

Corporate Governance Report 2021



Centree Castorini
Medellín, Antioquia

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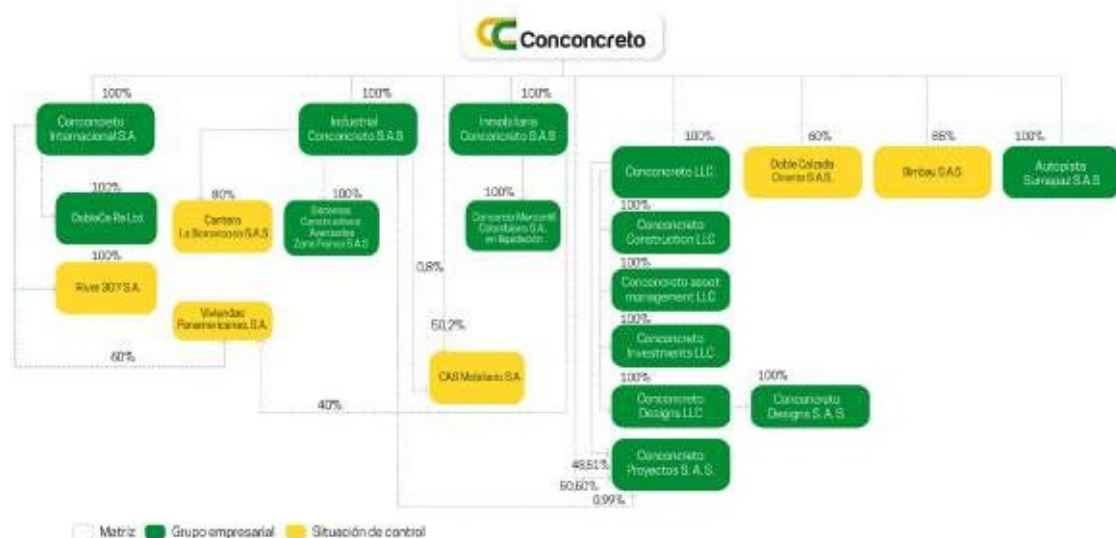
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I. STRUCTURE OF THE COMPANY'S OWNERSHIP

a. Capital and ownership structure of the Company.

Conconcreto S.A. is the parent company of the Business Group Constructora Conconcreto S.A. In addition, although not part of the Business Group, there are a number of companies

over which the Company exercises control, this situation being duly registered in the Commercial Registry. These relationships are represented graphically as shown in the following chart:



The companies that make up the Group carry out their activities in Colombia, and some of them have a presence in other countries, participating in the construction business, infrastructure, production and marketing of construction supplies, design, management, and sale of real estate projects, among others.

During 2021, the Constructora Conconcreto S.A. Business Group was modified by the incorporation into the Business Group of three companies domiciled in the city of Medellín, Antioquia, Colombia, whose investment is held directly, through the shareholding of Conconcreto S.A., and indirectly through its subsidiaries and affiliates, namely: CONCONCRETO PROYECTOS S.A.S., dedicated to the study, design, planning, contracting, and execution of all types of buildings, civil works, and real estate in general, as well as the completion of additions, improvements, modifications, restorations, and repairs thereto,

as well as the performance of any lawful commercial activity. In this company, Constructora Conconcreto S.A. has a direct stake in the share capital of more than 50% and an indirect stake through its subsidiaries Conconcreto LLC and Industrial Conconcreto S.A.S.; CONCONCRETO DESIGNS S.A.S., dedicated to providing architectural design services, engineering services, and technical design services, as well as carrying out any lawful commercial activity. Constructora Conconcreto S.A. has an investment in this company through its subsidiary Conconcreto Designs LLC; and AUTOPISTA SUMAPAZ S.A.S., dedicated to the study, design, planning, contracting, and execution of all types of buildings, civil works, and real estate in general, as well as the execution of additions, improvements, modifications, restorations, and repairs, and the performance of any lawful commercial activity. Construcción Conconcreto S.A. made its investment directly in this company, holding 100% of the shares.

Additionally, it is mentioned that during 2021, the control situation of Constructora Concreto changed due to: i) the entry of the company Doble Calzada Oriente S.A.S., whose corporate purpose is the subscription, execution, and operation of the concession contract under which the studies and designs, financing, environmental, property, and social management, construction, operation, maintenance, and reversion of the Doble Calzada de Oriente –DCO Concession. This company is domiciled in the city of Medellín, and Constructora Concreto is its direct controlling entity, holding 60% of its shares; ii) the entry of BIMBAU S.A.S., whose corporate purpose is the development of any lawful civil or commercial activity, especially those related to planning, analysis, design, testing, modification and supply in relation to computer programs and/or technological platforms. This company is domiciled in the city of Medellín, and Concreto is its direct parent company, holding 85% of its shares.

As of December 31, 2021, 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 two hundred eighty- ,000, ,700, ,17 , pesos (COP \$116,828,258,717), equivalent to one billion, one hundred thirty-four million, two hundred fifty-four thousand, nine hundred thirty-nine (1,134,254,939) shares with a par value of one hundred three pesos (COP 103) each.

Considering that the Company's authorized capital is one billion five hundred million shares (1,500,000,000), there are currently 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 one who, alone or by virtue of an agreement with other shareholders, holds voting rights that exceed a certain limit (currently set at 10% of the total voting rights) and whose participation has a stable purpose. Below, we list the shareholders who, at the end of 2021, hold a percentage of the Company's shares greater than the limit set for the concept of significant shareholder:

NAME OF SHAREHOLDER	NUMBER OF SHARES	% OF SHARES
Vinci Colombia S.A.S.	226,850,988	20

c. Information on the shares owned directly (in a personal capacity) 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
Carolina Angarita Barrientos	0	0	0
Jaime Alberto Angel Mejia	0	0	0
Nora Cecilia Aristizábal López	0	0	0
Orlando Cabrales Segovia	0	0	0
José Alejandro Gómez Mesa	33	0	0.00%
Álvaro Jaramillo Buitrago	0	0	0
Christophe Pélassié Du Rausas	0	0	0
Luis Fernando Restrepo Echavarría	0	0	0
Carlos Eduardo Restrepo Mora	353,001	34,419,905	0.030%
Richard Francioli	0	0	0

d. Family, commercial, contractual, or corporate relationships existing between the holders of significant shareholdings and the company, or between the holders of significant shareholdings themselves.

During 2021, there were no transactions of this type between the Company and the holders of significant shareholdings.

e. Transactions carried out by members of the Board of Directors, senior management, and other administrators with shares and other securities issued by the company.

During 2021, there were no direct negotiations with the shares issued by the Company with respect to the administrators.

f. Agreements between shareholders of which we are aware.

For the period from January to December 2021, no agreements between shareholders were filed with the Company's administrative offices.

g. Treasury shares held by the company.

During 2021, the Company did not repurchase any of its own shares.



Completion of La Línea tunnel.
Calarcá, Quindío - Cajamarca, Tolima

II. COMPANY MANAGEMENT STRUCTURE

a. Composition of the Board of Directors and its committees.

In 2021, the Board of Directors of Constructora Conconcreto S.A. was made up of 10 members, who were elected at the ordinary meeting of the General Shareholders' Meeting on March 26, 2021. By statutory provision, there are no alternates on the Board of Directors.

NAME	POSITION	FIRST APPOINTMENT
Carolina Angarita Barrientos	Independent	May 26, 2020
Jaime Alberto Angel Mejia	Independent	March 27, 2009
Nora Cecilia Aristizábal López	Patrimonial	March 26, 2010
Orlando Cabrales Segovia	Independent	May 26, 2020
José Alejandro Gómez Mesa	Independent	March 22, 2013
Álvaro Jaramillo Buitrago	Independent	March 22, 2013
Christophe Pélissié Du Rausas	Patrimonial	December 9, 2019
Luis Fernando Restrepo Echavarría	Independent	March 31, 2004
Carlos Eduardo Restrepo Mora	Patrimonial and Executive	March 30, 2011
Richard Francioli	Asset Management	January 25, 2016

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

1. Audit Committee: composed of Jaime Alberto Ángel Mejía, Luis Fernando Restrepo Echavarría, and José Alejandro Gómez Mesa. The Statutory Auditor attends Audit Committee meetings with voice but no vote.

2. Human Resources Committee: composed of Carolina Angarita Barrientos, Luis Fernando Restrepo Echavarría, and Orlando Cabrales Segovia. The Company's Vice President of Human Resources attends Human Resources Committee meetings with voice but no vote and acts as secretary of the Committee.

3. Corporate Governance Committee: composed of Carlos Eduardo Restrepo Mora, Álvaro Jaramillo Buitrago, and Nora Cecilia Aristizábal López. The General Secretary and/or the Director of Corporate Affairs of the Company, who acts as secretary of the Committee, attends the meetings of the Corporate Governance Committee with voice but without vote.

The functions of the Board of Directors, as well as the functions of its standing committees, are set forth in the internal regulations of the Board and each

committee, which can be consulted on the Company's website.

b. Resumes of the members of the Board of Directors.

NORA CECILIA ARISTIZÁBAL LÓPEZ.

Equity member.

A graduate in architecture from the Universidad Pontificia Bolivariana, she holds a master's degree in Urban Design from the Massachusetts Institute of Technology (MIT). She has also completed several specialization studies in design management, land management in large urban projects, and skills and leadership development. Her work experience in different positions is noteworthy, such as assistant to Professor Horacio Caminos (MIT), head of the design workshop at Condiseño Ltda., director of the projects department at Conconcreto S.A., founding partner and manager of the company Contexto Urbano S.A., director of the District Planning Department and technical formulation of the POT (Land Use Plan), Territorial Planning Plan of Bogotá, and general manager of Renta Urbana S.A.S.

CHRISTOPHE PÉLISSIÉ DU RAUSAS.

Heritage member.

Born in 1958. He holds degrees from École Polytechnique and École Nationale des Ponts et Chaussées (France), and a postgraduate degree in Finance

from Université Paris-Dauphine. He began his career at the Ministère de l'Équipement (now the French Ministry of Ecology) and then moved to the Spie Batignolles group, where he held various management positions at Spie Enertrans. He joined the VINCI Group in 1997 as Director of Concessions at Campenon Bernard (1997-1998), Executive Vice President of Campenon Bernard, which later became VINCI Construction Grands Projets (1999-2001), and Managing Director of VINCI Énergies 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 President of VINCI Railways. In that role, he was appointed President of AGIFI (French Association of Independent Railway Infrastructure Administrators) from its inception in 2014 until 2017. He has been Director of Business Development at VINCI since March 2017.

RICHARD FRANCIOLI

Equity Member.

Born in 1959. Joined the VINCI Group in 1983. After beginning his career with a period of voluntary service with the National Service at Ain Shams Hospital in Cairo, he went on to hold the position of Regional Director North, then Provincial Director at Sogea Construction. Subsequently, held the position of President of VINCI Construction International Subsidiaries and President of VINCI Construction in March 2006.

LUIS FERNANDO RESTREPO ECHAVARRÍA.

Independent member.

Born on April 21, 1958, he graduated in Industrial Management from the Georgia Institute of Technology (GA – Tech) and holds an MBA from the University of Chicago. His professional experience includes eight years at The Marmon Group (Chicago), followed by Crystal S.A.S. He has held various positions, including international vice president, executive vice president, and, since 2004, corporate president. He also serves on the boards of directors of Bancolombia S.A., Etiflex S.A., MAS S.A.S., ANDI Antioquia Chapter, and ANDI General Management.

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 the Advanced Management Program (AMP) at Harvard Business School. He has spent his entire professional career at Corona, where he is currently president of Corona Industrial, a position he has held for more than eleven years. He also sits on the boards of directors of Corporación Tecnova, Ecocementos S.A.S., and the Antioquia Chapter of the National Association of Industries (ANDI).

ÁLVARO JARAMILLO BUITRAGO.

Independent member.

Born on January 30, 1952, he holds a degree in business administration from Universidad del Norte (Barranquilla). He began his professional career at Philadelphia National Bank, where he rose to the position of vice president, then served as president of Invercrédito and later at Banco de Colombia. In 1997, he founded IQ Outsourcing. He then served as president of Avianca Holdings, where he is currently a member of the board of directors. He also serves on other boards, including PetroWorks, Tribeca Asset Management, and Grupo Daabon.

JOSÉ ALEJANDRO GÓMEZ MESA.

Independent member.

Born on February 1, 1964, he holds a degree in Corporate Finance from Eafit University and an undergraduate degree in Civil Engineering from the University of Texas at Austin. He has been a founding partner and director of SBI Banca de Inversión S.A. for more than twenty years. Since 2009, he has been a member of the board of directors of Inversiones Conconcreto and later joined the board of Constructora Conconcreto S.A. when the two companies merged. He is a member of other boards of directors, such as West Química S.A. and Inmel S.A.S.

CARLOS EDUARDO RESTREPO MORA.

Equity and executive member.

Born on November 25, 1963, he graduated as a civil engineer from the Antioquia School of Engineering (EIA) and holds a master's degree in Construction Engineering and Management from the Georgia Institute of Technology (GA-Tech). He has held various positions within Constructora Conconcreto since joining the company more than 28 years ago. He is currently an advisor to the president and director of the Bogotá branch. He has served on the board of directors of Conconcreto during several intermittent periods and is currently a member of the boards of directors of Concesiones CCFC S.A.S. as an alternate member and of Administración de Recursos y Oportunidades S.A.

CAROLINA ANGARITA BARRIENTOS.**Independent member.**

Carolina Angarita is a graduate of Social Communication-Journalism from the Javeriana University, has a master's degree in International Journalism from the University of Westminster, and studied Leading Innovative Change at Berkeley University. She is a member of the board of directors of AIESEC Colombia, the advisory committee of the Latino Impact Summit, and the advisory board of the MET Community. She is an international speaker, one of the country's 100 leaders 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 holds a master's degree in Philosophy from Boston College. He currently serves as CEO of Frontera Energy. He is currently on the board of directors of Isagen.

c. Changes to the Board of Directors during the fiscal year.

During 2021, the composition of the Board of Directors was modified on one occasion with the ratification of the members who were already in office, carried out at the ordinary meeting of the Shareholders' Assembly on March 26, 2021, where they were appointed for the period from April 2021 to March 2023. It should be noted that Mr. Richard Francioli submitted a letter of resignation from his position as a member of the Board, which was effective as of July 1, 2021.

d. Members of the parent company's Board of Directors who are also members of the Boards of Directors of the subsidiaries or who hold executive positions in them.

No Boards of Directors have been adopted in the subsidiaries of Constructora Concreto S.A.; consequently, no member of the Board of Directors of the parent company is part of this body in the subsidiaries. With regard to the performance of executive positions, no member of the Board of Directors of the parent company holds executive positions in the subsidiaries. Dr. Carlos Eduardo Restrepo Mora currently serves as General Manager of the Bogotá branch of Constructora Concreto S.A.

e. Policies approved during the period.

During 2021, the Board of Directors did not approve any policies. However, the Company's management continued to work on the formulation of guidelines and policies that will be progressively presented to the entire Board of Directors for consideration and approval in subsequent years, with the aim of complying with the commitment to adapt the Company's corporate governance instruments 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 involves a constant effort to increasingly adjust the corporate governance guidelines within the conglomerate to those recommendations.

f. Process for appointing members of the Board of Directors.

The Bylaws and the internal regulations of the Board of Directors regulate the process for appointing members to this collegiate body, a function that falls to the Shareholders' Meeting.

The Board of Directors of Constructora Concreto S.A. is made up of ten directors, who are elected for two-year terms using the electoral quotient system. Those elected may be replaced in partial elections, in which case their term will be the remainder of the previous member's two-year term. There are no alternates on the Board of Directors. Appointment as a member of the Company's Board of Directors is made on a personal basis. The electoral quotient system will apply when all members of the Board are to be elected, without prejudice to the re-election of any of them.

The professional profiles of the members of the Board of Directors are reported to shareholders through the website so that the various stakeholders, mainly controlling and significant shareholders, families, shareholder groups, 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 shall be elected based on criteria of professional competence, suitability, and recognized moral integrity, and in all

case, at least thirty percent (30%) of them shall be Independent Members, who together with the Equity Members shall constitute a majority with respect to the Executive Members. In the event that the Board of Directors is composed of Executive Members, the latter shall be a minimum number necessary to meet the information and coordination needs between the Board of Directors and the Senior Management of the company.

The suitability of candidates shall be assessed prior to the General Shareholders' Meeting, so that shareholders have sufficient information (personal qualities, suitability, track record, experience, and integrity) about the proposed candidates to allow for their proper evaluation.

Independent candidates are required to make a double declaration of independence:

(i) from the candidate to the company, its shareholders, and members of senior management, implemented through their Letter of Acceptance, and (ii) from the Board of Directors, regarding the candidate's independence. Independent members are required to notify the Company of any circumstances that may affect their independent status.

It should be noted that the Human Resources Committee's functions with respect to the procedure for appointing members of the Board of Directors include the following:

- Establishing the procedures required for the Board of Directors to achieve the following objectives.
- Identify the tentative composition of functional profiles (associated with aspects such as knowledge and professional experience) that are needed on the Board of Directors in each circumstance.
- Identify the personal profiles (linked to career history, recognition, prestige, availability, leadership, and group dynamics) most suitable for the Board of Directors.
- Assess the time and dedication required for Board members to adequately perform their duties.
- Propose and review the criteria to be followed for the composition of the Board of Directors and the evaluation of the suitability of candidates for Board membership proposed by shareholders.
- Report, where applicable, on the independent status of candidates for membership

for the Board of Directors, for their proposal to the General Shareholders' Meeting by the Board of Directors or directly by the shareholders.

- In cases of reelection or ratification of members of the Board of Directors, formulate a proposal that will contain an evaluation of the work performed by the proposed member and their effective dedication to the position during the last term.
- Establish an internal procedure and/or questionnaire to be submitted to candidates for consideration, allowing for the assessment of legal incompatibilities and disqualifications and the suitability of candidates for the Board of Directors, through the evaluation of a set of criteria that must be met by the functional and personal profiles of the candidates, and the verification of compliance with objective requirements for membership of the Board of Directors and additional requirements for Independent Membership.
- Support the Chairman of the Board of Directors by centralizing and coordinating, prior to the General Meeting, 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 learn about the needs of the Board of Directors and express their aspirations, negotiate share balances and distribution among the different categories of members, present their candidates, and accept that the suitability of their candidates be evaluated by the Human Talent Committee prior to the vote at the General Shareholders' Meeting.

g. Board of Directors remuneration policies.

The remuneration of the members of the Company's Board of Directors is set by the General Shareholders' Meeting, based on objective business criteria. This remuneration is transparent, and to this end, its amount is disclosed in the annual information made available to the Company's shareholders. The Company has a Board of Directors remuneration policy approved by the General Shareholders' Meeting, which can be consulted on the website.

h. Remuneration of the Board of Directors and Senior Management.

In accordance with the resolution approved by the General Shareholders' Meeting at its ordinary meeting held on March 26, 2021, the following remuneration was accepted for the members of the Board of Directors:

the remuneration of the members of the Board of Directors was accepted as \$6,605,000 pesos per meeting attended and \$ 1,200,000 for Committee meetings.

internal members of the Board of Directors. Regarding the

remuneration paid to members of Senior Management, details are disclosed in accordance with the guidelines of Article 446 of the Commercial Code, in the annual information made available to the Company's shareholders at the ordinary meeting.

i. Quorum of the Board of Directors.

The Board of Directors shall deliberate and make valid decisions with the presence and votes of the majority of its members. Likewise, executives and officials of the Company or other persons whose presence is deemed appropriate for the proper handling of the matters submitted for consideration by the Board of Directors may be invited to the meetings, if so decided by the Chairman of the Board of Directors.

Board of Directors or the President of the Company.

j. Attendance data for Board of Directors meetings.

TYPE OF MEETING	NUMBER
Mixed	4
Remote	9
Total	13

DIRECTOR	ATTENDED	NO ASSISTED
Carolina Angarita Barrientos	12	1
Jaime Alberto Angel Mejia	11	2
Nora Cecilia Aristizábal López	13	0
Orlando Cabrales Segovia	11	2
José Alejandro Gómez Mesa	13	0
Álvaro Jaramillo Buitrago	13	0
Christophe Pélissé Du Rausas	10	3
Luis Fernando Restrepo Echavarría	13	0
Carlos Eduardo Restrepo Mora	13	0
Richard Francioli*	2	6

k. Attendance data for Board of Directors Committee meetings.

o Audit Committee.

During 2021, the Audit Committee of the Board of Directors of Constructora Conconcreto S.A. held the following meetings:

TYPE OF MEETING	NUMBER
In person	0
Non-face-to-face	4
Totals	4

The attendance of Committee members at the meetings held was as follows:

DIRECTOR	ATTENDED	NO ATTENDED
Jaime Alberto Angel Mejia	3	1
José Alejandro Gómez Mesa	4	0
Luis Fernando Restrepo Echavarría	4	0

o Corporate Governance Committee.

During 2021, the Corporate Governance Committee of the Board of Directors held the following meetings:

TYPE OF MEETING	NUMBER
In-person	0
Remote	2
Total	2

Committee members' attendance at meetings was as follows:

DIRECTOR	ASSISTED	NO ATTENDED
Nora Cecilia Aristizábal López	2	0
Carlos Eduardo Restrepo Mora	2	0
Álvaro Jaramillo Buitrago	2	0

o Human Resources Committee.

During 2021, the Human Resources Committee of the Board of Directors held the following meetings:

TYPE OF MEETING	NUMBER
In-person	0
Non-face-to-face	2
Totals	2

Committee members' attendance at meetings was as follows:

DIRECTOR	ATTENDED	UNAIDED
Luis Fernando Restrepo Echavarría	2	0
Carolina Angarita Barrientos	2	0
Orlando Cabrales Segovia	2	0

l. Chairman of the Board of Directors.

Chair of the Board of Directors In accordance with the Internal Regulations of the Board of Directors, the Board of Directors shall have a Chair elected from among its members, who may be removed at any time. The duties of the Chair of the Board of Directors shall be as follows:

* Mr. Richard Francioli submitted his letter of resignation as a senior member of the Board of Directors on June 28, 2021, clarifying in said communication that it would take effect on July 1, 2021, which is why this director's attendance data is reported up to that date.

1. To convene the Board of Directors when deemed appropriate, or at the request of the Statutory Auditor or two (2) of its members. In the latter two cases, the Chairman shall convene the meeting within ten (10) days of the aforementioned request.
2. Define the agenda for meetings jointly with the President of the Company, or independently if deemed appropriate. The agenda shall be structured in accordance with parameters that allow for a logical order of presentation of topics and discussions.
3. Preside over meetings and direct discussions, and put matters to a vote when he or she considers them to have been sufficiently debated.
4. Ensure the effective implementation of the decisions of the Board of Directors and follow up on its orders and decisions.
5. Ensure that the Board of Directors efficiently sets and implements the strategic direction of the Company.
6. Promote the Company's governance, acting as a liaison between shareholders and the Board of Directors.
7. Ensuring that information is delivered to the members of the Board of Directors in a timely manner, either directly or through the Secretary of the Board of Directors.
8. Monitor the active participation of Board of Directors members.
9. Lead the annual evaluation process of the Board of Directors and Committees, except for his or her own evaluation.
10. Prepare, with the assistance of the Secretary and the President of the Company, a work plan for the Board of Directors for the period under evaluation, a tool that facilitates determining the reasonable number of regular meetings per year and their estimated duration.

The Chair of the Board of Directors, in conjunction with the Secretary of the Board of Directors, assumes ultimate responsibility for ensuring that members receive information sufficiently in advance and that the information is useful, so that quality should take precedence over quantity in the set of documents provided.

Considering that the Chair of the Board of Directors has additional obligations to those of the other members of the Board of Directors, which involve greater responsibilities and time commitment, the remuneration of the Chair of the Board of Directors may be higher than that of the other board members at the discretion of the Shareholders' Meeting.

m. Secretary of the Board of Directors.

The Secretary of the Board of Directors shall be the Secretary General of the Company; in special cases, an ad hoc secretary may be appointed for meetings. Notwithstanding the foregoing, in order to safeguard the independence of the Secretary of the Board of Directors vis-à-vis the President of the Company, his or her appointment and removal shall be the responsibility of the Board of Directors, at the proposal of the President of the Company, with a prior report from the Human Resources Committee. The Secretary of the Board of Directors may be a member of the Board of Directors.

The Secretary shall be responsible for keeping, in accordance with the law, the minutes books of the Board of Directors and for authorizing with his or her signature the copies that are issued from them. The Secretary shall assist the Chairman of the Board in his duties and shall ensure the proper functioning of the Board of Directors, providing the Directors with the advice and information necessary for the proper performance of their duties, keeping the company's documentation, duly recording the proceedings of the meetings in the minutes books, and certifying the decisions of the Board of Directors.

In addition to the above, the Secretary shall have the following duties:

1. To communicate the notices of ordinary or extraordinary meetings, in accordance with these regulations and the annual plan.
2. To send the members of the Board of Directors the documentation necessary for the proper conduct of the meetings, within the time and in the manner stipulated for this purpose.
3. Verify quorum at the beginning of each session, and whenever required during the session.
4. Take minutes of the sessions and submit them to the Chairman of the Board of Directors for approval.
5. Endorse with his signature the minutes and resolutions approved by the Board of Directors and issue certifications on the matters approved.
6. Maintain the Board of Directors' minutes book.
7. Communicate the decisions of the Board of Directors to the competent authorities and follow up on the actions that lead to their full implementation.
8. Keep the corporate documentation, duly record the proceedings of the meetings in the minutes books, and attest to the resolutions of the corporate bodies.
9. Ensure the formal legality of the actions of the Board of Directors and guarantee that its procedures and rules of governance

are respected and regularly reviewed, in accordance with the provisions of the Bylaws and other internal regulations of the Company.

10. Perform any other duties assigned by the Board of Directors and the President.

n. Relationships during the year between the Board of Directors and the Statutory Auditor, financial analysts, investment banks, and rating agencies.

During 2021, the Statutory Auditor attended all meetings of the Board of Directors' Audit Committee. The Board of Directors did not engage in any activities with financial analysts, investment banks, or rating agencies.

o. External advice received by the Board of Directors.

During 2021, neither the members of the Board of Directors nor the Board of Directors of the Company received external consulting services.

p. Handling of Board of Directors information.

In accordance with the provisions of the Internal Regulations of the Board of Directors, the agenda for the meeting shall be attached to the notice of meeting; other matters may be included if the Chairman of the Board deems it appropriate in the interests of the Company, and it may also be decided, even after the notice of meeting has been issued, that a matter will not be dealt with at the meeting. The information and/or documentation to be discussed at the respective meeting shall be sent with the notice of meeting. If, exceptionally, all or part of the information is not available at the time of the notice of meeting, it may be sent at a later date, but in any case at least three (3) calendar days prior to the date of the meeting.

q. Activities of the Committees of the Board of Directors.

• **Audit Committee:** In accordance with its duties, the Audit Committee of Constructora Concreto met four times in 2021 to conduct a detailed review and follow-up of the financial results of the operation, risk management, and relevant business situations. In addition, issues related to developments in

anti-money laundering and terrorist financing controls and the recommendations and requests of the Statutory Auditor.

• **Corporate Governance Committee:** During 2021, two meetings of the Corporate Governance Committee were held, at which the mechanisms for the evaluation of the Board of Directors for 2021 and the work plan for the 2021 period were defined, which included updating the Good Corporate Governance Code by incorporating the recommendations of the CESA evaluation and harmonizing the Code with the Company's other internal regulations.

• **Human Talent Committee:** During 2021, two meetings of the Human Talent Committee were held, during which issues related to organizational effectiveness and efficiency, the assessment of critical positions, the work environment and culture, and the review of the salary scale in the organization were discussed.

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

For 2021, it was decided to conduct an external evaluation of the Board of Directors. The methodology proposed for this was to conduct interviews with each of the members and complete a survey, procedures through which a comparative analysis was carried out and a diagnosis of opportunities was made. Within the framework of this evaluation, which was conducted by an external consultant hired for this purpose by the company, the following was highlighted:

Progress continues to be made in the performance of the Board of Directors compared to previous terms, with three key elements standing out:

- The incorporation of new key profiles to the Board of Directors.
- Improvement in the role of the Chairman of the Board of Directors.
- Consistency in management routines, reports, and internal committees.

Opportunities for alignment between the Board and management persist, requiring work to align expectations, which will continue to improve the environment and access for participation in the meetings of that body.

The Board of Directors' extra contribution to the company's situation, which faced major challenges during the period, is highlighted.

III. TRANSACTIONS WITH RELATED PARTIES.

a. Powers of the Board of Directors regarding this type of transaction and situations of conflict of interest.

The Code of Good Governance of Constructora Conconcreto S.A. defines a conflict of interest as a situation in which the interests of the Company are in opposition to the personal interests of employees or their family members, in such a way that it leads the employee to act under parameters other than those established to ensure the real and ethical fulfillment of their responsibilities to the company.

Likewise, it stipulates that members of the Board of Directors, Legal Representatives, members of Senior Management, and other administrators of the Company must periodically inform the Board of Directors of any direct or indirect relationships they may have with each other or with other entities or structures belonging to the Business Group, or with the Company, or with suppliers, or with customers, or with any other stakeholder (the latter being understood as all those persons who, due to their connection with the Company, have an interest in it. These include the general public, shareholders, employees, customers, users, economic and tax authorities, and the official supervisor), which could give rise to conflicts of interest or influence the direction of their opinion or vote.

If the Company, its administrators, managers, or other employees of the Company find themselves in a situation that gives rise to a conflict of interest, the following procedures shall be followed, depending on whether the conflict is sporadic or permanent:

If the conflict is sporadic, it will be mandatory, in the first instance, for the person directly involved to inform the Board of Directors or their immediate superior, as the case may be, of the situation giving rise to the conflict and to obtain their consent to initiate or continue with the operation. With this mechanism, it may not be possible to eradicate the conflict of interest, but it will be possible to maintain the transparency of the operation. On the contrary, if the conflict of interest is permanent and affects the Company's operations as a whole, this situation will constitute grounds for mandatory resignation on the part of the affected party, since they are unable to perform their duties.

In the case of administrators, the provisions of Article 23 of Law 222 of 1995, paragraph 7, and its regulatory Decree No. 1925 of 2009 shall apply, and in this regard, it will be necessary to obtain the respective authorization from the General Shareholders' Meeting when it comes to signing contracts or submitting commercial offers in which the respective administrator has an interest, either directly or through an intermediary.

The company has a Conflict of Interest Policy approved by the Board of Directors, which applies at all levels of the Organization and seeks consistency between corporate values and the actions of its employees. This Policy has been widely disseminated within the Company and is published on the Company's website.

b. Details of the most relevant related party transactions in the Company's opinion, including transactions between companies in the Conglomerate.

Related party transactions are disclosed in detail in the notes to the financial statements, as well as in the Business Group report, which are made available to shareholders in the annual information available to them during the period for exercising their right of inspection.

c. Conflicts of interest presented and actions taken by members of the Board of Directors

No conflicts of interest arose during 2021.

d. Mechanisms for resolving conflicts of interest between companies in the same conglomerate and their application during the fiscal year.

The Company has a Business Group policy that establishes the guidelines to be followed for intra-group operations. This policy was approved by the Board of Directors and is published on the Company's website. In addition, there is a Conflict of Interest Policy that applies at all levels of the Organization.

IV. RISK MANAGEMENT SYSTEMS OF THE COMPANY OR CONGLOMERATE.

a. Explanation of the company's or conglomerate's Internal Control System (ICS) and its modifications during the fiscal year:

The organization's internal control system is called the General Control Architecture System. It comprises internal control agents, technological tools, monitoring plans and programs, and risk management that enable continuous monitoring of activities and protect, leverage, and preserve assets to meet the strategic goals and objectives defined by the Organization.

In turn, external control agents verify and publicly attest to compliance with legal, regulatory, contractual, and organizational guidelines in accordance with national and international standards.

The results of internal and external evaluation activities are communicated in a timely manner to the relevant authorities, who approve or disapprove the performance of control agents and validate the recording, processing, and presentation of administrative and financial data, as well as actions in cases of fraud affecting business operations.

b. Description of the risk policy and its application during the fiscal year.

The Company's Risk Policy covers the identification and management of strategic and operational risks in the Business Group's processes, projects, and operations. This allows for the management, mitigation, or transfer of identified risks.

During the fiscal year, actions were taken to reduce the probability of these risks materializing, as well as the financial or reputational impacts resulting from their occurrence.

c. Materialization of risks during the fiscal year and response and monitoring plans for the main risks.

During the fiscal year, Conconcreto constantly reviewed and updated its business risks. However, the ratification in the second instance of the ruling issued by the

The Comptroller General of the Republic assigned fiscal responsibility to the consortium building the Hidroituango project, prompting the Company to respond with legal, financial, and technical strategies to protect its assets, ensure business continuity and sustainability, and strengthen stakeholder confidence. In this regard, Dr. Juan Luis Aristizábal, president of the Organization, stated that: "The company faced a complex situation with one of its most important projects: Hidroituango. However, this challenge was met with integrity and objectivity, backed by rigorous technical work, always with the highest standards of quality and commitment to our customers and stakeholders, including our shareholders, where our responsibility is to ensure the sustainability of the Company."

The submission to process of Negotiation of the emergence of the Reorganization Agreement (Law 560 of 2020) is a fact that generates restrictions that impact the normal operation of the Company, but that allows it to reach an agreement with the company's creditors regarding the payment of its liabilities in a way that does not compromise its long-term sustainability. Ongoing negotiations with stakeholders (banks, insurance sector, customers, and suppliers) and continuous communication are the main strategy for managing this process.

d. Internal Audit.

The annual internal audit program for the management system is governed by ISO 9001, 14001, and 45001 standards. These are applied to five (5) infrastructure projects, eleven (11) design projects, five (5) construction projects, twelve (12) strategic and support processes, and one (1) infrastructure testing laboratory. As a result of the 2021 internal audits, improvement plans were implemented to address risks and opportunities, optimize company processes, and contribute to operational effectiveness and the achievement of strategic objectives.

V. RISK MANAGEMENT REPORT.

a. Risk Map Monitoring.

During the process of updating and monitoring strategic risks, the effects of the emerging pandemic situation were continuously monitored, as were legal proceedings and sanctions and arbitration rulings that arose in the ordinary course of business. The decisions made by the Board of Directors and committees evaluated the probability and impact factors for the materialization of each specific situation, which made it possible to establish special measures to respond to new operational challenges and ensure the sustainability of the company, maintain jobs, and comply with all outstanding obligations.

For each category of the established risk map, treatment strategies were defined and monitoring of agreement with the new internal dynamics, changes in the environment, the impact on markets and the global economy, seeking to reasonably ensure the

efficiency and effectiveness of our operations, the reliability of the information we generate, and regulatory compliance

b. Money Laundering.

Concreto complies with current regulations on the Risk Management System associated with corruption, fraud, bribery, money laundering, and terrorist financing (ML/TF). For this reason, it has a system for the administration of risks approved by the Board of Directors through the Manual for the Prevention of Money Laundering and the Fraud and Corruption Risk Protocol, which establish the guidelines for information verification controls, validation processes, and consultations in restrictive lists and reports in public information sources, with the purpose of protecting the business from possible risks related to unusual or suspicious operations that tend to serve as an instrument for the concealment, management, investment, or exploitation in any form of money or property derived from illegal activities.



Puerto Brisa
Dibulla, La Guajira.

VI. GENERAL SHAREHOLDERS' MEETING.

a. Differences in the functioning of the Meeting between the minimum requirements of current regulations and those defined by the Company's Articles of Association and Meeting Regulations.

Both the Articles of Association and the Internal Regulations of the General Shareholders' Meeting have adopted measures that are more rigorous than those established by law in order to protect the rights of shareholders, in line with the recommendations of the Country Code. The most significant improvements are as follows:

- The call for the General Shareholders' Meeting for the ordinary meeting shall be made at least 30 calendar days prior to the date on which the meeting is to be held; for extraordinary meetings, it shall be made fifteen (15) calendar days prior to the date scheduled for the meeting.
- When discussing an increase in authorized capital, a decrease in subscribed capital, or an improper spin-off, the respective item must be included in the agenda specified in the call notice, under penalty of the respective decision being invalid. In such cases, the company's administrators shall prepare a report on the reasons for the proposal, which shall be made available to shareholders during the term of the call at the company's administrative offices.
- In cases of spin-offs, mergers, and transformations, the respective projects must be made available to shareholders at the company's main offices at least thirty (30) calendar days prior to the meeting at which the proposal will be considered. Likewise, the agenda of the meeting must include this item and expressly indicate the possibility for shareholders to exercise their right of withdrawal, under penalty of the decision being invalid.
- In operations that may result in the dilution of minority shareholders' capital, such as capital increases with waiver of preemptive rights in the subscription of shares, merger, spin-off, or segregation, the Board of Directors shall submit a prior report to the shareholders containing a summary of the opinion of an independent external advisor of recognized standing appointed by the Board of Directors. This report shall be made available to shareholders prior to the Meeting at which the aforementioned transaction is to be voted on, under the same terms established for the exercise of the right of inspection.
- The call may be made electronically, by 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 its equivalent, or by notice published in a national newspaper or through social media. Likewise, notice of the call shall be given to the relevant supervisory body, if applicable.
- During the term of the call, all documents and information related to the items on the meeting agenda shall be available to shareholders, both physically, at the Company's facilities, and electronically, on the corporate website.
- The notice specifies the items on the agenda to be dealt with by the General Shareholders' Meeting and the Proposed Resolution, which is understood to be the literal description of the matter that the Board of Directors submits for consideration by the Meeting, and which may include a suggestion from this body to shareholders on how to vote.
- Within five (5) calendar days following to the notification personal or the publication of the call, shareholders shall have the right, regardless of their shareholding, to propose the introduction of one or more items for discussion on the agenda of the ordinary meeting of the General Shareholders' Meeting or to submit new Proposals for Agreement, provided that these requests are accompanied by a justification.

- Shareholders who are unable to attend one or more sessions may attend the General Shareholders' Meeting through a proxy who will prove their status with a power of attorney duly granted in writing. The company provides a power of attorney form on its website that shareholders may use for this purpose.
- To ensure greater dissemination of the meetings of the assembly, they are broadcast via streaming.

b. Measures adopted during the fiscal year to encourage shareholder participation.

Once the Shareholders' Meeting has been called, a link called "Meeting" is added to the website, where documents related to the topics to be discussed at the meeting are published. It is possible to follow the meetings via streaming, so that shareholders who are unable to attend can connect remotely and learn first-hand about the decisions taken at each meeting. Taking into account the capacity restrictions for face-to-face meetings, for the 2021 financial year, the company set up a mechanism administered by Deceval S.A. for remote participation and voting at the ordinary shareholders' meeting.

quarterly basis for the delivery of financial results for the period, which are posted on the Company's website, during which questions from investors and other stakeholders are answered. The Company's website has a link called "investors," which seeks to communicate the Company's financial and non-financial information accurately and in a timely manner. This allows our investors to obtain first-hand information of interest to them. It is important to note that the Company has been adopting the recommendations of the Country Code to ensure 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 for interacting with its shareholders in areas such as:

- Access to information: All shareholders of Constructora Concreto S.A. will have equal rights to access the Company's information, with the right to equal treatment in exercising such rights. The Company will endeavor to ensure that all its shareholders are fully and timely informed about the ordinary course of business, disclosing the Company's financial and non-financial information in a timely and truthful manner, allowing them to have a detailed and complete understanding of the Company's performance.
- Resolution of requests for information: By virtue of the right to access Company information, Constructora Concreto has permanently open channels of communication through which shareholders can express their concerns and receive answers to them, provided that this does not involve the disclosure of confidential information or information relating to trade secrets, or information whose disclosure could be used to the detriment of the Company.

Thus, the website has a link exclusively for investors, with a button labeled "Shareholder Services," which lists a series of frequently asked questions with their respective answers. There is also a button labeled "Contact," where you can leave a message for the Company. Constructora Concreto has an Investor Relations office, where during business hours there is a person available to respond to shareholder requests and an email address set up to receive these messages.

- Company communication channels with shareholders: Constructora Concreto has developed the following communication channels with its shareholders:
 - o Website
<http://www.concreto.com/inversionistas>
 - o Quarterly teleconferences via a website, where the most relevant news of the period is presented and the financial information and results for the period are disclosed.

- o Email ir@conconcreto.com
- o Via telephone line +57 (604) 402 5700
- o Through press releases
- o Social media
- o Website of the Colombian Financial Superintendency, at the link relevant information.

- Form of interaction between shareholders and the Company, its Board of Directors, and other administrators: Interaction between shareholders and the Company mainly takes place at the Ordinary Shareholders' Meeting or at extraordinary meetings of the Shareholders' Meeting. However, if a shareholder submits a request for information to the Company addressed specifically to the Board of Directors or to a specific administrator, these requests will be channeled through the Investor Relations office, which, after consulting with the General Secretariat, will respond to the shareholder in a timely manner.

d. Requests and matters on which shareholders have requested information from the company.

During 2021, the following requests were received directly by the company from the Investor Relations department:

TYPE	# REQUESTS
Written requests	20
Telephone inquiries	0
In-person assistance	0
Total	20

REASON FOR REQUEST	# REQUESTS
Hidroituango Process (Ruling on fiscal responsibility by the Comptroller General's Office the Republic, Negotiation Process Emergency Negotiation of a Reorganization Agreement and related matters)	7
Certificates	4
Information on the Company's results	3
Information about projects	3
Request for inclusion in database	1
Questions related to the action	1
Request for spaces to resolve doubts	1
Totals	20

e. Attendance data for the General Shareholders' Meeting.

The following is the most relevant information regarding attendance at the Company's ordinary Shareholders' Meeting on March 26, 2021:

Shareholders represented	73
Attendees	17
Shares represented	899,252,046
Shares in circulation	1,134,254,939
Percentage represented	60.26

f. Details of the main agreements reached.

During the Company's ordinary General Shareholders' Meeting held on March 26, 2021, which was conducted remotely using digital platforms and in compliance with Decree 398 of 2020, the Sustainability Management Report, the Corporate Governance Report, and the Company's financial statements as of December 31, 2020, were approved. Likewise, the Board of Directors and Statutory Auditor were appointed for the period from April 2021 to March 2023.



Hidroituango
Ituango, Antioquia

