

# **Regulations of the Board of Directors of Corporación Aceros Arequipa S.A.**

## **1. INTRODUCTION**

This document regulates the functioning of the Board of Directors of Corporación Aceros Arequipa S.A. (hereinafter, "the Company"), in accordance with its Bylaws and the Business Corporations Act.

These Regulations define the framework of operations of the Company's Board of Directors as a collegiate body and the behavior of each of its members.

## **2. PREMISES AND STATEMENT OF PRINCIPLES**

### **2.1 General Premises**

- i. The Directors represent the Company's shareholders and must perform the duties of their position honestly, transparently, and in defense of the Company's assets. They shall ethically seek benefits, sustained increase of the economic and asset value, and reduction of business risks.
- ii. Conflicts of interest that may hamper the Directors' decision-making or analysis, or potentially partialize them, whether voluntarily or involuntarily, shall be avoided at all times. Any Director who may have a conflict of interest regarding any matter subject to discussion shall immediately inform the Board of Directors of said conflict and abstain from participating in said matter, at their own responsibility. If necessary, the Board of Directors may ask the Director to leave the room when discussing or voting on a matter concerning him or her which clearly constitutes a conflict of interest. The Board of Directors will be responsible for monitoring all possible interest conflicts among Directors. In the case of a notable important or complex operation, the Board of Directors may consider summoning independent external advisors to assess it.
- iii. The Board of Directors as a whole, as a collegiate body, and each member thereof, independently, shall comply with its duties based on the following basic principles:

#### **A. Objectivity, Individual Responsibility, and Respect**

#### **B. Loyalty, Discretion, and Confidentiality**

#### **C. Information Transparency**

- The Board of Directors as a whole, and each of its members, has the right to receive clear and properly explained information at the level of detail necessary to facilitate analysis, discussions, reviews, and decision-making.

## **D. Ethics**

- The Board of Directors, through the Audit and Risks Committee, is responsible for approving and overseeing compliance with the Company's Code of Ethics, by which all Directors, Managers, and all Company personnel shall be strictly bounded to.

## **3. MISSION OF THE BOARD OF DIRECTORS**

The mission of the Board of Directors is to promote the development and healthy growth of the Company on a sustained and consistent basis as a means for achieving increased value for all its shareholders, contributing to the wellbeing of its personnel, community, and the country.

## **4. STRUCTURE OF THE BOARD OF DIRECTORS**

The Board of Directors shall recommend to the General Shareholders' Meeting a structure that consists of a combination of Non-Independent and Independent Directors.

None of the Company's executives may be a Director, with the sole exception of the Executive Chairperson.

### **4.1 Summons, Election, and Appointment of Directors**

The Appointments, Compensations, and Human Resources Committee is responsible for recommending to the Board of Directors the candidate(s) that it will propose to the General Shareholders' Meeting, without prejudice to the right of the Board of Directors to fill any vacancies that may occur.

Persons proposed to be appointed as Directors shall meet the requirements set forth in the legal provisions in force and in the Company's Bylaws. These persons shall also have different areas of specialization and skills to ensure a plurality of approaches and opinions.

All appointed Directors shall sign a statement indicating that they do not have any of the impediments set forth in the aforementioned provisions, which shall be submitted to the Company's Board of Directors for future reference.

Directors shall be considered "Independent Directors" if they meet the following conditions:

#### **4.1.1. Professional experience, moral and economic solvency**

The professional experience, moral and economic solvency a Director shall have to be considered as an Independent Director must follow these minimum parameters:

- 4.1.1.1.** Professional experience evinced in his or her résumé. Professional experience required from a Director is as follows:

- Complete university studies
- Ideally, specialization and/or postgraduate studies
- A minimum of 5 years of professional experience in managerial and/or executive positions at relevant local and/or foreign companies

**4.1.1.2.** Prestige and moral solvency. Moral solvency refers to a career path of complying with ethical principles and best commercial and corporate practices, such as:

- a) Not having any final sanction at the administrative office of the SMV (Superintendency of the Securities Market) or SBS (Superintendency of Banking and Insurance), or from foreign equivalent institutions, that: i) are severe infractions that took place during the last ten (10) years, counted as from when the sanction became final; or ii) very severe infractions.
- b) Not having any final sanction imposed by a national or foreign judicial authority in connection with willful crime(s).
- c) Not being in the OFAC list, issued by the Office of Foreign Assets Control, or in any similar list whether local or foreign, which includes countries, personas, and/or entities that contribute to terrorism and illegal drug trafficking.

**4.1.1.3.** Economic solvency. For this purpose, those who have economic solvency shall not have:

- i. Overdue debts for over one hundred and twenty (120) calendar days, or at judicial collection, in both cases, of over two (2) UIT (Tax Units).
- ii. Over fifty percent (50%) of their debts with doubtful, loss, or an equivalent classification, in any company of the financial system or in a domestic or foreign risk central.
- iii. Over fifty percent (50%) of their assets affected by precautionary measures derived from legal or administrative processes.

The aforementioned criteria shall be applied with no prejudice from the objective parameters established by Section 161 of the Business Corporations Act.

Notwithstanding the foregoing, if the Company learns that one Independent Director has lost their independent condition, such information must be registered in its webpage and informed as a relevant fact to the Superintendency of the Securities Market (SMV for its acronym in Spanish).

#### **4.1.2. To have no links with the Company, its shareholders, and Directors**

To consider an Independent Director has no links with the Company, the following must be met:

**4.1.2.1. They must not hold over one percent (1%) of the shareholder equity of the Company. They must not have voting rights on such percentage or any agreement(s) that allow the acquisition of shares of the Company in**

**such percentage.**

This rule must be extensive to the case of usufruct contracts, real estate guarantee, or any other that provides them with the voting right for over one percent (1%) shares of the shareholder equity (including agreements with the Company or with shareholders).

Furthermore, it is established that the signature of an option contract, or of any other that allows a person to be appointed as an Independent Director, acquire over one percent (1%) of shares of the shareholder equity, would imply a link and, therefore, had said contract been entered into, the person may not be appointed as an Independent Director. It is important to highlight that, for this purpose, the date of option execution is irrelevant.

**4.1.2.2. They must not be Director, part of the Senior Management or team member of the Company or any company from its same economic group, or of a company that holds five percent (5%) or more shares of the shareholder equity of the Company.**

For the purpose of these Regulations, Senior Management is considered as first line managers.<sup>1</sup>

Said restriction is not applicable if the Independent Director is reelected in the same Company or appointed as Independent Director in other company of the same economic group.

**4.1.2.3. They must not have been Director, part of the Senior Management, or team member of the Company or any company from its same economic group, or of a company that holds five percent (5%) or more shares of the shareholder equity of the Company, unless three (3) years had gone by since the end of such relation.**

Said restriction is not applicable if the Director has had the independent condition in the last three (3) years.

**4.1.2.4. They must not have or have had a significant commercial or contractual business relation, direct or indirect, with the Company or any other company from its same economic group, during the last three (3) years.**

For such purpose, the following must be considered:

- The commercial or contractual business relation comprises provision and consultancy, among others, when the counterpart of the Company is a natural person, legal person, or it is carried out through an associative contract.
- A direct commercial or contractual business relation is significant when payment receipts are issued, or payments have been made for over one percent (1%) of the annual income of the Company, or for over five percent (5%) of the annual

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<sup>1</sup> The CEO and all managers who lead corporate business and support areas, and report to the General Management.

income of the Independent Director.

- An indirect commercial or contractual business relation is when the Independent Director is in turn shareholder of over five percent (5%) shares, Director, member of the Senior Management, or partner of a legal person with whom the Company or any company from its economic group has or has had a significant commercial or contractual relation. In such assumption, it would be significant if any of the parts had issued payment receipts or payments had been made for over (1%) of their annual income.

**4.1.2.5. They must not be married, in a domestic partnership, in an analogous affective relationship, or be related by kinship or by affinity up to second degree, with shareholders who hold five percent (5%) or more shares of the shareholder equity, or members of the Board of Directors or from the Senior Management of the Company.**

On that regard, the following criteria must be considered:

- i. The definition of “domestic partnership” is the one set forth in the Peruvian Civil Code.
- ii. An analogous affective relationship is defined as a relationship similar or equivalent to a domestic partnership.
- iii. Kinship comprises relatives up to second degree; therefore, in addition to those linked by kinship (parents, grandparents, siblings, children, and grandchildren), those linked by affinity up to second degree are included as well (parents, grandparents, siblings, children, and grandchildren of the spouse).

Additionally, any analogous affective relationship will be defined by the aforementioned criteria.

**4.1.2.6. They must not be Director or member of the Senior Management of other Company where a Director or member of the Senior Management of the Company is part of the Board of Directors, unless they are an Independent Director of the Company.**

The Company may inquire into the information provided by the Director as needed in order to determine if they belong to the same board of directors as a Director or member of the Senior Management of the Company.

**4.1.2.7. They must not be or have been, during the last three (3) years, partner or team member of the company that renders external audit services to the Company, or to any other company of its economic group.**

**4.1.3. Not being an Independent Director simultaneously in more than five (5) companies that have at least one security registered in the Public Registry of the Securities Market (RPMV for its acronym in Spanish).**

The maximum number of Board of Directors in which they could participate as independent in companies that have at least one security registered in the RPMV

must not exceed five (5), unless said companies are part of the same economic group. On that regard, such maximum number includes the Company.

Notwithstanding the foregoing, if, for example, an Independent Director has said condition in four companies with securities registered at the RPMV from the same economic group, but additionally is Independent Director in another company that does not belong to said economic group, they have reached the maximum allowed limit. And, if they are appointed as Independent Director in another company with securities registered at the RPMV, they would mandatorily lose the condition of Independent Director and may not be appointed as Independent Director by companies that have to disclose information under SMV dispositions.

Participation as director in companies that do not have securities registered at the RPMV is not limited; therefore, if a person is appointed as Director (independent or not) in five (5) companies that do not have securities registered at the RPMV, they will not have legal inconvenient to qualify as independent in a company with securities registered at the RPMV. Notwithstanding the foregoing, the Company may assess if the Director appointed in the Company has enough time to dedicate to the Company.

**4.1.4. Not having been an Independent Director of the Company or of any company from its economic group for more than ten (10) continuous or alternate years during the last fifteen (15) years.**

This count is applicable per company, except for companies that are part of the same economic group. In such case, the period is counted by adding the time as a Director in any of the companies of the same economic group. On that regard, for instance, if a person is appointed as an Independent Director in two (2) companies of the same economic group during different periods, said periods will be added to calculate the ten (10) years. On the other hand, if the person is simultaneously an Independent Director in two (2) Board of Directors of companies that belong to the same economic group and has been appointed in one for three (3) years, and for four (4) in the other, for the purpose of counting the ten (10) years, said person has a total of four (4) years as an Independent Director. The periods in each company are not added; only the greatest period is considered. Therefore, in this last assumption, the Independent Director may only qualify as such in companies that belong to the same economic group only for six (6) more years.

If there was a period longer than ten (10) years in companies of the same group, the person will not qualify as Independent Director in any of the companies of the economic group.

Additionally, the Independent Director must undersign an affidavit stating that they will comply with criteria set forth in these Regulations of the Board of Directors to be considered as independent. Notwithstanding the foregoing, if needed, the Company may request additional information or research about the compliance with such criteria in public information resources. Directors appointed as independent must undersign the aforementioned affidavit before accepting their position.

Likewise, at least once a year, Directors appointed as independent shall undersign an annual affidavit to verify that independence criteria are still being met. This shall be informed to the Board of Directors.

#### **4.2 Incorporation of Directors**

- Directors shall be incorporated during Board of Directors renewal periods or, in the absence thereof, at the end of each fiscal year.
- Prior to their incorporation into and participation in Board of Directors' Meetings, each Director shall receive an induction, a copy of the Company's Policies, the Regulations of the Company's Board of Directors, the General Shareholders' Meeting Regulations, and the Code of Ethics.
- The signed reception of said documents indicates conformity and commitment to comply with the policies, practices, duties, roles, responsibilities, and other norms described in said documents, which shall govern their actions as members of the Board of Directors from that date forward.
- In accordance with the provisions of Section 152-A of the Business Corporations Act, whoever is elected Director shall expressly accept the position in writing and legalize their signature before a notary public.

#### **4.3 Termination of Directors**

- Directors shall remain in their position during the period established in the bylaws, except in cases of vacancy.
- Likewise, Directors shall place their position at the disposal of the Company's Board of Directors and accept the Board's decision regarding their continuation. In the latter case, Directors are obligated to formally resign in the following cases:
  - a. When they incur in any of the cases of incompatibility or prohibition set forth in the laws in force, the Bylaws, or these Regulations.
  - b. In case of significant changes in the professional situation or character by virtue of which they were appointed to the position.
  - c. In case of serious breach of their obligations in the performance of their duties as Director.
  - d. When, due to acts imputable to the Director in their capacity as such, serious harm is caused to the Company's assets or reputation, or they lose the sound business and professional standing necessary to act as a Director of the Company.

In case of termination due to separation or grounds rendering them ineligible to act as Director, they shall be automatically prevented, without the need for any prior

declaration, from receiving the compensation established in Section 49 of the Bylaws.

In the event of resignation or death of a Director, they will cease to be Director as from the communication of the event to the Company. They, or their heirs, will receive compensations established in Section 49° of the Bylaws. Compensations shall be calculated for such purpose until the session prior to said communication.

If a Director passed away during his period in the Board, the compensation will be paid to their legally accredited heirs. Said compensation shall be calculated based on the time that the Director performed his duty during the year of his passing, and when such benefit is required by all directors.

#### **4.4 Succession of Directors**

The Board of Directors shall establish succession plans, as necessary, the implementation of which shall be entrusted to the Appointments, Compensation, and Human Resources Committee.

### **5. DUTIES OF THE BOARD OF DIRECTORS**

#### **5.1 Specific Duties of the Board of Directors within its Main Roles**

The Board of Directors shall have the following specific duties:

##### **i. Strategic Management and Value Creation Duties**

- Assess the strategical plans and objectives of the Company presented by the management and senior management, request changes to said plans and approve them, as the case may be.
- Make specific policy recommendations and ensure the necessary support for the implementation of the senior management's decisions.
- Carry out duties independently from the management, with clear, objective, well-founded judgment and a shared vision that is consistent with the Company's objectives and strategic guidelines approved by the Board.
- Use the bodies and Committees established to back up their decisions, judgment, and management.
- Propose, select, and control honest external advisors in the event that the Board of Directors needed specialized advisory. This selection may be delegated to the CEO.

##### **ii. Monitoring and Control Duties**

- Establish the monitoring and control policies, norms, and procedures for the execution of strategies.
- Supported by the Management, monitor compliance with tax, labor, and other regulations applicable to the Company, as well as the possible occurrence of contingencies.
- Monitor the performance of those companies in which the Company holds a stake and elect the Directors that will represent it in said companies.



### **iii. Service Duties**

- Allow the necessary time to fully assume their duties, both within the Board of Directors and the Committees that may be established.
- Ensure the maintenance of a balance among the Directors that enables an orderly, respectful, and objective plurality and discrepancy of opinions that add value and contribute to the Company's growth.
- Interpret and specify, as the case may be, the dispositions and terms of these Regulations.

### **iv. Compliance Duties**

- Strictly comply with the attributes established by the Business Corporations Act, the Company's Bylaws, and these Regulations.
- Comply with all capital market regulations applicable.
- Maintain and respect the proper communication channels to provide or obtain relevant information on the Board of Directors' management.
- Ensure that the Company operates responsibly, efficiently, and effectively.
- Define social responsibility policies.
- Review and approve the Compliance Report of Good Corporate Governance Code for Peruvian companies that is presented along with the annual report of the Company.

## **5.2 Board of Directors' Compensation**

The Directors' compensation shall be governed by the provisions of Section 49° of the Company's Bylaws and approved by the General Shareholders' Meeting.

The following rules shall be used to calculate the compensation that each Director is entitled to receive:

- Directors are expected to attend Board of Directors' Meetings in person or virtually, but not through a proxy.
- Attendance of meetings via a proxy shall be considered valid, on an exceptional basis, only if the previously established meeting dates are changed and the Director cannot attend for duly justified reasons, at the criteria of the Board of Directors.
- Attendance to ordinary or extraordinary meetings called with due notice via the electronic means available at the meeting location shall also be considered valid when the Board of Directors deems, by majority vote, that the particular reasons or circumstances so warrant it.
- The Directors may receive a monthly advance, to be charged to the compensation that they are entitled to receive annually. The amount and the frequency of the advance shall be determined by the Board of Directors. The total received in advance during the fiscal year shall be deducted from the total compensation to be received by the Directors in accordance with Section 49° of the Bylaws.

## **6. OPERATIONAL PRACTICES AND STANDARDS OF THE BOARD OF DIRECTORS**

The Board of Directors shall be governed by the following operational practices and standards:

### **6.1 Best Practice and Operation**

The following are defined as good practice for the functioning of the Board of Directors:

- Analysis, approval, and monitoring of the Corporate Strategy.
- Evaluation of the CEO performance and their compensation, with the prior opinion of the Appointments, Compensation, and Human Resources Committee.
- Supervision of the development of the managerial levels of the Company and their succession plans, with the prior opinion of the Appointments, Compensation, and Human Resources Committee.
- Evaluation of its own activities as Board of Directors.
- Evaluation of their own performance as Directors.

### **6.2 Prior Information and Documents**

Three or more business days before each Board of Directors' Meetings, the CEO shall provide the Directors with all the necessary information that will be subject to discussion in the agenda.

## **7. FUNCTIONING OF THE BOARD OF DIRECTORS' MEETINGS**

### **7.1 Meeting Participants**

The Board of Directors has two types of participants in the meetings: 1) Directors; and 2) Participants.

Participants in the Board of Directors refers to those persons other than the Directors who are explicitly called on to take part, or in the absence of such call, are approved by the Board of Directors for participation in the respective Meetings.

Permanent participants in the Board of Directors Meeting include:

- The Company's CEO
- The Board of Directors' Secretary

The following may be considered non-permanent participants, provided one or more members of the Board of Directors or the CEO so requests:

- External Advisors
- Area Managers
- Supervisors

## **7.2 Duties of Board Members**

As established in the Business Corporations Act and the Corporate Bylaws.

### **A. Chairperson**

1. Responsible for coordinating, defining, and proposing the annual, monthly, and quarterly agenda to be addressed in the Board of Directors' Meetings, which shall be done along with the CEO, and shall then be notified to the Directors for their comments and approval.
2. Promote the active participation of all Directors.
3. Formally notify the Board of Directors' decisions to the CEO in those cases in which the CEO does not participate.
4. Act as moderator in decisions subject to a vote.
5. Notify shareholders, regulatory agencies, and interested third parties of any relevant events.
6. Propose a methodology to the Directors for the joint self-evaluation of the Board of Directors' performance and organize the performance of this evaluation on an annual basis.

### **B. Executive Chairperson**

As established in the Corporate Bylaws and those indicated below, in addition to Chairperson duties:

The executive Chairperson shall perform executive duties in the Company either independently or jointly with the CEO.

### **C. Vice Chairperson**

1. Coordinate the activities of the Committees appointed by the Board of Directors, support their adequate functioning, and ensure reports on the Committees' activities are presented to the Board of Directors.
2. May be entrusted with or delegated duties that the Chairperson proposes to the Board of Directors and which the Board approves.

### **D. Director**

1. Perform the responsibilities specifically defined for them as members of the Board of Directors and, where applicable, the Committees on which they may serve.
2. Be willing to form part of the Board of Directors' Committees to which they may be nominated.
3. Attend all meetings called and avoid partial attendance, except in cases of force majeure that are formally notified in advance.

4. Avoid conflicts of roles and duties with the CEO or any management executive of the Company.
5. Maintain impeccable personal, corporate, and business conduct.
6. Actively participate in strategic decision-making in a permanent effort to improve the Company's performance.
7. Define the major objectives to be met by the CEO.
8. Responsible for the discussion, approval, follow-up, and oversight of strategies, business plans, and budgets.
9. Responsible for the permanent evaluation and approval of the CEO's performance, and for providing the corresponding feedback.
10. Continuously analyze the market situation as it may pertain to the Company's business.
11. Responsible for applying best management and Good Corporate Governance practices within the Board of Directors.
12. Review and approve the CEO's performance evaluation that has been conducted and submitted by the Chairperson of the Board, with the prior opinion of the Appointments, Compensation, and Human Resources Committee, tasking said Committee with providing the feedback on the results to the CEO.

#### **E. CEO**

1. Together with the Executive Chairperson of the Board of Directors, define the timeline for the strategic planning, plan, and budget of the Company.
2. Together with the management team, prepare the biannual business plan, annual operating plan, and budget.
3. Take full responsibility for the management and administration of the business, the implementation of the defined and approved strategy, and the achievement of the objectives and goals set by the Board.
4. Submit the results of the Company's management and implement the defined and approved strategies and plans.
5. Implement the orders of the Board of Directors.
6. Provide complete and timely information to the Board of Directors and the Shareholders' Meeting, as applicable.
7. Assume full responsibility for the content of the information submitted to the Directors.
8. Advisory member for decision-making by the Board of Directors.
9. Upon request of the Board of Directors and for its decision-making, select, chose, and hire honest specialized external advisors when needed.

Regarding the duties, powers, and responsibilities of the CEO, the following shall be considered:

- i. The CEO shall provide the Board of Directors with clear and properly explained information at the level of detail necessary to facilitate analysis, discussions, review, and decision-making.
- ii. They shall have sufficient autonomy to properly perform their duties in accordance with the guidelines established by the Board of Directors.
- iii. They must act according to the same principles of diligence, loyalty, and discretion as

- the Board of Directors.
- iv. They must respect the powers and roles of the positions who report to them, so as to avoid the concentration of power or any attempts to avoid accountability among subordinates, as applicable.
  - v. They shall receive part of their compensation based on the objectives defined for their position, compliance therewith and the achievement of their goals, and the evolution of the short, medium, and long-term operating results.

#### **F. Secretary of the Board of Directors**

1. Support the Chairperson of the Board in keeping track of the agenda.
2. Prepare and draft the Board Meeting minutes.
3. Coordinate the signing and recording of the minutes.

#### **G. External Advisors**

1. Counsel the Board of Directors on any required technical aspects.
2. Prepare the materials necessary to support their opinion, their concepts and recommendations with the means required.

#### **H. External Auditors**

1. Present and support to the Board of Directors and/or Audit and Risks Committee the detailed plans and the timeline for the performance of the audit.
2. Present and support their audit report to the Board of Directors.
3. Explain to the Board of Directors the analysis of the Company's financial statements and its general position.

#### **I. Company Executives**

Help guide the decisions of the Board of Directors in managing the business as it pertains to specific aspects within their area of responsibility.

#### **J. Board of Directors' Committees**

1. The Committees are support bodies to the Board of Directors who have a specific role focused on key areas or issues that are strategic in guaranteeing value creation and optimizing the duties of the Board of Directors, in both its strategic role and its role as an oversight or service body.
2. Committees are formed at the suggestion of the Chairperson of the Board or of one or more Directors. Their objectives and operating standards shall be discussed and defined by the Board of Directors itself, and their functioning shall be renewed annually, as necessary.
3. The Board of Directors shall establish the need to appoint the Committees they deem relevant for the best possible performance of the Company. Each Committee shall have an Operating Manual that will establish the duties and scope necessary to carry out its tasks, such that they can do their work within the assigned areas of responsibility. This Manual shall be proposed by each Committee for the approval of the Board of Directors.

4. The duration of the Board of Directors' Committees shall be three (3) years and shall be renewed during each election years of the Board of Directors.

### **7.3 Board of Directors' Meetings**

Ordinary meetings: Monthly meetings with predefined dates and orders of the day. The agendas of the ordinary meetings shall have a standard structure based on the corresponding period, as defined in Section 8.1 of these Regulations.

Extraordinary meetings: Meetings called to address specific matters that, due to their nature, require additional analysis and discussion focused on the particular topic.

The following are considerations and operating guidelines for the Company's Board of Directors' Meetings:

- The Directors must attend all Board of Directors' Meetings in person.
- The CEO shall participate in the Board of Directors' Meetings as the person responsible for and representative of the management and administration, and thus for the presentation of the Company's results, so as to analyze the business's evolution, the achievement of its objectives, and to set forth strategic matters, and in general, present those topics that are required as part of the agenda, further acting as a consulting participant on decisions and providing support for positions during deliberations. If, for any reason, the CEO is not present, or if this position is vacant for any reason, this responsibility shall be assumed by the Chairperson of the Board.
- The CEO shall be responsible for monitoring and keeping track of compliance with the contents of the minutes and releases of the Board of Directors. In the absence thereof, this responsibility shall fall on the Chairperson of the Board.
- The topics to be addressed in the Board of Directors' Meetings shall always be included in the corresponding agendas and shall correspond to the roles, responsibilities, and duties assigned to the Board of Directors and described in these Regulations.
- Additional points not provided for in the agenda may be included if approved unanimously by the Directors.
- Decisions shall be made by absolute majority of votes of the participating Directors, although aiming for a consensus after the analyses and debates necessary to make an informed decision. It is the responsibility of the Chairperson of the Board to put a matter up for vote if no consensus is reached.
- The Board of Directors is jointly responsible for the resolutions it reaches that may be related to interested third parties or that may harm third parties, and it shall be subject to the responsibilities established by law and the Bylaws, except in the event that any particular Director has cast a dissenting vote. The resolution of the Board of Directors is unitary, and all Directors are bound to accept it, even if they have voted against it. The Board of Directors is a collegial body, and its decisions are made either unanimously or by majority vote.
- The Directors are obligated to make sure their participation is held within the appropriate standards of respect and cordiality toward the other Directors or participants present at the meeting. The Chairperson of the Board shall have the

power to demand any Director found in violation of such standards to respect them and to take back any statements that may be deemed disrespectful by any of those in attendance at the meeting. Said offense shall be placed on record in the minutes and any statements considered to be offensive shall be removed therefrom with majority approval.

#### **7.4 Frequency and Duration of the Board of Directors' Meetings**

- The frequency of the meetings may be revised, confirmed, or redefined annually by the Board of Directors itself.
- The Board of Directors shall also meet on other occasions, whenever necessary for the Company, or it may hold special meetings for specific matters.
- Strategic meeting: In addition to the monthly meetings, a Board of Directors' Meeting shall be held annually with the only point in the agenda being a complete review of the execution of the strategy, its validation, and analysis for confirmation or adjustments. In this meeting, the Chairperson of the Board and the CEO shall lead the presentation of the Strategy so that it may be supported together with the management team that will present the updated Strategic Plan, including the results of its execution and the corporate or functional strategic plans for the medium and long term.
- The 14 annual budget approval and monitoring meetings shall also be considered strategical.
- Ordinary Board of Directors' meetings shall be of the appropriate length to properly address the matter(s) that must be discussed.
- Ordinary meetings shall preferably be no more than four (4) hours long.
- The length of the meetings may exceed the recommended maximum if the particular situation so requires, at the criteria of the Board of Directors itself.
- The Board of Directors may decide, if it deems it necessary, to suspend the meeting to be continued at another time.
- The length of the annual strategic meeting shall be that deemed necessary by the Chairperson and the CEO and shall be informed in advance to the members of the Board of Directors in the call to meeting.
- There may be a continuation of a meeting if the Board of Directors agrees to do so, in the event that the matter to be addressed is urgent, which shall not require a new call to meeting if so decided by the Board of Directors, seeking to make sure the meetings begin and end, if possible, with the same number of Directors in attendance.

### **8. AGENDA OF THE BOARD OF DIRECTORS' MEETING**

The Agenda of the Board of Directors' Meeting is the basic tool for the management of the Board of Directors' Meetings and shall meet the requirements set by the Business Corporations Act and the Bylaws.

#### **8.1 Focus and Differentiated Objectives for the Agenda**

The categories of topics to be covered shall be included in the agendas of the Board of Directors' Meetings, which shall be differentiated in terms of their central objective and their approach based on the following criteria:

i. Ordinary Agenda:

- Tracking of economic and financial results and monitoring of the budget.
- Monitoring and tracking of market performance.
- Monitoring and tracking of logistics operations, production, and costs.
- Situation of strategic projects.
- The meetings held in July, October, and March shall address the distribution of dividends, in accordance with the approved policy.
- The agenda for the October meeting shall include the definition of the parameters or premises for the preparation of the plans and budget for the following year.
- The agenda for the November meeting shall include the presentation of the budget for the following fiscal year for its review.
- The agenda for the December meeting shall include the presentation and approval of the final review of the budget for the following fiscal year.
- The agenda for the February meeting shall include the review, analysis, and discussion of the results of the collective self-evaluation of the Board of Directors.

In the ordinary meetings held in April, July, October, and January (for budget monitoring and tracking) the following aspects shall also be included:

- Budget monitoring and tracking.
- Results forecast for the current and the upcoming fiscal year.

In the ordinary meetings held in June and December, the following aspect shall also be included:

Risk and contingency control.

ii. Extraordinary agenda

iii. Annual meeting agenda: In December, in addition to the ordinary meeting, the following meeting shall be held:

- Strategic and Budget: Review of the strategy and definition of strategic and budget related topics for the next year's agenda.

## **9. EVALUATION OF THE BOARD OF DIRECTORS**

The Board of Directors, on a collective basis, shall perform an annual evaluation of its own performance to identify possible improvements and corrective measures, as necessary.



i. Joint self-evaluation surveys:

See Form 1: Board of Directors' Self-Evaluation.

At the end of each fiscal year, during the last Board of Director's meeting, the Chairperson shall send to the Board members the group evaluation form. After being filled by each Director, this form will be analyzed and consolidated to issue a report summarizing the main findings and opportunities for improvement. This report shall be delivered to each one of the Directors.

All the information and responses provided in the evaluation forms completed by the Directors shall be treated as confidential and for restricted use, and shall be utilized in its consolidated, as opposed to individual, form.

ii. Board of Directors' meeting for review of the joint evaluation and feedback report:

In the Board of Directors' Meeting held in January of each year, the agenda shall include the review, analysis, and discussion of the results of the Board of Directors' group self-evaluation for the previous year, defining any initiatives for improvement, where necessary.

iii. Alternatively, every two years or whenever necessary, the Board of Directors may carry out an external evaluation on group performance and quality of the information received by the Board of Directors, along with specialized advisors. For such purpose, the Board of Directors shall establish and approve standards and an adequate process to perform said evaluations, considering suggestions from Directors and best market practices and standards.

## **10. DUTIES AND RESPONSIBILITIES OF THE REGULAR COMMITTEES**

The Board of Directors has two committees: the Audit and Risks Committee and the Appointments, Compensation, and Human Resources Committee. The Board of Directors appoints the members of the Committees and ensures that they are chaired by Independent Directors.

The Operating Manuals of each Committee shall be submitted for the approval of the Board of Directors and shall be reviewed whenever the Board deems it necessary.

The Board of Directors may appoint and form any Committees it deems necessary for the proper functioning of the Company.

### **10.1 Audit and Risks Committee:**

The Audit and Risks Committee, hereinafter referred to as the "Committee," is created by

the Board of Directors for the purpose of fostering the adequate oversight of the Company's management and risks, and to establish and maintain the environment and conditions necessary for such purpose.

### **10.2 Appointments, Compensation, and Human Resources Committee:**

The main duty of the Appointments, Compensation, and Human Resources Committee consists of supporting and advising the CEO on the adoption of the general human resources policies necessary to achieve the organization's growth and development and to define management evaluation and compensation policies and systems based on the recommendations of the CEO.

### **10.3 Organization and Functioning of the Board of Directors' Committees:**

- The Committees will meet with the frequency defined specifically for each one of them.
- Each Committee will appoint a Director to chair it. This Director shall be responsible for issuing calls to meetings and agendas.
- Once the Committee meetings end, minutes shall be drawn up and submitted for the Secretary of the Board of Directors to file it.
- The Committee Chairperson shall present a brief summary of important events and the activities of the Committee in the following ordinary Board of Directors' Meeting as part of that meeting's agenda.

## **11. SUPPLEMENTARY PROVISIONS**

Board of Directors' proposals regarding any corporate transactions that may affect shareholders' right of non-dilution (e.g., mergers, spinoffs, capital increases, etc.) shall be previously explained by this body in a detailed report with the independent opinion of an external advisor with a proven track record appointed by the Board of Directors itself.

This detailed report may be made available to the shareholders, at the criteria of the Board of Directors.

All members of the Board of Directors must sign the proof of receipt of these Regulations once they have been approved by the Board of Directors.

Magdalena del Mar, June 2022