

Business Group Policy

Approval: Board of Directors Minute No.
271 of December 12, 2016
Last Update: 20/12/2021



Construcciones
EL CONDOR S.A.
Ingeniería de Infraestructura e Inversiones

CHAPTER I

GENERAL PROVISIONS

ARTICLE 1. PURPOSE. The purpose of this Policy is to set out the rules applied within the Construcciones El Cóndor S.A. Business Group, determining the organization structure thereof as well as the key bodies and contractual titles and how to regulate the relations among them.

ARTICLE 2. STRUCTURE. The Construcciones El Cóndor S.A. Business Group (hereinafter, the “Parent”) and the companies it controls and has ties with, comprise a purpose and direction per articles 260 and 261 of the Colombian Code of Commerce as well as Law 222 of 1995 (hereinafter, the “Subordinates”):



The Business Group was filed as such before the Chambers of Commerce of the Parent Company and of the Subordinates and is duly registered. Without prejudice to the foregoing, this Policy is applicable to any company that belongs to the Business Group abiding to the respective law, no matter if this fact has been reported or not to the corresponding Chambers of Commerce.

ARTICLE 3. ACTIVITIES AND SERVICES IN COMMON. The purpose of the Parent Company is to study, design, plan, contract, execute, build, finance, exploit and manage infrastructure projects, and to conduct all activities and works pertaining to engineering and architecture in every form, mode and specialty, in Colombia or overseas.

In addition, the purpose of the Subordinates is to execute concession agreements involving entering agreements to finance, operate, design, build and maintain the roads related to said concessions.

The Business Group provides that the very best practices at any of its corporations or in other contexts should be disclosed and implemented. Hence, it promotes and facilitates capturing those synergies that add value to its businesses, which leads to have the highest standards in terms of human talent, finance, IT, hiring goods and services, among others. Priority is always given to price and quality to benefit every corporation of the Group, under the premise of respect for its minority shareholders.

CHAPTER II

CORPORATE GOVERNANCE STRUCTURE

ARTICLE 4. GOVERNANCE STRUCTURE OF THE PARENT CORPORATION. The Parent has established a governance structure comprised of three (3) main bodies:

- a) General Shareholders' Meeting. This is the highest body of Corporate Governance and consists of all shareholders registered in the Shareholders' Ledger, which hold shares with a right to vote.
- b) Board of Directors: This body is set to meet what is established in the law and by-laws; to set the strategic and corporate goals; to determine the goals and how to reach them. In addition, the Board should make decisions and follow-up the actions taken to reach the goals set forth – in the best interest of the shareholders; and promote mechanisms and instruments which guarantee the best service to clients, suppliers, employees, shareholders and the community.

- c) Senior Management: A group of individuals set at the first level (“Strategic Level”) of the Parent’s organizational chart.

ARTICLE 5. GOVERNANCE STRUCTURE OF SUBORDINATE CORPORATIONS. Every Subordinate Corporation may determine its own Governance structure depending on the own needs of their organizational structure and of their business purpose.

Subordinate Corporations shall only have a Board of Directors when demanded to have one by legal mandate. In this case, the Parent shall propose the appointment of officers from its strategic level for the Boards of its Subordinates.

PARAGRAPH. The Board of Directors of the Parent, through its Corporate Governance Committee – shall oversee the compliance with applicable requirements and procedures to elect the members of the Board of the Parent and Subordinate Corporations.

ARTICLE 6. The Parent and its Subordinates shall publish their Governance structure through their websites, including the bodies thereof and the Strategic Level per the organizational chart.

ARTICLE 7. In addition, the Parent and its Subordinates shall publish on their websites and keep updated a chart of the Business Group’s structure – to clarify the existing relations among the Corporations thereof.

CHAPTER III **STRATEGIC STEERING**

ARTICLE 8. The Board of Directors of the Parent is the highest body in charge of the strategic steering of the Business Group. Hence, the Board maintains an overall and consolidated vision of every business, promoting the identification of global trends and best corporate practices applicable to each Corporation.

When Subordinate Corporations have Boards of Directors, these bodies shall lead the strategic steering and oversight of each of their businesses.

With regards to the Business Group, the Board of Directors of the Parent shall lead the matters listed below, without prejudice of the subsequent analysis and approval (if applicable) made by the competent body of the Subordinate:

- a) Approve the Organization Structure of the Business Group.
- b) Approve the financial and investment guidelines and policies of the Business Group.
- c) Promote the existence of a Control Architecture which is consolidated and formal, and covers every Subordinate (internal audit, external audit and risk management) - to establish responsibilities related to the policies and guidelines on this matter throughout the Business Group. And to determine clear reporting lines that lead to a consolidated vision of the risks the Business Group is exposed to, and to adopt the corresponding control measures.
- d) Approve the remuneration and assessment policy of Senior Management in the Business Group.
- e) Analyze the existing risk management process of the Business Group, and follow-up said process as well as the measures adopted for the control and mitigation thereof.
- f) Demand a process to assess the members of the Board of the Subordinates that meets the standards used by the Parent for the assessment of its own Board of Directors.

PARAGRAPH: The Board of the Parent shall meet no less than once (1) a year to discuss the guidelines and directives related to the Business Group.

ARTICLE 9. COMMITTEES THAT SUPPORT THE BOARD OF DIRECTORS. The Board of the Parent has the following Committees that support it:

- a) Audit and Risk Management Committee,
- b) Organizational Development, Human Talent and Remuneration Committee,
- c) Corporate Governance and Strategy Committee,
- d) Financial and Investment Committee.

Unless the applicable legal or regulatory framework of the Subordinate Corporations demands the creation of Committees that support the Board, these Corporations may opt not to create them. In this case, every Committee of the Parent shall assume the analysis of matters that fall within their jurisdiction but does not assume a transfer to the Parent of the responsibility of the Boards of the Subordinates.

PARAGRAPH. Subordinate Corporations that decide to create Committees to support their Boards of Directors shall have Internal Regulations that provide details of their conformation, matters that the Committee should cover, and mechanisms of relations established by the Committees that support the Parent.

ARTICLE 10. LEGAL REPRESENTATION OF SUBORDINATES. The Parent shall promote that the legal representation of its Subordinates to be led by its own officers, who are trained and experienced in the business areas of each Subordinate.

FIRST PARAGRAPH. The powers and limitations of the legal representatives of the Subordinates shall be determined in the By-laws of every Corporation, considering the reality, dynamics and nature of each business.

SECOND PARAGRAPH. To have updated information on the status of Subordinate Corporation, legal representatives shall follow-up the Operations within the Group and learn the internal dynamics of the Business Group. The President's Committee of the Parent may request regular reports from officers which are legal representatives of the Subordinates.

CHAPTER IV

OPERATIONS WITHIN THE GROUP

ARTICLE 11. Operations made: (i) between the Parent and its Subordinates; (ii) among the Subordinates; or (iii) with persons related to the Parent or to any of the Subordinates (hereinafter, the "Operations with Related Parties"), shall take place under the principle of full competition, in accordance with the Policy of Operations with Related Parties of the Parent. In this case, the Board of Directors is entitled – with the prior analysis made by the Audit and Risk Management Committee – to assess the possible conflicts of interest that may rise over said Operations with Related Parties which have a material impact.

In those cases, the Audit Committee of the Parent Company shall present to the Board a report containing no less than:

- A description of the Operation
- An identification of the Related Parties involved in the Operation.
- Legal, tax and accounting compliance
- Qualitative or quantitative criteria to determine the materiality of the Operation.
- The amount of the Operation and its analysis under market conditions
- Relation of the Operation with the principles of transparency, impartiality and equal treatment of shareholders
- Obligation and timeliness to disclose the Operation to the market and/or to the monitoring, control and oversight authorities.

In any case, Operations with Related Parties that are deemed as material by the Board of Directors – such as volume of the operation, percentage over assets, sales and other indicators – shall be included in detail in the financial statements and published as Highlights.

FIRST PARAGRAPH. Recurring Operations with Related Parties, commonly found in the ordinary course of the Parent Company or its Subordinates, and conducted at market prices, shall not require approval unless their amount or object is specifically ruled as exclusive for any of the corporate bodies pursuant to the By-laws.

SECOND PARAGRAPH. The Parent Company shall promote that Operations with Related Parties be made under market conditions and prices, unless that is a reasonable and well-based just cause that is previously approved by the competent corporate body in accordance with the By-laws.

THIRD PARAGRAPH. Every Operation with Related Parties shall be fully identified in the accounting of the Corporations that participate.

CHAPTER V

FINAL PROVISIONS

ARTICLE 12. ADOPTION AND IMPLEMENTATION. This Policy was considered within the Construcciones El Cóndor S.A. Business Group and its subordinates and approved by the Board of Directors of the Parent Company for the mandatory compliance thereof.

During the term of the Policy, any of the Subordinates may suggest amendments, revisions or updates that will be channeled through the Legal Management of the Parent Company, and binding for the Business Group once they are approved by the Board of Directors of the Parent Company.

ARTICLE 13. ADVERTISING. The Parent Company and its Subordinates shall publish this Policy and keep it up to date on its websites.

ARTICLE 14. COMPULSORY NATURE. This Policy is binding and compulsory for the Business Group, its administrators, and the employees of every Corporation thereof.

VERSION CONTROL

VERSION	DATE OF APPROVAL	RESPONSIBLE	BODY THAT APPROVES	MINUTES NO.
Original	December 12, 2016	Secretary General	Board of Directors	271
2	December 20, 2021	Legal Management	Board of Directors	369