Strategy

Cementos Argos' tax strategy is aligned with our Corporate Governance Code, which provides the framework for the relationship among the different stakeholders and aims for transparency and proper information management and the officials' responsibility. Argos tax strategy is also aligned with our Code of Business Conduct, which develops the principles of the Code of Good Governance for Argos' employees, implementing the disclosure of financial information and transparency policy regarding Argos and its subsidiaries financial statements.
Taxes are paid in accordance with all relevant rules and regulations of the countries in which we operate.
The Corporate Governance Code and Code of Business Conduct are approved by the Board of Directors. In addition, the tax policy was approved by the Board of Director with the other accounting policies applied to the financial statements. Our fiscal strategy efficiently supports the operation and consolidation of procedures and protocols for transparency and management accountability, implementation and regulatory compliance of each country, by Cementos Argos and its subsidiaries, which in turn results in the best interest of its shareholders. We believe that a coherent and responsible tax strategy is an essential element of sustainability. Based on this background, we have adopted the following tax principles, which are essential for the proper management of our strategy:
· Compliance: Taxes are paid in accordance with the rules and regulations of the countries in which we operate, seeking to comply not only with the letter but also with the spirit and of the law. Likewise, our employees must comply with the Code of Conduct. Argos has zero tolerance for tax avoiding practices.
· Relationship with tax authorities: We promote an open, constructive and respectful dialogue with the tax authorities, based on all relevant facts and circumstances. We do not try to avoid taxes through "artificial" structures in tax havens.
· Rational Business: Taxes are paid according to businesses and benefits in countries where value is created, according to national and international regulation and standards and implementing arm's length principles.
Transparency: Argos tax and fiscal situation approach is handled with a philosophy of transparency. Disclosures are made in accordance with the provisions of the existing rules governing each country as well as information requirements and IFRS.
· Transfer Pricing: The Company and its subsidiaries comply with the application of the arm's length standards, regarding the valuation of the cross border transactions between related companies. Taxable profits are not artificially shifted out of their jurisdiction and the tax base reported by the Company in the countries reflects the economic activity undertaken therein. The tax planning execution looks toward avoiding the economic double taxation; however, taxes are paid in accordance with all relevant regulations of the countries in which Argos operate.
The Zona Franca Argos S.A.S subsidiary is linked to a Works for Taxes project. This project aims to improve conditions for training and the development of educational skills of students from non-certified municipalities, located in the ZOMAC Municipalities of the West and Southwest subregions of the Antioquia department and improvement of roads, and its development in conjunction with other Group companies

Taxes [USD]

	Number of employees (regular)	Revenues	Profit before taxes	Income tax accrued	Federal Income Tax	State Tax	Sales Tax	Property Tax	Other Taxes	Total Taxes
Colombia	3,131	$716,405,243.00	$-17,509,099.00	$67,632,806.00	$13,307,775.00	$0.00	$76,095,997.00	$2,557,666.00	$16,597,892.00	$108,559,330.00
USA		$0.00	$-2,669,138.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Panamá	187	$87,957,925.00	$7,795,289.00	$1,493,134.00	$989,437.00	$0.00	$276,843.00	$97,516.00	$845,380.00	$2,209,176.00
Honduras	215	$134,967,294.00	$49,225,869.00	$12,220,424.00	$13,186,769.00	$0.00	$8,782,898.00	$82,185.00	$511,852.00	$22,563,704.00
Haití	4	$11,112,634.00	$-112,317.00	$0.00	$0.00	$0.00	$94,046.00	$0.00	$42,655.00	$136,701.00
Dominican Republic	192	$108,333,879.00	$34,217,303.00	$9,390,383.00	$9,299,033.00	$0.00	$17,701,022.00	$0.00	$5,002,547.00	$32,002,602.00
Surinam	56	$11,832,274.00	$384,444.00	$3,359.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
French Guiana	28	$27,296,840.00	$1,066,582.00	$726,161.00	$891,622.00	$0.00	$0.00	$114,067.00	$54,592.00	$1,060,281.00
Puerto Rico	69	$87,756,965.00	$-5,289,673.00	$7,482.00	$0.00	$0.00	$2,406,197.00	$253,000.00	$1,400,915.00	$4,060,112.00
Guatemala	18	$20,506,638.00	$239,154.00	$84,084.00	$12,800.00	$0.00	$1,749,692.00	$0.00	$485,065.00	$2,247,557.00
Dominica and Antigua & Barbuda	17	$35,222,798.00	$1,058,097.00	$306,374.00	$369,705.00	$0.00	$151,987.00	$3,349.00	$2,376,550.00	$2,901,591.00
Antillas	14	$28,642,531.00	$112,331,892.00	$3,392,351.00	$3,472,308.00	$0.00	$0.00	$0.00	$1,228,746.00	$4,701,054.00
Total CCA	800	$553,629,778.00	$200,916,640.00	$27,623,752.00	$28,221,674.00	$0.00	$31,162,685.00	$550,117.00	$11,948,302.00	$71,882,778.00
Total Company	3,931	$1,272,100,230.00	$180,738,403.00	$95,256,558.00	$41,529,449.00	$0.00	$107,258,682.00	$3,107,783.00	$28,546,194.00	$180,442,108.00