OBJECTIVE

To guide GEB’s processes when placing the company’s shares in the primary market directly, which means when the placement is not made through an institution supervised by the Financial Superintendence of Colombia (SFC, for the Spanish original).

GUIDELINES

# DIRECT PLACEMENT OF SECURITIES

Whenever GEB places securities in the primary market directly, which means when the placement is not made through an institution supervised by the SFC, the Financial Vice-president’s Office must comply with the guidelines indicated below:

## Knowledge of the Shareholder or Investor:

Knowledge of the Shareholder or Investor begins from the moment an individual or legal entity directly or indirectly states the intention to acquire securities issued by GEB. In order to associate a shareholders or investor, the person in charge at the Financial Vice-president’s Office must comply with the following requirements:

* + 1. Completing an Association Form

All the people who wish to purchase GEB securities and be accepted as shareholders or investors must complete an association form, which includes the following information:

PN: Association of an individual

PJ: Association of a legal entity

Illustration . Association Form

|  |  |  |
| --- | --- | --- |
| **DESCRIPTION** | **PN** | **PJ** |
| Full name and last names or company name of the investor | X | X |
| Identification of security to be acquired | X | X |
| I.D. number of national persons TIN, citizen’s I.D. or I.D. card of the investor | X | X |
| Foreign Investors: I.D. number; foreigner's I.D., valid passport for holders of tourist or visitor visas or any other type of visa valid for less than three (3) months, I.D. card issued by the Protocol Department of the Ministry of Foreign Affairs for holders of Preferential Visas (diplomatic, consular, service, international organization or administrative, as the case may be, and in accordance with the current immigration regulations). | X | X |
| National tourists from member countries of the Andean Community of Nations. I.D. Number: valid and current I.D. in the issuing country with which they entered Colombia. | X |  |
| Full name and last names of the representative, attorney and I.D. number of the investor | X | X |
| Address and telephone number of the legal representative |  | X |
| Place and date of birth of the investor | X |  |
| Address and telephone number of the residence of the investor | X |  |
| Occupation, job and profession of the investor | X |  |
| Description of the investor’s activity - independent, dependent, position - main economic activity: commercial, industrial, transportation, construction, agroindustry, financial services, etc., as established in the ISIC Code. | X | X |
| Name, address, fax and telephone number of the office, company or business in which the investor works, if it applies. Address, telephone number, fax and city of the main office and branch or agency that acted as Investor. | X | X |
| Identification of shareholders or partners that directly or indirectly hold 5% of the share capital, contribution or share. |  | X |
| Type of investor company: private, public, mixed. |  | X |
| Declaration of the origin of the assets and/or fund of the Investor, according to the cost (may be an annex). | X | X |
| If the investor depends on a third party, detailed information on the third party. | X | X |

Source: Compliance Department

If the potential Shareholder or Investors’ activity involves transactions in foreign currency, the form must include spaces to collect the following information:

Illustration 2: field in the association form when it is a transaction in foreign currency.

|  |  |  |
| --- | --- | --- |
| **DESCRIPTION** | **PN** | **PJ** |
| The type of operations in foreign currency the investor normally performs. | X | X |
| Financial products the investor owns in foreign currency, specifying at least: type of product, identification of the product, entity, amount, city, country and currency. | X | X |

Source: Compliance Department

In the event the Shareholders or Investors are financially dependent on a third party the documents of the people from whom the resources used for the investment originated must be requested.

Legal entities under public law must also complete the association form, and their legal representatives must sign it and place the fingerprint required in this manual.

* + 1. Requesting Documents Attached to the Association Form

In addition to completing the association form, the Shareholder or Investor association process includes collecting documentary information that allows GEBto have additional information on the potential Shareholders or Investors and facilitate the process of verifying and confirming the received information.

To that end, the following documents are requested from the potential Shareholders or Investors during the association processto GEB:

Attachments to the association forms of individuals:

1. Photocopy of their I.D.
2. Certificate of income and withholding.
3. Work certificate.
4. Income tax returns for the last two available tax periods or letter of non-declaration.
5. Certificate on the origin of the funds to be used to acquire the securities.
6. Financial statements certified or audited as of the last cut-off date available at the time of the shareholder or investor’s association, when it applies.
7. Attachments to the association forms of legal entities:
8. Certificate of incorporation and legal representation issued no more than three months prior by the Chamber of Commerce • Photocopy of their Tax I.D. Number (TIN) • Photocopy of their Unique Tax Registry (RUT, for the Spanish original) • Photocopy of the legal representative’s I.D. • Certified or audited financial statements • List of shareholding partners with 5% or more of the share capital, if this information is not in the certificate of incorporation and legal representation. When it comes to non-corporate entities, a list of Board members and the body that acts in its stead will be attached, in the event they are not included in the certificate of incorporation and legal representation.
9. The income tax returns for the last two available tax periods.

When acting through an attorney to make the investment, accreditation of the power of attorney must be required in writing, duly signed and authenticated with recognition of the signature, fingerprint and content. If there are various beneficiaries, they must be registered in the power of attorney, and one of them must sign this document.

When a potential Shareholder or Investor has not provided the duly completed association form and all the required annexes on time, they may not participate in the adjudication process of the securities.

* + 1. Verifying proper and full completion of the association form, as well as delivery of all the annexes with the required information

Once the person seeking to acquire Company shares has delivered GEB the completed association form and required supporting documentation, the form is checked for full and correct completion, with all the supporting documentation, making sure the information provided in the form corresponds to that which is in the supporting documents.

* + 1. Confirming the Information Provided in the Association Form

Before associating the Shareholder or Investor, the Financial Vice-president’s Office must confirm the provided information within the terms provided below, which begin as of the moment documents are received:

Illustration 3: Terms

|  |  |
| --- | --- |
| **NUMBER OF PURCHASERS** | **TERM** |
| Up to 100 purchasers | 5 days |
| From 101 to 200 purchasers | 10 days |
| From 201 to 300 purchasers | 20 days |
| From 301 to 500 purchasers | 30 days |
| From 501 to 1000 purchasers | 40 days |
| From 1001 to 2000 purchasers | 50 days |
| From 2001 to 5000 purchasers | 60 days |
| Over 5000 purchasers | 120 days |

Source: Compliance Department

**Paragraph:** In the event the information provided by a potential Shareholder or Investor cannot be confirmed, is inaccurate or its veracity is doubted, this fact must be reported to the Compliance Officer immediately, in accordance with Procedure **CUM-PRO-005-F-002 for reporting unusual operations**.

## Verification on Watch Lists

Before association, the Shareholder or Investor is verified on the corresponding watch lists, according to procedure **CUM-PRO-002 verification on watch lists**.

## Exceptions for the Obligation to Complete the Association Form for Shareholders or Investors

The information requirements provided in this manual are not applicable to the following Shareholders or Investors:

1. Securities issuers or institutions registered in the National Registry of Securities and Issuers.
2. Institutions subject to inspection and oversight from the SFC.
3. Multilateral organizations.
4. National, departmental and municipal public institutions, except when they are industrial and commercial companies of the State, public companies or mixed economy companies not subject to inspection and oversight from the SFC.

## Updating the Information of Shareholders and Investors

The information in the association form and annexes to the form must be kept updated with respect to shareholders that own 1% or more of the shares in circulation of GEB.

To this end, the Shareholder will be requested each year to update their information through a written communication. Once the Companyreceives the information, they will proceed to make sure the information is complete and consistent with the association form.

They will also confirm the provided information and make sure the Shareholder is not included on any Restrictive Lists once again. If any match is found, they will proceed as indicated in section E. Finally, they will file the documentation in the Shareholder or Investor folder.

##  Knowledge of Shareholders or Investors Classified as PEPs

Public servants of any nomenclature and job classification system of the national and territorial public administration will be considered Politically Exposed Persons (PEPs) when they are assigned or delegated the following functions: the issuance of rules or regulations, general management, formulation of institutional policies and adoption of plans, programs and projects, direct management of goods, money or securities of the State, administration of justice or administrative sanctioning powers, and individuals who are responsible for the direction or management of resources in political movements or parties.

They may perform these functions through expenditure management, public procurement, investment project management, payments, liquidations and movable and immovable property management. The following shall be considered Politically Exposed Persons (PEPs), by way of example, as well as those designated and/or modified by law:

* The President of the Republic, Vice President of the Republic, counselors, directors and deputy directors of administrative departments, ministers and vice ministers.
* General Secretaries, Treasurers, Financial Directors of (i) Ministries, (ii) Administrative Departments, and (iii) Superintendencies or those acting in their stead.
* Presidents, Directors, Managers, General Secretaries, Treasurers and Financial Directors of: (i) Public Establishments, (ii) Special Administrative Units, (iii) Public Utility Companies, (iv) Social Companies of the State, (v) Industrial and Commercial Companies of the State and (vi) Mixed Economy Companies.
* Superintendencies and Delegated Superintendencies.
* Generals of the Military Forces and National Police, and Inspectors of the National Police. It also includes Officers and Non-Commissioned Officers empowered to order expenditures or commit the resources of public institutions.
* Governors. Mayors, Deputies, Councilors, Treasurers, Financial Directors and General Secretaries of: (i) governors' offices, (ii) mayors' offices, (iii) municipal and district councils, and (iv) departmental assemblies.
* Senators, Representatives to the House of Representatives, General Secretaries, secretaries of the permanent constitutional commissions of the Congress of the Republic and Administrative Directors of the Senate and the House of Representatives.
* The Manager and Joint Directors of the Central Bank (Banco de la República).
* Directors and authorizing officers of the Regional Autonomous Corporations.
* National Civil Service Commissioners, Commissioners of the Energy and Gas Regulatory Commission, the Drinking Water and Basic Sanitation Regulatory Commission and the Communications Regulatory Commission.
* Magistrates, Auxiliary Magistrates of High Courts and Tribunals, Judges of the Republic, the Attorney General, Deputy Attorney General, Delegates and Directors of the Attorney General's Office.
* Comptroller General of the Republic, Deputy Comptroller General of the Republic, Deputy Comptrollers, territorial Comptrollers, Accountant General, Inspector General, Deputy Inspector General, Delegated Inspectors General, Ombudsman, Deputy Ombudsman, Delegated Ombudsmen and Auditor General of the Republic.
* Treasurers and authorizing officers of the High Courts and Tribunals, Attorney General's Office, Comptroller General's Office, Inspector General's Office, Ombudsman's Office, Accountant General's Office and Auditor General's Office.
* Magistrates of the National Electoral Council, National Civil Registrar and Delegated Registrars.
* Notary Publics and Urban Curators.
* Authorizers of expenditures for public universities.
* Legal representatives, presidents, directors and treasurers of political parties and movements, and other forms of political association recognized by law.
* The trustors of stand-alone trusts or trusts that manage public resources.

Status as a Politically Exposed Person (PEP) shall be maintained during their term of office and two (2) more years after resignation, abandonment, dismissal or declaration of termination of the appointment, or any other form of disengagement or termination of the contract.

PEPs must fill out the form defined by the Compliance Department and/or the authority acting in its stead, in accordance with the established procedure.

Whenever a Shareholder or Investor that must be listed as a PEP is going to be associated, once the requirements for associating a Shareholder or Investor have been met, all the supporting documents must be sent to the hierarchical superior corresponding to the area carrying out the association for approval and reporting to the Compliance Department.

## Electronically Consolidating the Cash Transactions of the Shareholder or Investor

GEB, through Investor Relations Management or the department acting in its stead, consolidates all transactions carried out by Shareholders or Investors to inform the Compliance Department or the department acting in its stead and monitor them to detect possible unusual operations and make their respective suspicious operation report, in accordance with the established procedure.

DEFINITIONS AND ACRONYMS

The definitions and acronyms of the document **CUM-MAN-001, Manual for the Prevention and Control of Money Laundering, Terrorist Financing and Financing the Proliferation of Weapons of Mass Destruction are applied**.

DOCUMENTARY CONTROL

|  |  |  |  |
| --- | --- | --- | --- |
| Version No. | Version date | Certificate of approval of documentation | Reason for update |
| 1 |  | Not Applicable | This guide is created to guide GEB’s processes when placing the company’s shares in the primary market directly, which means when the placement is not made through an institution supervised by the SFC. |

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| --- | --- | --- | --- |
|  | Name | Position | Area |
| **Prepared by:** | Catalina Casas Arévalo | Compliance Adviser | Compliance Department |
| **Reviewed by:** | Luis Rodolfo Hernandez | Detection and Response Manager | Compliance Department |
| **Approved by:** | Luz Elena Díaz | Compliance Officer | Compliance Department |