geographies in which it operates, which is achieved through the implementation of the following activities:

- Standardization of the bases of the internal control system and definition of the minimum controls required to ensure its operation;
- Coordinated adoption of the risk management approach in the administration of the businesses;
- Monitoring of the operation of the internal control systems and definition of the required improvement actions;
- Adoption of the proposed actions and the recommendations received to manage risks and improve internal control systems;
- Consolidation and unification of accounting criteria, disclosure and presentation of financial information.

Such coordination is achieved in Grupo Argos and its Affiliated Companies through the common and shared vision of the following bodies:

- Audit, Finance and Risk committees of the respective Boards of Directors;
- Internal audits at each company;
- Statutory audits;
- Risk Management Areas;
- Compliance Areas; and
- Corporate Audit of Grupo Argos.

To ensure the adequate operation of the risk and audit teams, considering additionally that the Internal Audit areas functionally report to the Boards of Directors or Audit Committees, Argos Corporate Group shall have risk and audit policies that must be approved by the Audit, Finance and Risk Committees of the Boards of Directors of the various companies.





RESOLUTION OF CONFLICTS



In the event any conflicts of interest arise within Argos Corporate Group, they shall be resolved in strict abidance of the principles established in the By-laws of the companies, in the Good Governance Codes, in the Policy of Transactions between Affiliated Companies and in the Code of Conduct.

