

Arca Continental's Corporate Tax Function (**ACCTF**) is **committed to generating economic value** for the business through the **management and compliance** of all **tax obligations**, both for direct and indirect taxes, **in a transparent, controlled and sustainable manner**.

The Tax Directorate is **firmly committed to** full compliance with tax laws, both in spirit and letter, in the countries where we operate. **We reject** the transfer of value, without operational or commercial substance, to low-tax jurisdictions. In addition, **we avoid** the use of jurisdictions or structures for evasion purposes, ensuring transparent and responsible tax management.

In line with Arca Continental's business model, the relationship between the corporate tax function and the local tax functions of each country and division is based on the following principle: "*The corporate function defines the **framework of action** that guides all the tax functions of the organization.*"

FRAMEWORK OF ACTION INCLUDES:

Fiscal Control Framework: Establishes the key principles, standards, and controls for adequate risk management, as well as the mitigation actions that must be implemented by all functions of the Tax area, including the Arca Continental guidelines and the Tax Control Framework (TCF).

Arca Continental's Tax Strategy: Defines the ACCTF's mission, provides guidelines and principles that govern these local tax functions, and establishes strategic priorities for the different regions and lines of business.

Tax Governance Cycle: Ensures the monitoring, evaluation of the effectiveness and support in the tax management of each Operating Company, fostering a culture of high performance and reducing uncertainty in tax decision-making.

Tax Quality Assurance: Acts in a timely manner to identify risks and opportunities, in addition to strengthening the tax knowledge and understanding of Operating Companies.

Selection and recruitment of tax personnel in the Operating Companies.

THE ACCTF IS RESPONSIBLE FOR:

- Manage the **relationship with the tax authorities** in Mexico and in the other countries where Arca Continental operates.
- Provide **quality support** to corporate areas and executive management, generating business value and mitigating tax risks inherent to operations and new opportunities.
- Identify in a timely manner **changes in international and local tax regulations**, and advise Operating Companies on their implementation and impact.
- Define the **corporate structure**, the operations between subsidiaries and the most appropriate financial structure for the Group, ensuring **compliance with** transfer pricing principles.
- To represent Arca Continental before interest groups and individuals, **protecting** the interests and reputation of the company.



TAX FUNCTION IN COMPANIES OPERATING



The fiscal roll of the Operative Companies is aligned with Arca Continental's decentralized operating model, where each entity manages business operations in their respective markets.

In each Operating Company, the Manager's Tax Office is responsible for:

- ❑ **Ensure compliance with** all tax obligations in accordance with local legislation.
- ❑ **Lead, manage and develop the local fiscal function** in accordance with the guidelines of the ACCTF.
- ❑ **Supervise both direct and indirect taxes.**

The Tax Manager maintains a functional reporting line with Arca Continental's Corporate Tax Director. In addition, any request to local authorities, dispute, audit or controversy exceeding 5 million Mexican pesos (approx. USD 250,000) must be previously consulted with the Corporate Tax Director.

The Board of Directors, supported by its specialized committees, oversees the company's tax governance framework, including material tax risks, tax strategy, and consolidated tax performance, as part of its responsibilities for financial oversight and corporate governance.

Furthermore, Arca Continental's corporate governance structure provides for the participation of the Board of Directors and its specialized committees, including the Planning and Finance Committee, as the bodies responsible for overseeing the organization's strategic, financial, and risk-related matters.

MANAGER'S PRIMARY RESPONSIBILITIES TAX RATES IN EACH COUNTRY WHERE WE OPERATE

- ❑ **Compliance** with tax obligations (declarations, notices, registrations, etc.).
- ❑ **Fiscal risk** management and mitigation.
- ❑ **Configuration and control** of the management system (ERP) in tax matters.
- ❑ **Supervision** of tax payment flows (timely and reliable).
- ❑ **Relationship with local tax authorities.**
- ❑ **Tax advice** for business decision-making with the various areas of Arca Continental.
- ❑ **Talent development and strengthening** of fiscal capacities.
- ❑ **Annual fiscal planning** and budgeting.

Note: In those Operating Companies where there is no Tax Manager, the responsibility will fall on the Finance Manager or Comptroller.

