

ANNUAL CORPORATE GOVERNANCE REPORT 2020

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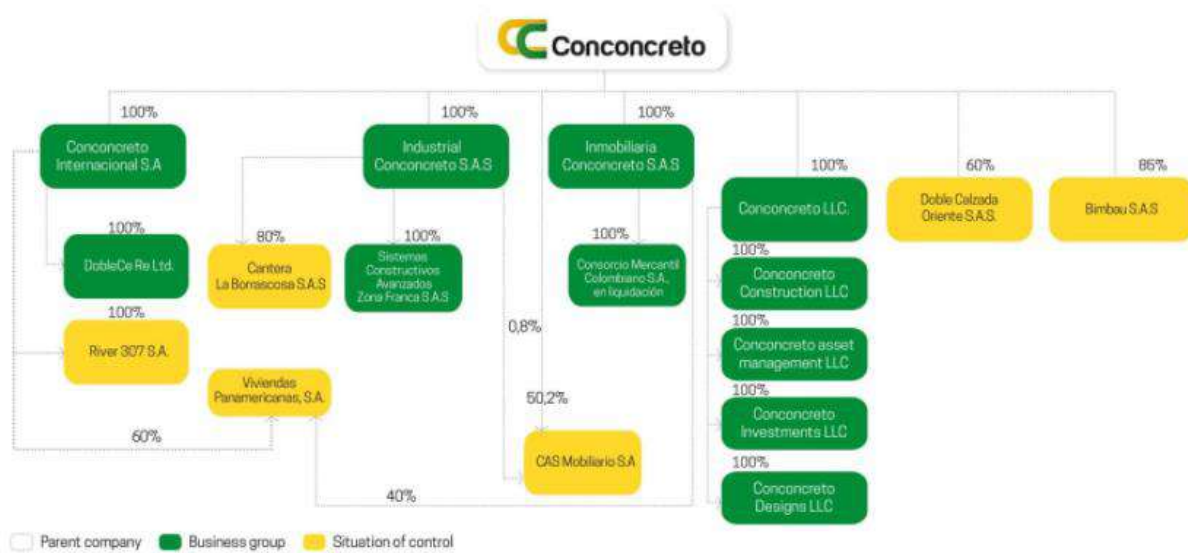
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I. OWNERSHIP STRUCTURE OF THE COMPANY

a) Capital and Ownership Structure of the Company

Constructora Concreto S.A. is the Parent Company of Constructora Concreto S.A. Business Group (*Grupo Empresarial Constructora Concreto S. A.*). Additionally, without being part of the Business Group, there are a group of companies with respect to which there is a situation of control, being duly registered in the Mercantile Register. These relationships are graphically represented as indicated in the diagram:



The companies that make up the Group carry out their activities in the Colombian territory and several of them are present in other countries, with participation in the business of construction, infrastructure, production and marketing of supplies for construction, design, management and sale of real estate projects, among others.

During 2020, the *Grupo Empresarial Constructora Concreto S. A.* was modified by: i) the incorporation into the Business Group of four companies domiciled in Florida, the United States of America, the investment of which is held through the subsidiary Concreto LLC, namely: CONCRETO CONSTRUCTION LLC, dedicated to the provision of construction services and construction consulting; CONCRETO ASSET MANAGEMENT LLC, dedicated to providing asset management services; CONCRETO INVESTMENTS LLC, dedicated to carrying out investment activities; and CONCRETO DESIGNS LLC, dedicated to the provision of architectural design services, engineering services and technical design services; and ii) the cancellation of the situation of the Business Group that it had with respect to the company U-Storage S.A.S., which was owned directly with a stake of more than 60% and indirectly through Industrial Concreto S.A.S. and Inmobiliaria Concreto S.A.S.

As of December 31, 2020, the capital subscribed by the Shareholders of Constructora Concreto S.A. was One Hundred Sixteen Thousand, Eight Hundred Twenty Eight Million, Two Hundred Fifty Eight Thousand, Seven Hundred Seventeen Pesos (COP \$ 116,828,258,717; equivalent to One Thousand, One Hundred Thirty Four Million, Two Hundred Fifty Four Thousand, Nine Hundred Thirty Nine (1,134,254,939) Shares of with a unit par value of One Hundred Three Pesos (COP 103).

Taking into account that the Company's authorized capital is One Thousand, Five Hundred Million Shares (1,500,000,000), currently there are Three Hundred Sixty Five Million, Seven Hundred Forty Five Thousand, Sixty One Shares (365,745,061) in reserve.

b) Identity of Shareholders with significant holdings

According to the guidelines of the Country Code, a significant Shareholder is the one who by himself or by virtue of an agreement with other Shareholders is the holder of voting rights that exceed a certain limit (currently set at 10% of the total voting rights) and who participation has a stable purpose. Below, we indicate the Shareholders that, at the close of 2020, have a percentage of participation in the Company greater than the limit set for the concept of Shareholder.

NAME OF THE SHAREHOLDER	NUMBER OF SHARES	% OF PARTICIPATION
Vinci Colombia S.A.S.	226,650,988	20%

c) Information on the Shares Owned Directly (Personally) or Indirectly (through Companies or Other Vehicles) by the Members of the Board of Directors and the Voting Rights They Represent

NAME	NUMBER OF SHARES DIRECTLY	NUMBER OF SHARES THROUGH VEHICLES	VOTING RIGHTS
Jaime Alberto Ángel Mejía	0	0	0
Jose Alejandro Gómez Mesa	33	0	0.00%
Álvaro Jaramillo BuTrago	0	0	0
Luis Fernando Restrepo Echavarría	0	0	0
Christophe Pélessié Du Rausas	0	0	0
Richard Franciosi	0	0	0
Nora Cecilia Arslizábal López	0	0	0
Carlos Eduardo Restrepo Mora	353,001	34,419,905	0.030%
Carolina Angarita Barrientes	0	0	0
Orlando Cabrales Segovia	0	0	0

d) Relations of a family, commercial, contractual or corporate nature that exist between the holders of significant holdings and the company, or among the holders of significant holdings themselves

During 2020, there were no operations of this type between the Company and the holders of significant shares.

e) Negotiations that the members of the Board of Directors, of Senior Management and other Administrators have carried out with the Shares and other Securities issued by the Company

During 2020, there were no direct negotiations with the Shares issued by the Company with respect to the Administrators.

f) Agreements between Shareholders of which there is knowledge

For the period from January to December 2020, no agreements between Shareholders were deposited in the Company's Administration Offices.

g) Treasury Shares held by the Company

During 2020, the Company did not buy back its own Shares.

II. STRUCTURE OF THE COMPANY'S MANAGEMENT

a) Composition of the Board of Directors and the Committees constituted within it

In 2020, the Constructora Concreto S.A. Board of Directors was made up of 10 members, who were elected at the ordinary meeting of the General Shareholders' Assembly on May 26, 2020, in response to the retirement of two of the Board members, Dr. José Mario Aristizábal and Dr. Ricardo Sierra. By Statutory provision, there are no Alternates on the Board of Directors.

NAME	QUALITY	FIRST APPOINTMENT
Nora Cecilia Aristizábal López	Patrimonial	March 26, 2010
Jaime Alberto Ángel Mejía	Independent	March 27, 2009
José Alejandro Gómez Mesa	Independent	March 22, 2013
Alvaro Jaramillo Buitrago	Independent	March 22, 2013
Luis Fernando Restrepo Echavarría	Independent	March 31, 2004
Christophe Pólissié Du Rausas	Patrimonial	December 8, 2019
Richard Francioli	Patrimonial	January 25, 2016
Carlos Eduardo Restrepo Mora	Executive and Patrimonial	March 30, 2011
Carolina Angarita Barrientos	Independent	May 26, 2020
Orlando Cabrales Segovia	Independent	May 26, 2020

The Company has three permanent Committees within the Board of Directors, which deal with specific issues:

1 | Audit Committee: Made up of Jaime Alberto Ángel Mejía, Luis Fernando Restrepo Echavarría and José Alejandro Gómez Mesa. The Fiscal Auditor attends the Audit Committee meetings with voice, but without vote.

2 | Human-Talent Committee: Made up of Carolina Angarita Barrientos, Luis Fernando Restrepo Echavarría and Orlando Cabrales Segovia. The Company's Secretary General attends the Human-Talent Committee meetings with voice but without vote, and serves as the Committee's Secretary.

3 | Corporate Governance Committee: Made up of Carlos Eduardo Restrepo Mora, Alvaro Jaramillo Buitrago and Nora Cecilia Aristizábal López. The Company's Director of Corporate Affairs, who serves as the Committee's Secretary, attends the Corporate Governance meetings with voice, but without vote.

The functions of the Board of Directors, as well as the functions of its permanent Committees, are enshrined in the Internal Regulations of the Board and of each Committee, which can be consulted on the Company's Website.

b) Resumés of the Members of the Board of Directors

NORA CECILIA ARISTIZÁBAL LÓPEZ
(CHAIRPERSON AND PATRIMONIAL MEMBER)

She graduated in Architecture from the *Universidad Pontificia Bolivariana*, she has a Master's degree in Urban Design from the Massachusetts Institute of Technology (MIT). In addition, she completed several specialization studies in design management, land management in large urban projects, and skills and leadership development. Her work experience in different positions stands out, such as Professor Horacio Caminos' assistant (MIT), Head of the Design Workshop at Condisco Ltda., Director of the Projects Department at Concreto S.A., founding partner and Manager of the company Contexto Urbano S.A., Director of the District Planning Department and of the technical formulation of the Territorial Organization Plan (POT, in Spanish) of Bogotá and general manager of Renta Urbana S.A.S.

CHRISTOPHE PELISSIE DU RAUSAS
(PATRIMONIAL MEMBER)

He was born in 1958. He has degrees from the *Ecole Polytechnique* and the *Ecole Nationale des Ponts et Chaussées* (France) and a Postgraduate degree in Finance from the *Université Paris Dauphine*. He started his career at the *Ministère de l'Équipement* (now the French Ministry of Ecology) and then moved to the *Spic Batignolles* Group, where he worked in various managerial positions at *Spic Enertans*. He joined the VINCI Group in 1997 as Director of Concessions at *Campanon Bernart* (1997-1998), Executive Vice President of *Campanon Bernart*, which later became VINCI Construction *Grands Projets* (1999-2001), and Managing Director of VINCI *Energies Nord* (2002-2003). He moved to VINCI *Concessions* in 2004, where he served as Deputy Director for Southeast Europe (2004-2009), then as Director of Client side Project Management and CEO of VINCI Railways. In that position, he was appointed CEO of AGIFI (French Association of Independent Railway Infrastructure Managers) from its inception in 2014 until 2017. He has been Director of Business Development at VINCI since March 2017.

RICHARD FRANCIOLI
(PATRIMONIAL MEMBER)

He was born in 1959. He joined the VINCI Group in 1983. After starting his career with a period of internship as a National Service volunteer at *Ain Shams* Hospital in Cairo, he continued to hold the position of North Regional Director, then Director province in *Sogea Construcción*. He subsequently held the position of CEO of VINCI Construction International Subsidiaries and CEO of VINCI Construcción in March 2006. He was appointed Vice President of Contracting for the group in January 2010, a position he currently holds.

LUIS FERNANDO RESTREPO ECHAVARRÍA
(INDEPENDENT MEMBER)

Born April 21, 1958, he is a graduate of Industrial Management from the Georgia Institute of Technology (GA Tech), with an MBA from the University of Chicago. Within his professional experience, he worked for eight years at The Marmon Group (Chicago), then within Crystal S.A.S. He has held different positions, such as International Vice President, Executive Vice President and from 2004 to the present, Corporate CEO. He also participates in Boards of Directors, such as Bancolombia S.A., *Etiltex S.A.*, *MAS S.A.S.*, ANDI Antioquia Region and ANDI Directorate General.

JAIME ALBERTO ÁNGEL MEJÍA
(INDEPENDENT MEMBER)

Born on July 15, 1961, he is a Production Engineer from EAFIT University. He has a Specialization in Information Systems from EAFIT and Advanced Management Program (AMP) from Harvard Business School. His professional career has developed in the Corona Organization; He currently serves as CEO of Corona Industrial, with more than eleven years in office. He also belongs to the Boards of Directors of *Corporación Tecnova*, *Empocamentos S.A.S.* and the ANDI Antioquia Regional Board.

ÁLVARO JARAMILLO BUITRAGO
(INDEPENDENT MEMBER)

Born on January 30, 1952, he is a Business Administrator from the *Universidad del Norte* (Barranquilla). He began his professional career at the Philadelphia National Bank, where he reached the position of Vice President; later he held the position of CEO at *Invercrédito* and later at *Banco de Colombia*. In 1997 he founded IQ Outsourcing. He then held the position of CEO at Avianca Holdings, where today he is part of its Board of Directors. In addition, he participates in other Boards, such as *PetroWorks*, *Tribeca Asset Management* and *Grupo Daabon*.

JOSÉ ALEJANDRO GÓMEZ MESA
(INDEPENDENT MEMBER)

He was born on February 1, 1964, with a Corporate Finance Specialist degree from EAFIT University and an Undergraduate Degree in Civil Engineering from the University of Texas at Austin. The founding partner and Director of the company *SBF Banca de Inversión S.A.* for more than 20 years. Since 2009, he was part of the Board of Directors of *Inversiones Concreto*

and later he joined the Board of Constructora Concreto S.A. when the merger between the two companies took place. He sits on other Boards of Directors, such as *West Química S.A.*, and *Inmol S.A.S.*

CARLOS EDUARDO RESTREPO MORA
(PATRIMONIAL / EXECUTIVE MEMBER)

Born on November 25, 1963, he graduated as a Civil Engineer from the School of Engineering of Antioquia (EIA) and has a Master's Degree in Construction Engineering and Management from the Georgia Institute of Technology (GA Tech). He has held various positions within Constructora Concreto since his entry more than 28 years ago. He is currently an advisor to the Presidency and Director of the Bogotá branch. He has belonged to the Board of Directors of Concreto in several discontinuous periods and is currently a member of the Boards of Directors of *Concesiones CCFC S.A.S.* as an alternate member and of the Administration of Resources and Opportunities S.A.

CAROLINA ANGARITA BARRIENTOS
(INDEPENDENT MEMBER)

Carolina Angarita has a degree in Social Communication Journalism from the Javeriana University; she has a Master's Degree in International Journalism from the University of Westminster and studies on Leading Innovative Change at Berkeley University. She is a member of the *Association Internationale des Etudiants en Sciences Economiques et Commerciales (AIESEC)* Colombia Board of Directors, the Latino Impact Summit Advisory Committee, and the MET Community Advisory Board. She is an international speaker, one of the 100 leaders of the country in the *MERCO* Ranking and passionate about innovation and digital transformation with human transformation.

ORLANDO CABRALES SEGOVIA
(INDEPENDENT MEMBER)

Born in 1969, he is a lawyer from the *Pontificia Universidad Javeriana* and a Master of Philosophy from Boston College. To date, he serves as CEO of the Colombian Natural Gas Association Ministry of Mines and Energy and as CEO of the National Hydrocarbons Agency. He currently serves on the Boards of Directors of *(SAGEN)*, Tuscany Drilling, and Frontera Energy.



Precast beam connection system; Lógica Siberia Project, Cundinamarca

c) Changes in the Board of Directors during the year

During 2020, the composition of the Board of Directors was modified during the ordinary meeting of the Shareholders' Assembly on May 26, 2020, where the current members were appointed to complete the period until March 2021; this, in response to the retirement from the Board of Directors of two of its members.

d) Members of the Board of Directors of the Parent Company who are members of the Boards of Directors of the subordinate companies or who hold executive positions in them

In the subordinate companies of Constructora Concreto S.A, Boards of Directors have not been adopted; consequently, no member of the pPron's Board of Directors is part of this body in the subordinate companies. With regard to performance in executive positions, no member of the Parent's Board of Directors holds executive positions in subordinate companies. Dr. Carlos Eduardo Restrepo Mora currently serves as General Manager of the Constructora Concreto S.A. branch in Bogota.



Supercade Manitas; Bogotá, Cundinamarca

e) Policies approved during the period

In order to adapt the Company's regulations and policies to the recommendations of the Code of Best Corporate Practices Country Code during 2020, we worked on the internal Audit Statute and the framework agreement of the Business Group, which is aligned with the Grupo Empresarial policy approved by the Board of Directors. The Company's Management will continue working on the formulation of guidelines and policies that it will progressively present to the full Board of Directors for its consideration and approval in subsequent years, with the aim of fulfilling the commitment to adapt the Company's instruments of corporate governance to the guidelines established by the Country Code. The Company's Management recognizes that the adoption of all the recommendations established by the Country Code must be gradual and implies a constant effort to increasingly adjust the Corporate Governance guidelines within the Conglomerate to those recommendations.

f) Appointment process for the members of the Board of Directors

The Bylaws and the internal regulations of the Board of Directors regulate the process for the appointment of the members to make up this collegiate body, a function that is the responsibility of the Shareholders' Assembly.

The Constructora Concreto S.A Board of Directors is made up of ten advisors, who will be elected for periods of two (2) years with application of the Electoral Quotient System. The persons elected may be replaced in partial elections, in which case, their period will be the one that has been missing to complete the two years of the previous member. There are no Alternates on the Board of Directors. The appointment as a member of the Company's Board of Directors is made in a personal capacity. The Electoral Quotient System will proceed when all the members of the Board are to be elected, without prejudice to the reelection of any of them.

The professional profiles of the members of the Board of Directors are reported to the Shareholders through the Website, in such a way that the different actors, mainly controlling and significant Shareholders, families, groups of Shareholders and Institutional Shareholders and the Board of Directors itself, are in a position to identify the most suitable candidates.

The members of the Board of Directors will be elected according to criteria of professional competence, suitability and recognized moral solvency, and, in any case, at least thirty percent (30%) of them will be Independent Members, who together with the Patrimonial Members will be a majority with respect to Executive Members. In the event that the Board of Directors is made up of Executive Members, the latter will be a minimum number necessary to meet the information and coordination needs between the Board of Directors and the Company's Senior Management.

The evaluation of the suitability of the candidates will be carried out prior to the holding of the General Shareholders' Assembly, so that the Shareholders have sufficient information (personal qualities, suitability, trajectory, experience and integrity) on the candidates proposed to join it, with the anticipation that allows their adequate evaluation.

With a candidate for Independent Member, a double Declaration of Independence is required: (i) from the candidate before the Company, its Shareholders and members of Senior Management, instrumented through his or her Letter of Acceptance and; (ii) from the Board of Directors, regarding the independence of the candidate. Independent members are obliged to notify the Company of any circumstance that may affect their status as Independent.

It is highlighted that, within the functions of the Human Talent Committee regarding the procedure for appointing members of the Board of Directors, there are the following:

- To establish the required procedures for the Board of Directors to achieve the following objectives:
 - To identify the tentative composition of functional profiles (associated with aspects such as knowledge and professional experience) that are needed in each circumstance in the Board of Directors.
 - To identify personal profiles (linked to trajectory, recognition, prestige, availability, leadership and group dynamics) most convenient for the Board of Directors.
 - To evaluate the time and dedication necessary for the members of the Board of Directors to adequately perform their duties.
- To propose and review the criteria to be followed for the composition of the Board of Directors and the evaluation of the suitability of the candidates for Board members proposed by the Shareholders.
- To inform, when appropriate, the independent qualification of the candidates for membership on the Board of Directors, for their proposal to the General Shareholders Assembly by the Board of Directors or directly by the Shareholders.
- In the cases of reelection or ratification of members of the Board of Directors, to formulate a proposal that will contain an evaluation of the work that the proposed member has been performing, and the effective dedication to the position during the last period.
- To establish an internal procedure and/or questionnaire to be submitted to the candidates for consideration that makes it possible to evaluate the incompatibilities and inabilities of a legal nature and the suitability of the candidates for the Board of Directors, through the evaluation of a set of criteria that the functional and personal profiles of the candidates must meet, and the verification of compliance with some objective requirements to be a member of the Board of Directors and other additional requirements to be an Independent Member.
- To support the Chairperson of the Board of Directors by centralizing and coordinating, prior to the General Assembly, the process of forming the administrative body, so that Shareholders who, based on their Shareholding, aspire to be part of the Board of Directors, can make known the needs of the Board of Directors and propose their aspirations, negotiate the balance of Shares and the distribution between the different categories of members, present their candidates and accept that the suitability of their candidates be evaluated by the Human Talent Committee before the vote in the General Shareholders' Assembly.

g) Board of Directors Remuneration Policy

The remuneration of the members of the Company's Board of Directors is established by the General Shareholders' Assembly, in accordance with objective criteria of a business nature. Said remuneration is transparent, and for this purpose its amount is disclosed in the annual information made available to the Company's Shareholders. The Company has a Remuneration Policy for the Board of Directors approved by the General Shareholders' Assembly and which can be consulted on the Website.

h) Remuneration of the Board of Directors and Members of Senior Management

In accordance with what was approved by the General Shareholders' Assembly at its ordinary meeting held on May 26, 2020, the amount of COP 5,284,000 per meeting attended was accepted as compensation to the members of the Board of Directors. Regarding the remuneration paid to the members of Senior Management, its detail is disclosed in accordance with the guidelines of Article 446 of the Commercial Code, in the annual information that is made available to the Company Shareholders at the ordinary meeting.

i) Quorum of the Board of Directors

The Board of Directors will deliberate and decide validly with the presence and votes of the majority of its members. Likewise, Company executives and officers or other persons whose presence is considered convenient for the proper treatment of the matters submitted to the consideration of the Board of Directors may be invited to the sessions, if so ordered by the Chairperson of the Board of Directors or the Company's CEO.



Via 40 Express Concession; Bogotá - Girardot, Cundinamarca

j) Attendance data at the Board of Directors' meetings

TYPE OF MEETING	NUMBER
Personal attendance	1
Virtual attendance	10
Totals	11

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DIRECTOR	ATTENDED	NOT ATTENDED
Jaimo Alberto Ángel Mejía	10	1
José Alejandro Gómez Mesa	11	0
Alvaro Jaramillo Buitrago	10	1
Luis Fernando Restrepo Echavarría	11	0
Richard Francioli	1	10
Nora Cecilia Aristizábal López	11	0
Carlos Eduardo Restrepo Mora	11	0
Christophe Polissio De Rausas	7	4
Carolina Angarita Barrientos *	8	0
Orlando Cabrales Segovia *	8	0

* Designated in the ordinary meeting of May 26, 2020.

k) Attendance data at the Board of Directors' Committee meetings

Audit Committee:

TYPE OF MEETING	NUMBER
Personal attendance	1
Virtual attendance	3
Totals	4

Member Attendance at the meetings:

DIRECTOR	ATTENDED	NOT ATTENDED
Jaimo Alberto Ángel Mejía	4	0
José Alejandro Gómez Mesa	4	0
Luis Fernando Restrepo Echavarría	4	0

Human Talent Committee:

TYPE OF MEETING	NUMBER
Personal attendance	0
Virtual attendance	2
Totals	2

Member Attendance at the meetings:

DIRECTOR	ATTENDED	NOT ATTENDED
Carolina Angarita Barrientos	2	0
Orlando Cabrales Segovia	2	0
Luis Fernando Restrepo Echavarría	2	0

Corporate Governance Committee:

TYPE OF MEETING	NUMBER
Personal attendance	0
Virtual attendance	2
Totals	2

Member Attendance at the personal attendance meetings:

DIRECTOR	ATTENDED	NOT ATTENDED
Alvaro Jaramillo Buitrago	2	0
Nora Cecilia Aristizábal López	2	0
Carlos Eduardo Restrepo Mora	2	0

i) The Chairperson of the Board of Directors

In accordance with the Internal Regulations of the Board of Directors, the Board of Directors will have a Chairperson elected from among its members, removable at any time. The functions of the Chairperson of the Board of Directors will be the following:

1. To summon the Board of Directors when it is considered relevant, or at the request of the Fiscal Auditor or by two (2) of its members. In the last two cases, the Chairperson will make the summons within ten (10) days following the aforementioned request.
2. To define the meeting Agenda together with the Company CEO, or independently if he deems it relevant. The Agenda will be structured according to the parameters that allow following a logical order of the presentation of the topics and the debates.
3. To preside over the meetings and direct their debates and submit matters to vote when he or she considers they have been sufficiently debated.
4. To ensure the effective execution of Board of Directors' decisions and monitor its orders and decisions.
5. To ensure that the Board of Directors establishes and efficiently implements the Company's strategic direction.
6. To promote the Company's governance action, acting as a liaison between Shareholders and the Board of Directors.
7. To ensure the delivery, in due time and form, of the information to the Members of the Board of Directors, directly or through the Secretary of the Board of Directors.
8. To monitor the active participation of the Members of the Board of Directors.
9. To lead the annual Board of Directors and Committee evaluation process, except his or her own evaluation.
10. To prepare, with the assistance of the Secretary and Company CEO, a Board of Directors Work Plan for the period evaluated, a tool that makes it easy to determine the reasonable number of ordinary meetings per year and their estimated duration.

The Chairperson of the Board of Directors assumes, together with the Secretary of the Board of Directors, the ultimate responsibility that members receive the information sufficiently in advance and that the information is useful, so that in the whole of the documents that are delivered, quality must prevail over quantity.

Taking into account that the Chairperson of the Board of Directors has additional obligations to those of other members of the Board of Directors that imply greater responsibilities and dedication of time, the remuneration of the Chairperson of the Board of Directors may be greater than the remuneration of other Board members at the discretion of the Shareholders' Assembly.

m) Secretary of the Board of Directors

The Secretary of the Board of Directors will be the Company's Secretary General; in special cases, an *ad hoc* Secretary may be appointed for meetings. Notwithstanding the foregoing, to safeguard the independence of the Secretary of the Board of Directors, with the Company CEO, the appointment and removal of the Secretary will correspond to the Board of Directors at the proposal of the Company CEO, with a previous report from the Human Talent Committee. The Secretary of the Board of Directors may be a member of the Board of Directors.

The Secretary will be in charge of taking the Books of Minutes of the Board of Directors, in accordance with the Law, and authorize with his or her signature copies of them to be issued. The Secretary shall assist the Chairperson of the Board in his or her work and shall provide for the proper functioning of the Board of Directors, taking care to provide the Directors with advice and the information necessary for the proper performance of its functions, to keep the Corporate documentation, to duly reflect in the Books of Minutes the development of the sessions and to attest to the decisions of the Board of Directors.

Other functions of the Secretary, in addition to those already indicated will be the following:

1. To communicate the summons that, in accordance with these Regulations and the annual plan, are formulated for ordinary or extraordinary meetings.
2. To send to the Members of the Board of Directors the documentation necessary for the correct development of the sessions, within the time and in the manner stipulated to do so.
3. To verify the quorum at the beginning of each session, and when so required in its development.
4. To draw up the Minutes of the sessions and submit them for the approval of the Chairperson of the Board of Directors.

5. With his or her signature, to endorse the Minutes and approved agreements by the Board of Directors and issue the certifications on approved matters.
6. To keep the Book of Minutes of the Board of Directors.
7. To communicate Board of Directors' decisions to the competent authorities and to monitor the actions leading to their full execution.
8. To keep the Corporate documentation, duly reflected in the Book of Minutes the development of the sessions and to attest to the resolutions of the Corporate bodies.
9. To ensure the formal legality of the actions of the Board of Directors and to ensure that its procedures and rules of government are respected and regularly reviewed, in accordance with the provisions of the Bylaws and other internal Company regulations.
10. To comply with the other functions assigned to him or her by the Board of Directors and the CEO.



Zanetti Apartamentos; Itagüí, Antioquia

n) Relations during the year of the Board of Directors with the Fiscal Auditor, financial analysts, investment banks and rating agencies

During 2020, the Fiscal Auditor attended all of the meetings of the Board of Directors' Audit Committee. By the Board of Directors, no activities were developed with financial analysts, investment banks or rating agencies.

o) External advice received by the Board of Directors

During 2020, neither the members of the Board of Directors nor the Company Board of Directors received external advice.

p) Management of the Board of Directors information

In accordance with the provisions of the Internal Regulations of the Board of Directors, the summons will be accompanied by the Order of the Day; other matters may be included if the Chairperson of the Meeting so decides it is considered convenient for the Corporate interest, and it may also be decided, even after the summons, that any matter is not dealt with at the meeting. With the summons, the information and/or documentation that will be discussed in the respective meeting will be sent. If, exceptionally, all or part of the information is not available at the time of the summons, it may be sent later, but in any case, at least three (3) calendar days before the date of the meeting.

q) Activities of the Board of Directors Committees

- **The Audit Committee:** The Constructora Concreto Audit Committee, in compliance with its functions, met four times during the year to carry out a detailed review and follow-up of the financial results of the operation, risk management and relevant business situations. In addition, issues related to the complaints received through the Ethics Line, the news in Money Laundering and Financing of Terrorism controls, and the recommendations and requests of the Fiscal Auditor were reviewed.
- **The Corporate Governance Committee:** During 2020, two meetings of the Corporate Governance Committee were held, in which the progress regarding the implementation of the Country Code was presented; the diagnosis of the Issuer's Website was carried out to increasing incorporate best practices in information disclosure, and the review of the results of the Board of Directors' self assessment.

- **The Human Talent Committee:** During 2020, two meetings were held, in which issues related to the Senior Management structure, the succession plan for key personnel, work climate and culture, and the review of the salary scale in the Organization were dealt with.

r) **Information on the performance of the evaluation processes of the Board of Directors and Senior Management, as well as a summary of the results**

For the year 2020, it was defined to carry out a collective, participatory self-assessment of the Board of Directors, whose first virtual session took place during the development of one of the meetings of said body, generating a good, constructive dynamic of discussion. Among the topics addressed and that coincided with the opportunities for improvement identified in past evaluations, the following stand out:

Type of Board: Although it may be perceived that in some sessions it operates as an advisor or consultant, there is clarity about roles and responsibilities as the highest management body.

Strategy: Plans have been defined to communicate it, debate it, adjust it and collectively build the corresponding goals and indicators.

Board Chairperson: She has assumed functions and is reviewing the agenda, work plans and roles

Committees: There are plans to improve their operation and make their work more visible.

The Members proposed formalizing a document containing the results of the self-evaluation and, later, to summon a special closing session with the full Board for feedback on the document.



Concreto Employees; Medellín, Antioquia

III. OPERATIONS WITH RELATED PARTIES

a) Power of the Board of Directors on this type of operations and situations of conflicts of interest

The Constructora Concreto S.A. Code of Good Governance defines conflict of interest as the Situation in which the Interest of the Company are in opposition to the personal interest of the employees or their families, in such a way that they lead the employee to act under parameters different from those that have been established to guarantee the real and ethical fulfillment of their responsibilities vis á vis the Company.

Likewise, it provides that the members of the Board of Directors, Legal Representatives, Senior Management and other Company Administrators must periodically inform the Board of Directors of the direct or indirect relationships that they maintain among themselves or with other entities or structures belonging to the Business Group, or with the Company, or with suppliers, or with clients or with any other Stakeholders (the latter being understood as all those people who – due to their relationship with the Company – have an interest in it. These include the general public, Shareholders, employees, users, economic and tax authorities, and the official supervisor, from which situation of conflict of interest could arise or influence the direction of their opinion or vote.

If the Company, its Administrators, Managers or other employees are faced with a situation that generates a conflict of interest, the following procedures will be followed, depending on whether the conflict is sporadic or permanent:

If the conflict is sporadic, it will be mandatory, in the first instance, that the directly interested party inform the Board of Directors or his immediate superior, as the case may be, about the situation that generates the conflict and obtain their consent to initiate or continue with the operation. With this mechanism it is possible that the conflict of interest will not be eradicated, but the transparency of the operation will be maintained. On the contrary, if the conflict of interest is permanent and affects the Company's operations as a whole, this situation will constitute a cause for the compulsory resignation by the affected party, since they are unable to exercise the position.

In the case of Administrators, the content of Article 23 Number 7 of Law 222 of 1995, and its regulatory Decree Number. 1925 of 2009 will be applied, and in this sense, it will be necessary to obtain the respective authorization from the General Shareholders' Assembly, when it comes to the signing of contracts or presentation of commercial offers, in which the respective Administrator has an interest on his own or through an intermediary.

The Company has a Conflict of Interest Policy approved by the Board of Directors, which is applied at all levels of the Organization and seeks coherence between Corporate values and the actions of its Employees. This policy has been widely disclosed within the Company and is published on the Company's Website.

b) Detail of the operations with the most relevant Related Parties in the opinion of the Company, including operations between companies of the Conglomerate

Operations with Related Parties are disclosed in detail in the Notes to the Financial Statements, as well as in the Business Group Report, which are made known to Shareholders in the annual information that is available to them during the period to exercise the Right of Inspection.

c) Conflicts of interested presented and actions of the Members of the Board of Directors

During 2020, there were no conflicts of interest.

d) Mechanisms to resolve conflicts of interest between companies of the same Conglomerate and its application during the fiscal year

The Company has a Business Group Policy, where the guidelines to be followed for intra group operations are established. This Policy was approved by the Board of Directors and is published on the Company's Website. Additionally, there is a Conflict of Interest Policy that applies at all levels of the Organization.

IV. RISK-MANAGEMENT SYSTEMS OF THE COMPANY OR THE CONGLOMERATE

a) Explanation of the Internal Control System (ICS) of the Company or the Conglomerate and its modifications during the year:

In 2020, the Management Team made important commitments to exercise control of its operations and businesses, in accordance with the law and the best administrative and commercial practices, as well as to face the impacts derived from the COVID-19 pandemic, aligned with the recommendations and regulations of the National and Local Government to face the health crisis and guarantee the Company's sustainability.

Despite the extraordinary conditions and the complexity of the situation due to the effects of the pandemic, the Company has had the capacity to reactivate and continue with its normal activities, safeguarding the health and safety of its employees, taking necessary measures to preserve jobs and preserve financial resources and liquidity.

The Company has guaranteed compliance with the general Architecture and Control System, through the timely management of its risks and the assurance of the effectiveness of its controls. Within good corporate practices, it has sought to maintain and improve Internal Control programs, as a facilitating mechanism to achieve strategic objectives and processes, thus guaranteeing sustainability and continuous improvement.

The Audit Committee met during the year on four occasions to discuss, among other topics, the Strategic Risk Map, financial results and relevant business information.

b) Description of the Risk Policy and its application during the fiscal year

During 2020, and in compliance with the Company's strategy and within the framework of the Risk Management Policy, different activities were carried out related to the identification, updating and administration of the risk scenarios that may affect the achievement of the strategy, the execution of Projects and the objectives of each of the processes. The result of these activities was shared in a timely manner with the Administration and Management bodies, including the Audit Committee.

Within the Risk Management process, the Strategic Risk Matrix was evaluated and updated, resulting in the incorporation of a new risk category entitled "Liquidity - Cash Reserve," which is framed with the following definition: "For Concreto, the Liquidity - Cash Reserve category is related to the Company's solvency to assume its contractual obligations, fulfill its normal activities and maintain the appropriate indebtedness indicators."

c) Materialization of risks during the fiscal year and response and supervision plans for the main risks

During 2020, permanent monitoring was carried out on the strategic and operational risks of the business, with the aim of applying specific strategies for the treatment of risks, which allow maintaining the continuity and sustainability of the business, as well as the identification of opportunities that can be used to generate value.

In a special way, the administrative process for the imputation of fiscal responsibility to the Company in the Office of the Comptroller General of the Republic and the existing controversy with *Empresas Públicas de Medellín* (EPM), in relation to the effects suffered by the Ituango Hydroelectric Project, which resulted in a lawsuit against the CCC Ituango Consortium, before the Administrative Court of Antioquia. The Company has established mechanisms and follow up plans necessary to build trust in Stakeholders. Additionally, it will seek to demonstrate that it was not technically and legally responsible for the events that gave rise to the contingency.



Concreto Team Employees; Girardota, Antioquia

V. RISK-MANAGEMENT REPORT

The Company's Risk Management Process, based on continuous improvement, has established coordination and integration with all organizational processes, in order to obtain effective results and a proactive approach in the cycle of strategic and operational risks to be able to identify, analyze, evaluate and treat the risks of opportunity and threats that impact in any way the Company's planned results and decision making in any way.

Due to the nature and diversity of the business and clients, the Company is permanently exposed to risk situations such as:

LEGAL AND REPUTATIONAL RISK

1. Loss of trust and creditability
2. Fines and sanctions
3. Controversial investigations
4. Litigation, administrative processes, lawsuits, Courts of Arbitration

TECHNICAL AND OPERATION RISKS

1. Health, Safety and Environment (HSE) incidents
2. Project planning and execution
3. Cyber-attacks, leaks or loss of information
4. Natural events
5. Physical safety
6. Insurance Market
7. Shortages and price volatility

FINANCIAL AND LIQUIDITY RISKS

1. Divestments
2. Hardening of financing conditions
3. Financing quotas

MARKET RISKS

1. Cost overruns
2. Changes in Client needs and demands
3. Decrease in the Backlog

EMERGING RISKS

1. The COVID-19 Pandemic

Risk-Map Monitoring

At Constructora Concreto, risk management is a continuous process, which seeks to safeguard the sustainability, growth and solidity of the business at all levels of the Organization. During the risk assessment carried out during the Second Quarter of the year, a new category related to Liquidity Risk - Cash Reserve was incorporated, in order to protect and maintain liquidity and prepare the Company and projects for the reactivation of the sector.

Treatment and permanent monitoring strategies were defined for each of the established categories, which allows maximizing the benefits of taking advantage of the opportunities and consequences of positive events and minimizing the probabilities and consequences of negative events.

Among the risks, the emerging situation of the COVID 19 pandemic stands out, which has significantly impacted the operation, financial conditions, profitability of the main businesses, changes in client demands and national and international supply chains that affect productivity.

However, the Company has achieved good business management that has allowed it to minimize the risk factors resulting from the impact of the Coronavirus on its operation, business continuity and adaptability to changes in the environment.

Money Laundering

It is a priority for the Organization to monitor compliance with the rules, instructions and parameters that must be taken into account to avoid the materialization of the risks associated with corruption, fraud, bribery, money laundering and the financing of terrorism (ML/FT). For this reason, we have a process of validation and control of the results of the consultations in restrictive lists and reports in public information sources, in order to protect the business from possible risks related to unusual or suspicious operations tending to serve as an instrument for the concealment, management, investment or use in any way, of money or goods from illegal activities.

Concreto has procedures and activities to control and prevent money laundering, which make it possible to strengthen the different processes and react in advance, in order to avoid operations and/or transactions that generate income of resources that adversely compromise the Company.



VI. GENERAL SHAREHOLDERS' ASSEMBLY

a) Differences in the operation of the Assembly between the minimum regime of the current regulations and that defined by the Bylaws and regulations of the Company's Assembly

Both in the Bylaws and in the Internal Regulations of the General Shareholders' Assembly, more rigorous measures have been adopted than those established by law, to protect the rights of Shareholders, assuming the recommendations of the Country Code. The most significant improvements are the following:

- The summons to the General Shareholders' Assembly for the ordinary meeting is made not less than 30 calendar days prior to the date on which the meeting will take place; for extraordinary meetings, it will be done fifteen (15) calendar days in advance of the scheduled date for holding the meeting.
- When it is intended to discuss the increase in the Authorized Capital or the decrease in the Subscribed Capital or an improper scission, the respective point must be included in the Order of the Day indicated in the summons, under penalty of ineffectiveness of the respective decision. In these cases, the Company's Administrators will prepare a report on the reasons for the proposal, which must be made available to the Shareholders during the period of the summons at the Company's Administrative offices.
- In the cases of scission, merger and transformation, the respective projects must be maintained at the disposal of the Shareholders at the offices of the Company's main domicile, at least thirty (30) calendar days prior to the meeting where the proposal is to be considered. Likewise, the summons must include the item in the Order of the Day and the possibility for Shareholders to exercise the Right of Withdrawal must be expressly indicated, under penalty of the ineffectiveness of the decision.
- In operations that may result in the dilution of the capital of minority Shareholders, such as a capital increase waiving the Right of Preference in the subscription of Shares, merger, scission or segregation, the Board of Directors will present a prior report to the Shareholders, containing a summary of the opinion of an independent external advisor, of recognized solvency, appointed by the Board of Directors itself. This report will be available to the Shareholders in advance of the Assembly where the aforementioned operation must be voted on, in the same terms established for the exercise of the Right of Inspection.
- The summons may be made through electronic means, written communication addressed to each of the Shareholders at the address registered in the Company's books or by publication on the Company's Website, or whatever replaces it, or by a notice published in a newspaper with national circulation or through social networks. Likewise, notice of the summons will be given to the pertinent control body, if applicable.
- During the period of the summons, all documents and information related to the items on the Order of the Day of the meeting will be available to Shareholders, both physically, at the Company's facilities, and electronically, on the Corporate Website.
- The summons specifies the items on the Order of the Day to be dealt with by the General Shareholders' Assembly and the Proposed Resolution, understood as the literal description of the issue that the Board of Directors submits to the consideration of the Assembly, and which may include a suggestion from this body to the Shareholders on the meaning of their vote.
- Within five (5) calendar days, following the personal notification or publication of the summons, Shareholders will have the right, regardless of their Shareholding, to propose the introduction of one or more points to debate within the Order of the Day of the ordinary meeting of the General Shareholders' Assembly or to present new Proposed Resolutions, as long as these requests are accompanied by a justification.
- Shareholders who cannot attend one or more sessions may attend the General Shareholders' Assembly through a Proxy, who will accredit such quality with power duly granted in writing, for which the Company provides a Power of Attorney form on the Company's Website that may be used by Shareholders.
- For greater dissemination of the Assembly meetings, they are transmitted via streaming.

b) Measures adopted during the fiscal year to encourage Shareholder participation

Once the meeting of the Shareholders' Assembly has been summoned, a link entitled "Assembly" is incorporated on the Website, where the documents related to the topics to be discussed at the meeting that has been summoned are published. It is possible to follow the Assembly meetings via streaming, so that Shareholders who cannot attend can connect remotely and know first hand the decisions that are adopted at each meeting.

Conferences are organized on a Quarterly basis to deliver the financial results for the period, which are transmitted through the Company's Website, during which questions from investors and other Stakeholders are resolved. On the Company's Website there is a link entitled "investors," which seeks to communicate the Company's financial and nonfinancial information in an accurate and timely manner. This allows our investors to see first hand content of interest to them. It is important to highlight that the Company has been adopting the recommendations of the Country Code to guarantee greater Shareholder participation.

c) Information to Shareholders and communication with them

The Code of Good Corporate Governance adopted by Constructora Concreto S.A., has defined a procedure that establishes the mechanisms available to the Company to interact with its Shareholders, in matters such as:

- **Access to information:** All Constructora Concreto S.A. Shareholders will have the same right to access the Company information, establishing in their favor the right to equal treatment in the exercise thereof. The Company will ensure that all its Shareholders are fully and timely informed about the ordinary course of business, revealing in a timely and truthful manner the Company's financial and non financial information, which allows them to have detailed, complete knowledge of the progress of the Company itself.
- **Resolution of requests for information:** By virtue of the right to access the Company's information, Constructora Concreto has permanently open channels of communication through which Shareholders can express their concerns and receive responses to them, as long as this does not imply the disclosure of confidential information or information related to industrial secrets, or that information the disclosure of which could be used to the detriment of the Company.

Thus, on the Website there is a link that is exclusive for investors, in which there is a button entitled "Shareholder Services," where a series of frequently asked questions with their respective answers are listed. There is also a button entitled "Contact," where a message may be left that you want to transmit to the Company. At Constructora Concreto, there is an Investor Relations Office, where during office hours there is a person attentive to answering the requirements of the Shareholders and an Email ready to receive these messages.



- **Company channels of communication with Shareholders:** Constructora Concreto has developed the following communication channels with its shareholders:
- Website: <http://www.concreto.com/inversionistas>
 Quarterly teleconferences through a Webpage, where the most relevant news of the period and the financial information and results of the period are presented.
 Email: ir@concreto.com
 Through the telephone landline: (604) 402 5700
 Through press releases
 Social networks
 The Financial Superintendency of Colombia page, in the link Relevant Information.
- **Form of interaction between Shareholders and the Company, its Board of Directors and other Administrators:** The interaction between Shareholders and the Company occurs mainly in the Ordinary Shareholders' Assembly, or in the extraordinary meetings of the Shareholders' Assembly. However, if a Shareholder presents a request to the Company for information addressed to the Board of Directors or to a specific Administrator, these will be channeled through the Shareholder Service Office, who, after providing the consultation with the participation of the Secretary General, will respond in a timely manner to the Shareholder.

d) Requests and matters on which Shareholders have requested information from the Company:

During 2020, the following requests were received directly by the Company from the Investor Relations Area:

TYPE	# OF REQUESTS
Written requests	6
Telephone attention	0
Personal attention	0
TOTAL	6

TOPIC OF THE REQUEST	# OF REQUESTS
Certificates	1
Right of Inspection	1
Information about dated to present results	2
Information about Quarterly Results	1
Request for inclusion in the database	1
TOTAL	6

c) Attendance data at the General Shareholders' Assembly:

The following are the most relevant data regarding attendance at the Ordinary meeting of the Company's Shareholder's Assembly, held on May 26, 2020:

Shareholders represented	75
Attendees	18
Shares represented	961,282,258
Outstanding Shares	1,134,254,939
Percentage represented	84.75%

Detail of the principal agreements reached

During the ordinary meeting of the Company's General Shareholders' Assembly, held on May 26, 2020, which was carried out under the mechanism of a non personal attendance meeting, through the use of digital platforms and in compliance with Decree 398 of 2020, where the Company's Sustainability Management Report, the Corporate Governance Report and the Financial Statements were approved as of December 31, 2019. Likewise, the Board of Directors was appointed to complete the period, in response to the retirement of two of its members from the Board of Directors.



Hidroituango, Antioquia. Work built in consortium for EPM

- The following are the most relevant data regarding attendance at the Extraordinary meeting of the Company's Shareholders' Assembly on October 26, 2020:

Shareholders represented	55
Attendees	12
Shares represented	827,112,747
Outstanding Shares	1,134,254,939
Percentage represented	72.921

Detail of the principal agreements reached

During the Extraordinary meeting of the Company's General Shareholders' Assembly, held on October 26, 2020, an amendment to the Company's Bylaws was approved, incorporating as a function in charge of the Board of Directors to authorize issuances and bond placements and to approve the corresponding issuance and placement regulations.

