

## Audit Committee Regulation

The Audit Committee approves the proposed Regulation, transcribed below:

### PRELIMINARY COMMENTS

The purpose of the Audit Committee of Loma Negra Compañía Industrial Argentina S.A. (the "**Company**" or "**LN**") is to cooperate and supervise the following for the Company:

- a) Financial issues;
- b) Internal audit, accounting, internal control, compliance and risk management procedures; and
- c) The activities and independence of the Independent Auditor.

### CHAPTER I

#### AUDIT COMMITTEE

##### Section One

##### (Composition)

1. In accordance with the Bylaws of the Company, the Audit Committee shall be composed by at least three (3) members, who shall be appointed by the Board of Directors of the Company from its members. The Board of Directors may also chose to appoint one or more alternate members, who shall replace regular members in the order in which they were elected, or as set forth upon the election, when necessary to ensure the proper operation of the Audit Committee, as determined by the Board of Directors in its sole discretion.
2. The members of the Audit Committee shall be appointed by the Board of Directors from its members, by a simple majority of its members. The members of the Audit Committee shall be Directors with experience in financial, accounting or business matters; and, if the company is listed on the New York Stock Exchange ("**NYSE**"), all of the members of the Audit Committee shall be experienced in financial, accounting or business matters in accordance with the rules of the NYSE, as determined by the Board of Directors upon their appointment.
3. The Audit Committee shall be composed of a number of independent members as set forth by the Argentine Law on Capital Markets, No. 26.831 (the "**LMC**," for its acronym in Spanish), the Rules of the Argentine Securities and Exchange Commission ("**CNV**", for its acronym in Spanish), as amended in 2013 (New text approved through Argentine General Resolution No. 622/13, as amended) (the "**Rules of the CNV**") and the rules of any other securities commissions or similar authority and/or the rules of the markets where the Company's shares are listed.
4. The members of the Audit Committee shall meet the requirements regarding incompatibility, independence, expertise and other requirements set forth by the LMC, the Rules of the CNV and other applicable rules. If the Company is listed on the NYSE, all of its members shall be independent members.
5. The Audit Committee shall consider the independence of its members in light of the requirements mentioned in the previous section and, in turn, provide a justification of their opinion to the shareholders through a statement in the annual report on the Company's governance, either upon the appointment or afterwards, if, given the circumstances, independence had been compromised. If the company is listed on the NYSE, all members of the Audit Committee shall meet the independence standards set forth by the NYSE's *Corporate Governance Standards Rules 303A.06*) and the Listing Standards relating to Audit Committees (*Rule 10A-3 of the U.S. Securities and Exchange Commission* ("**SEC**"), as set forth by the Board of Directors upon their appointment.
6. The members of the Audit Committee shall hold office for the term set forth by the Board of Directors upon their election, and may be re-elected indefinitely, and will continue to hold office

until the appointment of their replacement; provided, however, that the members of the Audit Committee shall cease to be such simultaneously with the loss of their capacity as members of the Board of Directors for any reason.

7. At the first meeting, the Audit Committee shall appoint a Chairman and a Vice-Chairman from its independent members. The Vice-Chairman shall replace the Chairman in case of absence or incapacity.
8. If the Company is listed on the NYSE, at least one of the members of the Audit Committee shall qualify as a “financial expert”, as per the definition in rule 407(d)(5) of US Regulation S-K, and shall meet the accounting and financial experience requirements under rule 407 (d) (5) (ii), taking into consideration instruction 3 of rule 407 (d) (5), which means such member shall have an understanding of international financial reporting standards, as determined by the Board of Directors upon its appointment.
9. If the Company is listed on the NYSE, the members of the Audit Committee shall not simultaneously be members of the Audit Committee of more than two other listed companies without prior consent of the Board of Directors claiming that such participation does not prevent the Member of the Audit Committee from providing its services efficiently.

## **Section Two**

### **(Powers)**

1. The main role of the Audit Committee is to cooperate with and supervise the administration of the Company, ensuring compliance with the law and the Bylaws of the Company, and to exercise the powers and duties of the Audit Committee, if the Company does not have such internal audit body.
2. Notwithstanding any of the other powers assigned by the LMC, the Rules of the CNV and other applicable regulations, and the Bylaws of the Company, the Audit Committee shall:
  - a) Verify whether the accounting policies and valuation criteria adopted by the Company lead to a proper valuation of the shareholders’ equity and profits and losses.
  - b) Cooperate with and supervise proper application of the applicable accounting principles and standards, in coordination with the internal audit activity and the activity of the Independent Auditor.
  - c) Supervise a) the operation of internal control systems and the accounting administrative system and b) application of the Company’s risk management information policies.
  - d) Analyze the control and internal audit reports.
  - e) Analyze and evaluate the accuracy of the Company’s financial information, overseeing its preparation and disclosure process.
  - f) Provide an opinion as regards the proposal of the Board of Directors for the designation of the Independent Auditor.
  - g) Safeguard the independence and qualifications of the Independent Auditor. If the Company is listed on the NYSE, the Audit Committee shall supervise and define the compensation of the Independent Auditor, subject to prior authorization by the Board of Directors, and the appointment of the auditor and final approval of the removal of such auditor shall be in accordance with a resolution on the subject by the Annual Shareholders’ Meeting.
  - h) Establish procedures to (i) hear and discuss accounting and financial irregularities on internal accounting controls or audit matters submitted by shareholders, collaborators of the Company or others, by recording the measures taken or the outcome thereof and (ii) ensure anonymous and confidential treatment of such complaints by collaborators of the company regarding accounting or audit questionable issues, as well as reviewing any complaints or

concerns received according to these procedures.

- i) Propose the Board of Directors measures aimed at improving the operation of internal control systems for the financial reporting, internal audit, *compliance* and risk management, as well as the procedures related to the reception and processing of complaints regarding the issues mentioned in 2.h.
  - j) Provide an opinion on compliance with regular market conditions as regards the transactions set forth in the Argentine Law on Capital Markets and its regulations.
  - k) Exercise the other powers attributed to it by law or by the Company's Bylaws.
  - l) Monitor operation of the internal audit.
  - m) If the Company is listed on the NYSE, the Audit Committee shall oversee the integrity of the financial statements of the Company, review the financial statements prior to filing them with the SEC and any substantial changes in the accounting principles or practices for the preparation of the financial statements; it shall discuss with the related management all the financial information and explanations and analysis by that management on the financial statements that will be disclosed through press releases and telephone conferences, as well as analysts and risks rating agencies.
  - n) If the company is listed on the NYSE, the Audit Committee shall meet regularly and separately with the related management, the internal auditor and the Independent Auditor to discuss any matters deemed appropriate, and shall advise the Board of Directors on the decisions taken during the course of its functions, and
  - o) monitor compliance of the Company regarding legal and regulatory requirements.
3. The Audit Committee shall represent the Company, for all purposes, before the Independent Auditor, and it shall:
- a) If the appointment or revocation is decided after a proposal from the Board of Directors, the Audit Committee shall issue a prior opinion.
  - b) Ensure that the Independent Auditor has the proper qualifications to comply with the duties assigned. If the company is listed on the NYSE, the Audit Committee shall regularly review, at least once a year, together with the Independent Auditor, the scope and results of the audit, in addition to any issues found during preparation of the audit report, including restrictions to the duties of the Independent Auditor or access to the information requested and any significant disagreements with the Company's management involved, and the response from such management to such disagreements, difficulties or issues. Such a review shall include inquiries, comments and suggestions of the auditor regarding the financial practices and procedures of the Company.
  - c) Safeguard the personal and professional independence of the Independent Auditor.
  - d) Annually supervise and evaluate the planning, performance and independence of the Independent Auditor of the Company, especially through discussion with the auditor of the communications required under the International Audit Standards and the standards of the PCAOB, including any material issues raised during any inspection by any governmental authority or stock market, or during any internal review of the quality control of the Independent Auditor or during any procedure or investigation by governmental or professional authorities during the past five years, related to any independent audit carried out by the Independent Auditor and any measure taken by the Independent Auditor to solve such issues. Annually evaluate and propose the related revocation of the Annual Shareholders' Meeting, should there be grounds to do so.
  - e) Define procedures to preapprove the services of the Independent Auditor.

- f) If the company is listed on the NYSE, it shall: (i) review and evaluate senior members of the Independent Auditor's work group, especially the partner in charge of audit and the reviewing partner, (ii) analyze the rotation time lines and processes applicable to the audit partner and the reviewing partner, pursuant to applicable laws and regulations, and (iii) establish procedures and policies for hiring employees and former employees of the independent auditor.
4. The Audit Committee may, within the scope of its duties:

Hire experts to assist one or more of its members in the performance of their duties, provided the hiring and compensation of experts should reflect the importance of delegated affairs and the financial standing of the Company.
  5. The Audit Committee shall review and evaluate its operation at least once a year.

### **Section Three**

#### **(Meetings)**

1. The Audit Committee shall define when ordinary meetings shall take place, provided, however, that one meeting shall be held at least every three (3) months, at the place and on the date to be determined in the related call for a meeting. Meetings shall be held with less frequency at the request of one of its members.
2. The Chairman and Vice-Chairman shall call and conduct the meetings. The call for a meeting and the items in the agenda for each meeting shall be sent to all members of the Audit Committee at least three (3) business days before the date set for the meeting. The agenda shall also be sent to the Chairman of the Board. In case of urgency, a meeting of the Audit Committee may be called by the Chairman without the prior notice mentioned in the previous sentence. The call for a meeting shall always include the items in the agenda for the meeting and, in turn, the documents the Chairman deems necessary to be sent beforehand to the remaining members of the Audit Committee.
3. Participation in the meetings of the Audit Committee through video conferencing is allowed pursuant to section Sixteen of the Company's Bylaws and in accordance with the regulations in force.
4. The other members of the Company's or other subsidiaries' Board of Directors and Supervisory Committee may be invited to participate, but not to vote, in meetings, as well as consultants or third parties with acknowledged competence or specialization to provide clarifications, make technical contributions or advice the Audit Committee on the relevant issues, provided it is in the best interest of to perform the works.
5. The Audit Committee may request technical support from the Board of Directors, and may even be assisted by technicians hired for such purposes, such as, for instance, for legal, accounting, financial assistance, and by companies specialized in audit works to comply with its duties. In addition, the Audit Committee has the power to carry out investigations within the areas of their duties, without the need for prior approval by the Board of Directors.

### **Section Four**

#### **(Quorum and Decisions)**

1. The Audit Committee may not deliberate unless the absolute majority of its members are present, either in person and/or via video conference in accordance with section Sixteen of the Company's Bylaws and in accordance with the regulations in force. Remote participation shall be expressly recorded in the minutes, with the names of the members and the transmission medium used to communicate with the members present. In case of absence, impediment, resignation or death of one of the members, such member shall be replaced by one of the alternates, in the order of their appointment or as prescribed in the related appointment.



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2. The decisions of the Audit Committee shall be taken by a majority of the votes present, in person and/or communicated via video conference in accordance with the provisions of the preceding section. The Chairman or Vice-Chairman, as the case may be, shall cast an additional vote in the event of a tie.
3. The grounds for votes against the proposals at each meeting shall be recorded on the minutes.
4. A minutes of each meeting shall be prepared and signed by the participants within five (5) days of the date when the meeting was held.

## **CHAPTER II**

### **FINAL PROVISIONS**

#### **Section Five**

(Approval)

This Audit Committee rules document was approved at the meeting of the Audit Committee held on February 27, 2017.

#### **Section Six**

(Automatically binding)

All members of the Audit Committee elected or appointed agree to fully comply with these rules throughout the applicable term.