RISK MANAGEMENT POLICY

INTRODUCTION

Odinsa is committed to the generation of value and the sustainability of businesses it undertakes. For this purpose, the comprehensive risk management is a priority principle in the action of the Company's employees and its affiliates.

The purpose is to quickly and proactively evaluate favorable and unfavorable aspects that may impact the achievement of strategic objectives, and thus, the business performance.

Accordingly, risk management is the combination of managing talent, processes, projects, facilities, and the implementation of prevention and mitigation mechanisms for risks identified. Also, the construction of a proactive culture of awareness and self-control regarding risk management.

Finally, comprehensive risk management aims to reduce uncertainty in decision-making to create and protect the value of societies that are part of Odinsa, thus improving profitability and preserving the organization's image before its stakeholders.

1. POLICY:

The Risk Management Policy of Odinsa and its affiliates defines the general criteria and key elements to identify, analyze, value, treat, monitor, and report the risks to which the organization is exposed, seeking to protect the value, continuity of operations and confidence building in stakeholders.

2. POLICY PURPOSE:

Establish the elements and general framework of action of comprehensive management of all kind of risks faced by Odinsa and its affiliates. This document is part of the Comprehensive Risk Management System and is supplemented by the specific risk guidelines that may be set forth regarding certain businesses and processes.

3. POLICY ELEMENTS

3.1. Risk Governance:

Odinsa, adopting the Risk Policy of Grupo Empresarial Argos, has defined the following organizational structure with instances, roles, and responsibilities, in order to ensure proper functioning of the Comprehensive Risk Management System (CRMS):

Boards of Directors: Ensure the adoption and proper implementation of a CRMS. In particular, they approve the Comprehensive Risk Management Policy, the risk appetite of each organization and the responsibility matrix for risk management. They also evaluate and monitor the risks within the context of strategic objectives and plan corrective actions according to the level of tolerance defined, periodically monitoring those actions.

Odinsa Board of Directors is responsible for approving the organization's risk appetite, align the general risk appetite of Grupo Empresarial Argos, to supervise the implementation of the CRMS at a corporate level, and evaluate and monitor the risks based on the organization's consolidated vision, with periodic follow-up to action plans established by each company.

Audit, Finance and Risk Committees: They assist the Boards of Directors in all responsibilities related to the supervision of risk management. For this, they review the effectiveness of the CRMS by monitoring the risk map, dashboard, limits and indicators, and formulate improvement initiatives they consider necessary to align the risk profile to the strategic objectives and appetite as defined.

Odinsa Audit, Finance and Risk Committee performs follow-up to implementation of the CRMS with the organizations consolidated vision, ensuring that the corporate risk profile is aligned with the risk appetite defined for Odinsa.

Odinsa President: He/she responds before the Board of Directors and shareholders for implementation of the CRMS. In addition, he/she reports on the organization's risk profile, the progress status of mitigation plans, and in general, the CRMS implementation status.

Steering Committees: Members of Steering Committees should inform on the CRMS functioning in their areas and alert about any new identified risks. They report to each company's responsible person on the CRMS functioning and inform on the status of risks and mechanisms adopted to manage them.

Affiliates' responsible persons: They ensure the implementation of the CRMS in their companies, report to the Board of Directors on the organization's risk profile, the progress status of mitigation plans, and in general, the CRMS implementation status.

Odinsa Risks Area: It leads the implementation of policies, general processes and corporate methodologies of the CRMS, in accordance with the guidelines of Grupo Empresarial Argos, which allow for permanent identification, measurement and treatment of risks to which the organization is exposed. It also monitors the effective management of risks that may affect the business strategy, individually and as an organization, and promote a corporate risk management culture. Its responsibility includes implementation of the methodology at a strategic, tactic and operative level.

Affiliates' Risks Areas: They lead the implementation of the CRMS in their companies, adopting the corporate policies and methodologies adapted to each entity's internal and external context. In addition, they monitor the effective management of risks that may affect each company's strategy and support

corporate management for strengthening the risk management culture. Their responsibility includes implementation of the methodology at a strategic, tactic and operative level.

Process Owners (Managers/Directors): They are responsible for the application of comprehensive risk management in processes under their responsibility, according to the policies and methodologies defined for this purpose. They must particularly identify, measure, manage, and monitor risks of their processes, as well as report any changes in risk conditions, materialized events, and the progress of defined action plans.

Risk Managers: They are employees appointed in each are to facilitate implementation of the CRMS. They are responsible for keeping up-to-date of the processes under their responsibility, to build and update risk maps and controls, and to provide support in the required training and dissemination of culture. They must also report to area supervisors and risk areas on the CRMS performance.

All employees: They apply the comprehensive risk management in their processes according to the policies and methodologies defined. They must particularly alert on possible risks that may affect the normal course of work and report any risk events that have materialized.

Internal Audit Areas: They evaluate the effectiveness and efficacy of the CRMS, provide recommendations for improvement, follow up the effectiveness of actions adopted to manage risks and evaluate functioning of key controls. In addition, they contribute to the identification of new risks during the development of audit activities.

Compliance Areas: They lead the implementation of activities for the prevention and detection of risks of fraud, corruption, asset laundering, and terrorism financing. In addition, they monitor the effective management of compliance risks that may affect each company and support corporate management for strengthening the ethics and transparency.

3.2.   Representations:

Odinsa and its affiliates undertake to:

- Incorporate comprehensive risk management in all processes of the organization.

- Adopt a methodology for the identification, measurement, treatment and monitoring of risks, following the guidelines on best practices set forth.

- Identify the relevant strategic, financial, operative, reputational and compliance risks, attending to their possible impact on objectives, corporate governance, sustainability, and continuity of operations.

- Build risk matrixes for strategic objectives, facilities, relevant projects, processes and activities, which subsequently allow for consolidation thereof in the corporate risk map.

- Update, at least once a year, the risk matrixes, taking account of the different risk sources, their events, causes and any enhancing situations.

- Monitor in each Audit, Finance and Risk Committee the status of the most important risks of the organization, as well as the mitigation plants and significant materialized events.
- Analyze periodically the internal and external environment that allows to identify inducers and trends that may enhance risk materialization.
- Measure and control risks identified according to the methodology defined, such that it allows for the consolidation of results and subsequent monitoring.
- Review assessment scales defined at least every two years, based on events occurred and each company's projections that may affect the risk tolerance.
- Monitor the evolution of risks identified in the company and the progress of action plans implemented for risk mitigation.
- Define clear reporting schemes for the boards of directors and the senior management about the risk management performance.
- Validate continuously the suitability and efficacy of the CRMS performance, based on the applicable best practices.
- Promote a culture of risk management in order to raise self-control awareness and responsibility before the risk.
- Ensure independence of the area responsible for managing the CRMS of business areas that generate and manage risks.
- Provide resources required by the CRMS to achieve proper implementation and optimal functioning at each company.
- Implement information systems that allow for evaluation and periodic and transparent communication of follow-up results to the risk management.
- Analyze risks associated with projects, merger and takeover processes, and new products prior to operations, evaluating the impact on the company, in both separate and consolidated ways.
- Implement business continuity plans to mitigate the impact of risk materialization, taking account of the approved risk appetite.

4. SCOPE

This policy applies to Odinsa and all related companies.

5. INTERESTED PUBLIC

The following are persons directly involved, whom activities necessary to achieve the policy should be established with:

Boards of Directors of companies

Audit, Finance and Risk Committees of companies
Odinsa President
Affiliates' responsible persons
Risks Areas
Risk Managers
Internal Audit Areas
Compliance Areas
All employees

6. PERSONS RESPONSIBLE FOR CONTROL AND APPROVAL

The Audit, Finance and Risk Committee of each company is responsible for monitoring compliance with the Risk Management Policy and ensuring its approval by the Board of Directors of each organization.

7. VERSION AND UPDATES

Considering that this Policy has special impact on third parties and shareholders, it should be published on the website upon approval by the Board of Directors. Any modification made to this Policy should have the same level of disclosure.