

CONFLICT OF INTERESTS POLICY



PRESENTATION

In Constructora Concreto, and its group of companies, the coherence between the values and performance of its collaborators is very important. It is a major key that decisions are made and assumed with impartiality, transparency and integrity, always seeking that the organizational interests are placed before particular interests.

From the Board of Directors and at all levels of the company, we consider important to establish clear guidelines for handling situations that may represent or be understood as a conflict of interests among employees. This means that each person has the duty and responsibility to know and communicate any situation where their personal interests influence decisions or aspects related to operations of the organization.

Inside the Company, the conflict of interests is classified as a fraud that has relevant judicial consequences, which gives importance to the existence of this document. Inside we identify and describe some situations that facilitate, among other things, risk management and minimize its materialization.

The main purpose of this policy is to define a guiding reference point for the management of conflict of interests' situations in Constructora Concreto and its related companies.

SCOPE

The policy must be **applied by all employees**, regardless of their rank or position within the company, **in all subsidiaries, dependencies, levels and activities of the organization**. It is the responsibility of all collaborators to communicate and comply with the established guidelines for handling situations related to conflict of interests.

This policy is based on principles defined in the bylaws and the internal regulations of the Board of Directors and Corporate Governance:

1. Article seventeen of the internal regulations of the Board of Directors.
2. Chapter 5 of the code of Good Corporate Governance.
3. Article nine of the: code of Good Corporate Governance, and the internal regulations of the Appointment and Retribution committee, and Corporate Governance Committee.
4. Chapter three of the corporate ethics and conduct manual.

CONCEPTS

Conflict of interests: Any situation in which the interests of the company are in opposition to the personal interests of the collaborators or their family members, in such a way that they lead the collaborator to act under parameters different from those that have been established to guarantee the real and ethical fulfillment of their responsibilities in front of the company.

Potential conflict of interest: Current or future situation that can influence the decisions of a person in the organization, which could affect the transparency and objectivity in the decision-making process and the exercise of responsibilities. Some of the potential conflicts of interest result when collaborators have a stake in companies or businesses in the same segment as the organization; business relationships with family or friends; use of privileged information; use of the position in the organization to obtain benefits or divert business opportunities; use of company resources for personal benefit; time or activities of the company intended to serve personal interests; among others.

Related companies: Companies and businesses where Constructora Concreto has participation and administrative control.

Working relationships: Relationship that implies dedication and / or remuneration.

Degree of consanguinity or affinity: Consanguinity is understood as that of the family and affinity as the family of the spouse. The first degree includes parents, children, spouse; second degree siblings, grandparents, grandchildren; and in third grade, uncles and nephews.

Critical areas: Areas or processes in the organization that are relevant because of the use of resources which may have a significant financial impact on the operations. Areas that concentrate relevant decisions for the organization.

Complementary areas: Areas (critical or not) that together in their operation finish or give relevance to a process (e.g., purchase and treasury; accounting and treasury; production and purchase).

GUIDING FRAME

1. Collaborators who enter the organization will receive an induction and will have to read and commit themselves to comply with the **Manual of Ethical Business Conduct**.
2. All the employees of the Company must sign a written agreement stating they have read and understood the **Manual of Ethical Business Conduct and the Conflict of Interests Policy** at the time of their incorporation. Likewise, whenever there is a substantial change in these documents, will sign the understanding and acceptance. This consent will be part of the collaborator's file.
3. The collaborators at the time of their incorporation must notify the existence or not of conflicts of interest, they will have to update this notification whenever there are changes, situations of conflict of interests or prior to the start of new work assignments.
4. Collaborators must report any conflict or possible conflict of interests, following the regular conduct, or following reporting lines:
 - a. Immediate superior
 - b. Managers
 - c. Vice-presidencies
 - d. Controller
 - e. Presidency
 - f. Audit committee
 - g. Board of Directors
 - h. Assembly of Shareholders

Must take into account the document **Procedure for communication and resolution of conflicts of interest**.

5. The notification of a possible conflict, as well as the response to them, must always be recorded in writing, specifying the nature of the interest that may affect the relationship with the organization.

6. All collaborators are obliged to report any possible conflict of interests.
7. Decisions about a conflict of interests will always be taken by the organization, never by the employee; it is the organization which decides what to do in front of a conflict of interests and not the employee, no matter if the conflict is notified.
8. There is a conflict when there are direct or indirect interests; links to second degree of consanguinity with suppliers, competitors or clients.
9. No collaborator is allowed to use information of the organization for different uses than what it is meant for, its disclosure to third parties is not allowed unless there are confidentiality agreements signed and its use must be seized inside the ordinary course of the company. This applies both during the term in the organization and after retirement.
10. Each area, with the support of; the General Secretary and/or the Controller and/or Human Resources and/or Communications, is responsible for providing all its employees with training in the prevention, identification and management of conflict of interests, for which should carry out informative programs on the contents of this subject.
11. All collaborators must communicate or report, through the regular channels of communication, including reporting channels such as the ethics line, anonymously when considered necessary, suspicion of possible conflicts of interest. Employees who report improper conduct, provide information or contribute in an investigation, may apply for protection against retaliation when considered appropriate, in this case the Company will assess the relevance of the case for applying supportive measures to safeguard the integrity of the collaborator.
12. Any situation that does not allow compliance of this policy must be reported on paper to the Controller or the General Secretary of the Company.

13. **Failure to comply with this policy can be considered a cause of termination of the contract** with fair cause, with prior due diligence of the process must assume legal consequences for their actions and the damages caused to the organization.

CONFLICT OF INTERESTS:

The following are some related cases to the conflict of interests that require special attention by the employees.

1. Employees of the Concreto group should not have working relationships with suppliers, customers, or competitors, as well as any other organization, except for partial dedication to teaching and assistance to boards of directors, for which they require the explicit authorization of the organization, through the channels defined in this policy.
2. Collaborators may not have economic interests in the operations or businesses of the Concreto group and will require authorization over those that are managed by the public securities market.
3. Employees must report upon entry to the organization any participation superior to 1% in companies of suppliers, customers, competitors or that are within the same segment of any Company of the Concreto group.
4. Income, directly or indirectly, that comes from activities such as leasing, sales commissions, fees, or any other similar concept related with machinery or equipment. It is also susceptible to be considered a conflict of interests when the employee receives income, directly or indirectly, for the lease of furniture or real estate when these implies business with the company.
5. The link of an employee with the purchase of products or services of the company, when it is done outside the conventional commercial channels, with special concessions, without being declared or authorized.

There is also a conflict of interests when a business with the company results in benefits higher than those defined in the policies for transactions between Company and employee

6. Working relationship with family up to third degree of consanguinity or affinity when they imply a relationship of subordination or in critical and complementary areas of the Company.
7. Any collaborator must report as a conflict of interests the direct or indirect participation in companies or businesses related to the construction sector and/or the activity that the person develops within the organization.
8. Employees who have a family members up to third degree of consanguinity or second degree of affinity in public, managerial or commercial positions of clients, suppliers, competitors or who are related to the organization, must notify such situation according to the reporting lines mentioned in this document.
9. Collaborators may not encourage the practice of giving or receiving gifts.
To make or accept hospitalities, especially with suppliers, contractors and public officials, requires to be informed to the organization, likewise, employees must inform the existence of gifts by suppliers, customers or competitors regardless of their value, when this compromises the employee with the third party; advertising material is exempt from this policy.
10. Granting and approving donations, sponsorships and gifts on behalf of the organization must always be done in accordance with the guidelines of the organization and the authorizations of the Assembly or the Board of Directors, as the case may be.
11. In the organization, the acceptance or delivery of bribes or personal benefits, whether in cash or in kind, is not allowed; the insinuation by an employee, client, supplier or third party must be notified according to the reporting lines defined in this document.

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12. The Company must be informed of the link of its employees with judicial investigations of any type.
13. Obtain personal financial profit or losses at the expense of the organization or clients.
14. Avoid hiring suppliers or clients based on personal concepts or prejudices.
15. Use the position or Rank to influence seeking personal, friends or family benefits.
16. Employ the facilities, equipment and tools of the organization for personal profits.
17. Present false information and hide information in the reports.
18. Anticipate economic recognitions by manipulating or hiding relevant information.
19. The access to privileged information and using it in favor of oneself or family up to third degree of consanguinity or second of affinity.
20. Compromise the performance, operation or results of other areas of the organization to comply with individual goals, results or indicators.
21. Employees must refrain from performing business with natural or legal persons when they are aware that their ethical, social and business behavior is contrary to the laws, ethics or good customs.
22. Any situation where the position is of judge and party.
23. Sentimental relationships between employees of the Company, even there is no subordination, must be informed to the human resources area.
24. Participate in public politics or carry out political activities within the Company.

25. All other actions that go against the principles and policies of the organization and respond to personal interests.

OTHER DISPOSITIONS

Any modification of this policy, will be presented to the Audit Committee and approved by the Board of Directors.

This Conflict of Interests policy is effective from the date of its approval by the Board of Directors and publication in the month of October 2017.

The original document of this policy is currently signed.