

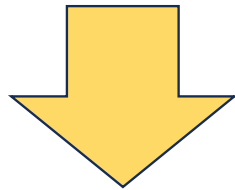
VARIABLE COMPENSATION SYSTEM



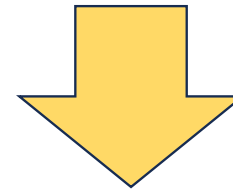
VARIABLE COMPENSATION SYSTEM

- The Variable Compensation System seeks to align employee performance with the company's strategic objectives, fostering teamwork, long-term vision, and commitment to the sustainability strategy.
- This scheme is based on both financial and non-financial indicators, encompassing economic results as well as performance in environmental, social, and governance (ESG) matters. In this way, it promotes a culture of comprehensive responsibility, where the achievement of individual and collective goals translates into the creation of sustainable value for the organization and its stakeholders.

This system is structured around two approaches



A. SHORT-TERM
PROGRAM



B. LONG-TERM
PROGRAM



VARIABLE COMPENSATION SYSTEM

A. SHORT TERM PROGRAM

→ **Objective:** Recognize excellence in employees' annual performance through evaluation matrices.

→ **Coverage:** 800 employees.

The short-term variable compensation is structured according to the organizational level, with amounts equivalent to multiples of the monthly salary:

Organizational Level	Multiple of Monthly Salary
CEO	3,5
Vice Presidents	2
Business Unit Managers	1,5
All other employees	1

Compensation is distributed based on corporate objectives, sustainability criteria, and performance indicators specific to each responsible area, according to the following components:

Indicator	Variable Compensation Distributon
Area specific indicator	60%
Corporate objectives	35%
Sustainability Indicator (CSA - S&P Global Percentile)	5%



VARIABLE COMPENSATION SYSTEM

A. SHORT -TERM PROGRAM

PERSPECTIVE	KEY INDICATORS	UNIT
FINANCIAL	1 ROIC (Return On Invested Capital)	%
	2 Sales Growth Sales	% COP \$MM
	3 Contribution Margin	%
	4 EBITDA Margin EBITDA	% COP \$MM
	5 Working Capital / Sales	%
MARKETS	6 Share of Market (Nielsen) Colombia	%
	7 Plan 50 Success	%
	8 # SKUS with Clean & Clear improvements	#
	9 Perfect Orders	%
PROCESSES	10 Cost of Serving / Sales	%
	11 Colombina 100% Sales - COP\$MM	COP \$MM
	12 Cost of Transport / Sales	%
	13 Labor Productivity (\$ Direct Labor / Kg Produced)	\$MOD/Kg
	14 EGP (Global Efficiency - Production Plants)	%
HUMAN CAPITAL	15 Working Environment	Score
	16 Total Payroll / Sales	%
SUSTAINABILITY	17 Sustainability Assessment Scorecard	Percentile

All the indicators used in these matrices are aligned with the 17 corporate KPIs that make up the organization's Balanced Scorecard. At Colombina, we have enhanced this system by incorporating a new sustainability perspective, which integrates the indicator associated with the results of the corporate sustainability assessment (CSA).

These matrices include both financial and non-financial indicators, allowing variable compensation to reflect, in a balanced way, economic results as well as performance in environmental, social, and governance (ESG) matters.



VARIABLE COMPENSATION SYSTEM

B. LONG- TERM PROGRAM

- **Objective:** Recognize the creation or destruction of value through a phantom stock scheme, with the purpose of aligning executives with the organization's long-term strategic objectives and with the sustainability vision and value creation shared by shareholders.
- **System Philosophy:** Management is responsible for ensuring that the company's operations and investments are conducted under strategic direction, driving long-term sustainable value creation. For this reason, the compensation scheme is tied to a three-year period and uses EVA and EVA variation (Δ EVA) as performance indicators, which comprehensively reflect the generation of economic value.
- **Coverage:** 16 senior executives (CEO, Vice Presidents, and Business Unit Managers).
- **Target Bonus:** This system is designed to be equivalent to approximately two monthly salaries.