

Internal regulations of the board of directors of UNACEM
Approved at a board meeting on the 24th February 2021

Introduction

The board of directors is the company's highest administrative instance, it is elected by the general meeting of shareholders and is made up of people with different skills and specialties, who enjoy prestige, probity, economic independence, availability and other personal and professional qualities that are relevant to the company.

The board of directors is responsible for managing and representing the company. It must carry out its duties and responsibilities within the provisions of the Act, the by-laws and agreements adopted by general meetings of shareholders.

These regulations govern the organization and functioning of the board of directors and are binding upon all of its members; non-compliance entails contraventional liability. The regulations may be modified by the directors if an absolute majority of its members vote in favor; this majority must necessarily include the chairman and vice chairman.

I. Board of directors

1.1. Functions

The board of directors as a managing entity shall act with unity of purpose and the directors shall perform their duties using independent judgment.

The board of directors shall approve and direct the corporate strategy of the company, its business units and subsidiaries in Peru and abroad. It shall establish objectives, goals and plans of action, including strategic planning, annual budgets and business plans and control and supervise the management; it shall be responsible for the administration of the company, oversee good corporate governance and establish the means for the latter to be implemented.

The board of directors represents, directs, supervises and evaluates the company, its business units and subsidiaries in Peru and abroad, and performs such duties as may be necessary to further its business aims. In order to perform these actions, the board of directors delegates the day-to-day management of the company to the executive bodies and management to thus concentrate on its general function of supervision and control.

The board of directors enjoys the following powers, among others:

- a. To call general meetings of shareholders.
- b. To draw up its own regulations.
- c. To approve such regulations as it deems necessary for the proper management of the company.
- d. To define the policy guidelines to which the company must adhere, including those relating to the prevention of corruption and free competition, among others.
- e. To approve the annual budget during the last two months of the previous fiscal year and to modify any budget that has already been approved during the fiscal year if the value of such modification is greater than 15% of the total approved annual budget. The annual budget must include estimated earnings from all concepts, costs and expenditure including all investments, operating and administrative costs, services, donations and contingencies, as well as financial earnings and indebtedness to third parties.
- f. To approve the creation of special committees of directors to analyze matters of particular relevance to the performance of the company, approve their regulations and appoint their members.
- g. To approve the creation of subcommittees of the specialist committees of directors and appoint their members, who may be directors or a combination of directors and managers or third parties.
- h. To approve the annual internal audit plan and order special examinations by the internal auditors at any time.
- i. To appoint and dismiss the general manager and set his goals and objectives and remuneration.
- j. To appoint and dismiss the other managers, officers or senior and highly-paid technicians at the suggestion of the general manager, such staff being those with permanent powers of attorney to represent the company. The board may also propose the appointment and dismissal of the general managers of the company's subsidiaries.
- k. To approve all types of acts or contracts to be entered into by the company in the course of its business, including the acquisition by any means, of moveable property and real estate. To sell, encumber and dispose of the company's moveable property by any method. Except when these acts are reserved expressly by these by-laws for the general meeting of shareholders.
- l. To grant general and/or special powers of attorney to the general manager, other managers and/or third parties to represent the company with general and/or special powers, administrative, employment, contractual and banking powers, among others. it may also limit, reform, modify and revoke such powers of attorney.
- m. To settle disputes or submit them to arbitration.
- n. To submit the annual report or document containing the financial statements for the previous fiscal year to the annual general meeting, with recommendations concerning dividends and to approve the financial statements.
- o. To accept the resignation of its members and declare any incompatibilities and vacancies among the directors.
- p. To grant furlough to its members.

- q. To approve an integral risk management policy, define the corresponding roles, responsibilities and reporting lines and encourage a culture of risk in the company, its business units and subsidiaries in Peru and abroad, assisted by the Audit, Risks and Compliance Committee.
- r. To approve an internal and external control system, supervise its effectiveness and suitability, with the support of the Audit, Risks and Compliance Committee.
- s. To certify annual compliance with the independence criteria of the independent directors.
- t. To certify compliance with the independence criteria by candidates for independent directorships. To approve training in matters of ethics or to delegate such approval to the general manager.
- u. To approve the requirements, reports and documentation to be issued by the specialist committees.
- v. To appoint the internal auditor proposed by the Audit, Risks and Compliance Committee, or to ratify his appointment annually.
- w. To appoint the Compliance Officer.
- x. To supervise the corporate governance practices adopted by the company.
- y. To approve and disseminate the corporate governance standards adopted, based on a report issued by the Audit, Risks and Compliance Committee.
- z. To monitor the efficiency and suitability of the company's internal control system.
- aa. Permanent delegation of certain powers of the board of directors or designation of those who are to exercise them, within the limits established in the company by-laws.
- bb. To exercise the other powers established in the company by-laws and those deriving specifically from these regulations.

1.2. Functions of the chairman of the board of directors

The chairman of the board of directors enjoys the following powers:

- a. To represent the company.
- b. To ensure that decisions made by the general meeting of shareholders and board of directors are implemented.
- c. To call meetings of the board of directors and set the agenda.
- d. To guarantee that the directors are given prompt information about board meetings and any other information that may be required by a director.
- e. To exercise specific functions conferred by the board of directors.
- f. To promote corporate governance practices within the company.
- g. To promote effective and transparent communication with the shareholders.

1.3. Composition and duration of the board of directors

Directors shall serve for two (2) years. The board shall consist of not less than nine (09) nor more than eleven (11) directors chosen by the general meeting of shareholders. At least three (3) of its members must qualify as independent directors under Stock Exchange Regulatory Authority regulations.

No alternate directors shall be chosen.

The directors must comply with the guidelines issued by the company's Ethics and Conduct Committee. The post of director is personal. Directors do not need to be shareholders. Directors must comply with the following requirements:

- a. Posses prestige, probity, financial independence, availability and other personal and professional qualities relevant to the company.
- b. Enjoy full legal capacity.
- c. They must not be bankrupt.
- d. They must not be prohibited because of their position or function.
- e. They must not be officers or employees of public bodies whose duties are directly related to the economic sector in which the company operates, unless they represent a shareholding by the State in such companies.
- f. They must not have lawsuits pending against the company or be subject to legal action initiated by the company;
- g. They must not be prevented from being directors as a result of any precautionary measure issued by the courts and/or an arbitration tribunal.
- h. They must not be involved in any legal proceedings that, in the judgment of the board, could in future jeopardize the company's reputation.
- i. They must not be prevented from being directors for any of the reasons set forth in the Companies Act or that may be established in any special legislation.

The independent directors shall be chosen for their prestige and professional experience.

To be considered an independent director, candidates must meet the independence criteria established by the Stock Exchange Regulatory Authority (SMV). Annex A of these regulations contains the criteria applicable as at the date of approval of these regulations.

The Appointments and Remuneration Committee is the body responsible for verifying compliance with the independence criteria by candidates for independent directorships and must report its findings to the board. The board of directors shall decide whether a candidate should be included in its list of candidates for independent directorships or candidates for dependent directorships.

The Appointments and Remuneration Committee is responsible for periodically verifying compliance with the independence criteria by the independent directors and shall report its findings to the board. If it is found that a person appointed as an independent director is no longer independent, this fact shall be reported to the board in order to decide whether to incorporate a person who does meet the independence criteria.

1.4. Rights and duties of the directors

Directors must carry out their functions in good faith, with diligence and to a high standard of ethics and reserve, always with loyalty and in the interests of the company.

Directors must therefore carry out the following duties:

- i. **Diligence:** Directors must comply with the requirements imposed by legislation and the by-laws and act objectively and impartially in the interests of the company.
- ii. **Loyalty:** Directors must act in good faith in the interests of the company, with the honesty and conscientiousness of an impartial businessman. No director may make investments or other operations for his personal gain or that of persons close to him using the company's assets or knowledge acquired through his position, when such investment or operation should have been offered to the company or the company would have had an interest in it, if the company has not expressly rejected the said investment without being influenced by the interested director.
- iii. **No competition:** Directors must report any shareholding in or business relationship with competing companies, as well as any positions and actions analogous to those of the company, on their own account or on behalf of others; competing companies means all those in sectors in which the company or non-arm's length companies participate.
- iv. **Confidentiality:** Directors shall keep in reserve all confidential information or data learned in the performance of their duties, while they are directors and after they have ceased being so.

v. Prohibition on use of the company's assets: Directors may not use the company's assets for their purposes unless they have been assigned to them as a result of their positions, neither may they use their positions to obtain personal advantage to which they are not entitled, unless they have paid adequate recompense.

vi. Reporting and treatment of conflicts of interest: Directors must any conflict, either direct or indirect, that they may have with the general interests of the company to the board of directors. The board must report in writing from time to time on the existence or otherwise of conflicts of interest arising in the board or the specialist committees. Any director who becomes involved in a conflict of interest shall refrain from participating in debates and votes relating to th at situation.

Furthermore, the full board of directors shall acquaint themselves with any conflicts of interest involving stakeholders reported to them by CODEC. The full board of directors shall also acquaint themselves with any conflicts of interest reported to them by the special committees.

Directors have the following rights:

i. The right to information: Any director may require that information be obtained on matters that are to be discussed, with no exceptions being generally made for reasons of confidentiality; they may also require any information relevant to the proper exercise of the duties of a director. This right shall be limited when the information sought is confidential and divulging it would, in the judgment of the general manager, jeopardize the interests of the company. Without prejudice to the above, the general manager will provide the directors with a file containing all the documentation needed to make informed decisions, at least five (5) calendar days before the date of the corresponding board meeting.

ii. The right to expert advice: The directors may obtain help from the company's internal experts and propose to the board that external advisers should be contracted in relation to any specific, relevant and complex problems that may arise in the performance of their duties. The relevance and/or complexity of the matter shall be agreed by the board in each specific case.

iii. To include subjects on the agenda: To propose such matters as they judge to be in company's interests for discussion and decision.

1.5. Election of directors

The Appointments and Remuneration Committee shall identify, evaluate and propose candidates for directorships to the board. The board of directors shall propose potential candidates for directorships to the shareholders at a general meeting, independently of any candidates the shareholders themselves may have.

The general meeting of shareholders shall elect the directors. Directors are elected by cumulative vote as described in the by-laws and the regulations governing general meetings of shareholders.

The board of directors must be renewed in full at the end of its mandate. If not, the board shall continue to serve until the general meeting elects new directors. Former directors may be re-elected.

1.6. Organization of the board of directors

The board of directors shall consist of a chairman, vice chairman and directors.

The chairman and vice chairman of the board shall be elected by a general meeting of shareholders, but this election may be delegated to the board at its first meeting.

The chairman and/or vice chairman of the board shall represent the company. The appointment of chairman of the board of directors may be revoked by an absolute majority of directors, except when the chairman was appointed by a general meeting of shareholders.

1.7. Vacant directorships

A directorship becomes vacant because of death, resignation, dismissal or because of one of the impediments established in the applicable legislation or these regulations.

If one or more directorships become vacant, the board may chose their replacements to make up the number of directors for the remainder of their period of service.

If so many directorships become vacant that the board cannot meet validly, the remaining directors must convene an immediate meeting of shareholders to elect a new board of directors.

In order to guarantee the functioning of the board and thus minimize the impact of the transition on the company's business, the board should ensure the application of and compliance with the succession policy for the board of directors.

1.8. Dismissal of directors

Directors may be dismissed at any time by agreement of a general meeting of shareholders.

1.9. Directors' responsibilities

The directors must discharge their duties using good business judgment and due loyalty. They shall be jointly and severally liable, without limit, to the company, the shareholders and creditors for damage caused by fraud, abuse of their powers or serious negligence.

The directors are jointly and severally liable in the following cases:

- a. For adopting unlawful agreements.
- b. For failing to adopt the measures necessary to correct irregularities in the management.
- c. For failing to adopt measures to guarantee that internal and external audits are carried out in an opportune manner.
- d. Furthermore, the directors shall be jointly and severally liable without limit with their predecessors for any irregularities committed by the latter if they are aware of such irregularities and failed to inform the shareholders in writing. A director who has participated in a decision or become aware of it and states his disagreement at the time the decision is taken or when he becomes aware of it shall not be liable, provided that he has ensured that his disagreement is included in the minutes or made his disagreement known to the company through a notarized letter.

1.10. Specialist committees

The board of directors may approve the creation of: (1) Special committees of directors to analyze matters of particular relevance to the performance of the company, approve their regulations and appoint their members. and (2) subcommittees of the specialist committees, and may appoint their members, who may be directors or a combination of directors and managers, or even third parties, and may approve their regulations if applicable.

More than half of the members of the Audit, Risks and Compliance Committee and the Ethics and Conduct Committee must be chosen from among the independent directors, one of whom must chair the committees. The other committees must contain at least one independent director.

1.11. Meetings of the board of directors

1.11.1. Types of board meetings

Board meetings may be ordinary or extraordinary and may be universal when all of the directors meet and unanimously agree to hold a formal meeting.

1.11.2. Calling

The chairman -or acting chairman- shall call meetings by some means that enables proof of reception of the notice of calling sent to each director and the general manager at least five days in advance.

The notice of calling shall indicate the place, date and time of the meeting. It shall also state the matters to be discussed and supporting information for the points on the agenda. Without prejudice to the above, matters not included in the notice of calling may be debated and resolved. The inclusion of new matters on the agenda of board meetings shall be put before the chairman no more than three days before the meeting so that he and the vice chairman can decide whether to accede to the request and reprogram the agenda if necessary.

Notwithstanding the above, the board of directors shall be convened and validly in session when all of its members are present and unanimously accept that a meeting should be held and on the matters to be discussed by it.

1.11.3. Frequency of meetings

Ordinary meetings of the board of directors shall be held twice in each quarter and additionally when required by the company's affairs; meetings shall always be called by the chairman or acting chairman at the request of any director or the general manager.

1.11.4. Virtual meetings

Meetings may be held without the physical presence of the directors, by written, electronic or other means that allow communication and guarantee the authenticity of decisions taken.

Any director may object to the use of such procedures and demand that the directors be physically present at the meeting, unless exceptional circumstances require a virtual meeting.

1.12. Quorum, agreements and minutes

The quorum for the board of directors is one half plus one member.

Each director has the right to one vote. Decisions are reached by an absolute majority of votes of directors present and in the event of a tie the chairman or acting chairman shall have the casting vote.

If one or more directors have a conflict of interest with any matter to be debated at a board meeting, they must say so and abstain from the taking part in the debate and from voting on that matter. If a vote is tied, the chairman shall have a casting vote. If the chairman or acting chairman cannot vote, the person chairing the meeting at that moment shall have the casting vote.

The following formalities must be observed every time the board of directors meets:

1. Verification of directors present for the quorum
2. Reading of the points on the agenda
3. Drafting and signature of the minutes

Discussions and agreements by the board of directors must be set forth, using any media, in minutes on numbered and legalized pages to be kept by mechanical means in accordance with the law and bound in volumes of 100 minimum pages.

The minutes must state whether a meeting took place, the date, time, and place and the names of the participants; if no meeting took place, the manner in which any agreements were adopted and, in all cases the matters discussed, decisions taken and number of votes cast, as well as such comments as the directors may want to make. The minutes shall be signed by the directors present at each meeting or when each decision is taken, as well as the meeting secretary.

The minutes shall be legally valid and the decisions to which they refer may be implemented from the time they are here signed by the majority of the directors present at the meeting, under the responsibility of the signatories. The minutes must be signed no later than ten (10) business days after the date of the meeting or decision, as appropriate.

The minute book is confidential. Under the responsibility of the general manager, only the chairman of the board, other directors, the general manager, the company managers, the internal auditor and external auditors shall have access to the minute book.

Certified copies of decisions by the board of directors can only be issued at the request of a director, by court order or by order of State supervision and control organizations that are legally empowered to do so. Such copies are authorized by the chairman of the board or acting chairman or the general manager.

1.13. Assessment of the board of directors and general manager

The directors shall carry out a self-assessment of the board and of each of its members once (1) a year and an assessment in the presence of an external adviser shall take place at least every two (2) years.

Furthermore, the board shall carry out an annual assessment of the general manager using the basic guidelines of performance, compliance with objectives and the company's results.

1.14. Loans to directors

The company is prohibited from making cash loans to its directors unless the board agrees unanimously to do so.

1.15. Induction and training

The board has an induction program to instruct new directors about their functions and responsibilities, as well as the characteristics and structure of the company. The induction course is given by the general manager whenever a new director is appointed and he may call upon the company's officers or external advisers for support.

The company shall provide training for the directors on such aspects as they may request, charged to the budget set aside by the company for such training. Furthermore, the board shall establish an annual training plan for its members.

1.16. Transactions with non-arm's length parties

Valuation, approval and revelation of operations between the company and its non-arm's length parties shall take place in accordance with the pertinent legislation and regulations, without prejudice to any other provisions that may be approved by the board.

II. Validity of modifications to these regulations

Changes in the regulations shall take effect on the day after they are decided, unless otherwise agreed in the memorandum of modification, above all modifications concerning the corporatization of the organization in its different aspects and the resulting impact on the structure and form of corporate governance.

Matters not covered by these regulations shall be subject to the provisions of the company by-laws and of the Companies Act. In the event of a conflict between these regulations and the provisions of the company by-laws, the by-laws shall take precedence.

Annex A – Criteria used to Classify a Director as Independent

Code of Good Corporate Governance	Ruling 016-2019-SMV
-	1. Must possess professional experience, probity and financial solvency.
-	2. Must not be an independent director simultaneously of more than five (5) companies that have at least one security registered with the RPMV. Exceptionally, an independent director may be a director of more than five (5) companies with shares listed on the RPMV if all of them belong to the same economic group.
-	3. Must not hold more than one percent (1%) of the company's shares, must not have been empowered to exercise the vote inherent in that percentage and must not be part of any agreement(s) giving him the right to acquire such a percentage of the company's shares.
Must not have been employed by any shareholder holding 5% or more of the company's shares.	-
Must not have been a director or employee of a company belonging to the same business group within the last three (3) or five (5) years respectively.	4. Must not be a director, senior manager or employee of the company or a company belonging to the same economic group or any company that holds for percent (5%) or more of its shares. This restriction does not apply to independent directors who are re-elected by the same company or designated as an independent

	<p>director of any other company in the same economic group.</p>
	<p>5. Must not have been a director, senior manager or employee of the company, a company belonging to the same economic group or any company that holds five percent (5%) or more of its shares within the last three (3) years. This restriction does not apply to those who have been independent directors in the last three (3) years.</p>
<p>Must not have served as an independent director of the company for more than 8 consecutive years.</p>	<p>6. Must not have been an independent director of the company or any company belonging to the same economic group for more than ten (10) years consecutively or fifteen (15) years intermittently.</p>
<p>Must not have a significant commercial or contractual relationship, either direct or indirect, with the company or any other company in the same economic group, or have had such a relationship in the last three (3) years.</p>	<p>7. Must not have had any significant commercial or contractual relationship, either direct or indirect, with the company or any other company belonging to the same economic group.</p>
<p>Must not be the spouse, or family relationship in the first or second degree of consanguinity or first degree of affinity, with any shareholder, director or senior manager of the company.</p>	<p>8. Must not be the spouse or common-law spouse as defined in article 326 of the Civil Code or such legislation as may replace it, or have an analogous personal relationship by consanguinity or affinity to the second degree with any shareholder holding five percent (5%) or more of the shares, or any director or senior manager of the company.</p>
<p>Must not be a director or senior manager of any other company which has any director or senior manager of the company sitting on its board.</p>	<p>9. Must not be a director or senior manager of any company which has any director or senior manager of</p>

	the company sitting on its board, unless such a director is an independent director of the company.
Must not have been a senior manager or employee, either of the company, companies belonging to the same economic group or companies holding shares in the company in the last eight (8) years.	-
Must not have been a partner or employee of the external auditor or the auditor of any company belonging to the same economic group over the last three (3) years.	10. Must not have been a partner or employee of the firm providing external audit services to the company or any other company belonging to the same economic group in the last three (3) years.
