

# Conflict of Interests Management Policy



Grupo Energía Bogotá



## CONFLICT OF INTERESTS MANAGEMENT POLICY

### 1. PURPOSE

Grupo Energía Bogotá S.A. E.S.P., hereinafter “GEB”, is committed to high ethical standards, which are drawn up in the Business Group Agreement, Codes of Ethic and Corporate Governance, Internal Control and Fraud and Corruption Prevention Policy, and the Internal Auditing Rules.

This policy provides the general guidelines on the awareness, management and resolution of conflicts of interests between Managers and Collaborators of GEB and the GEB companies, hereinafter the “Group”<sup>1</sup>.

### 2. SCOPE

This Policy applies to Managers<sup>2</sup>, Collaborators<sup>3</sup> of GEB and the Group companies.

### 3. DEFINITION OF CONFLICT OF INTERESTS

A conflict of interests is deemed to be a situation in which a Manager or a Collaborator finds their independent and objective judgment limited in order to develop their responsibilities, as they have to make a choice in deciding between the company’s interest and their own, a third party’s or a related party’s interest.

Conflicts of interest may be:

**i. Potential:** Situations that a Manager or a Collaborator may experience based on their role functions and personal or professional conditions giving that, eventually, a decision they need to make may differently affect either function or condition.

**ii. Real:** Effective conflict of interests, situations that becomes real because there is a dilemma

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<sup>1</sup> Group companies shall mean companies in which GEB has a shareholding participation equal to or higher than 50% and controls them.

<sup>2</sup> Managers shall mean the members of the Board of Directors, Steering Committees, Management Councils, Directors, hereinafter the “Board of Directors” and the legal representatives.

<sup>3</sup> Collaborators shall mean workers, interns and trainees.

affecting the objectivity of or transparency in a decision made by a Manager or a Collaborator.

**iii. Occasional:** An isolated conflict of interests resulting from a specific situation or a conflict of interest that may not be permanent in time.

**iv. Permanent:** A conflict of interests permanent in time that may affect any of the Company's operations or series of operations.

## 4. STATEMENTS OF COMMITMENT

**i.** Managers and Collaborators shall act as per the Company's ethical principles and corporate values, and their decisions shall fall within the diligence and loyalty duties.

**ii.** It is the Managers' and Collaborators' responsibility to take any necessary measures to identify and manage any eventual conflicts of interest following the provisions set forth in this Policy. A doubt about which actions may configure a conflict of interests shall not release them from their obligation to refrain from engaging in activities or decisions relating to any such conflicts.

**iii.** Pursuant to the [Code of Ethics](#), Managers and Collaborators must report any conflict of interest following the form specified to that end (Annex 1) when they are hired or appointed, annually or before any conflict of interests' situation.

**iv.** GEB shall release in the Group's Annual Corporate Governance Report<sup>4</sup> a consolidated report on conflict of interests.

## 4. PROCEDURE

Conflicts of interest shall be managed pursuant to the following procedures:

### **i. With respect to Managers - Board Members and Legal Representatives:**

**a.** Suspend any direct or indirect action or participation in activities or decisions involving an eventual conflict of interests.

**b.** Report any eventual conflict of interests to GEB's Compliance Department or the

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<sup>4</sup> The Annual Corporate Governance Report is part of the Sustainable Management Report that is annually disclosed on GEB's website.

department acting as such, through the Board of Directors Secretary, through the completion of the form specified to that end (Annex 1) providing all of the necessary information that will help determine whether there is a conflict of interests or not.

**c.** The Compliance Department shall submit the case to the Audit and Risk Committee of the Board of Directors that shall assess whether there is a conflict of interests and shall proceed with its corresponding classification (potential or real, permanent or occasional).

**d.** In the event that the Audit and Risk Committee finds that there is a conflict of interests, the implicated person shall refrain from taking part in the deliberation or decision about the relevant matter and shall leave the meeting.

**e.** The Audit and Risk Committee shall give to the Board of Directors recommendations on the measures that may be taken for the management of that conflict of interests.

Measures may be as listed below:

**(i)** The Manager shall refrain from engaging in any situation causing a conflict of interests.

**(ii)** In the event that their participation may be deemed to be relevant to the decision and vote, the corresponding authorization shall be obtained from the General Shareholders' Assembly. Such authorization shall be given on a case-by-case basis as it shall not be detrimental to the company's interests.

When a manager is also a shareholder, that manager shall refrain from taking part in the relevant decision and that manager's shares shall not be taken into account for the decision-making majority.

The foregoing shall not relieve the Manager of the obligation to provide the General Shareholders' Assembly with any required information on the conflict of interests and shall refrain from engaging in activities associated with the conflict of interests.

**f.** In the case of Board members, if the Audit and Risk Committee considers that there is a permanent conflict of interests that may affect the Company's set of operations, such conflict of interest shall be submitted to the General Shareholders' Assembly for a decision on whether the relevant member must be removed from their position. In case of a permanent conflict of interests that affects only one operation, the Audit and Risk Committee shall give the Board of Directors recommendations on measures for the management of that conflict

of interests on the terms specified in section (e) above.

**g.** In the event that the eventual conflict of interests is reported during a Board of Directors meeting or a Board Committee meeting, the implicated member shall temporarily leave the meeting, and a subsequent Audit and Risk Committee meeting shall discuss whether there is a conflict of interests or not.

## **ii. With respect to the Group's General Auditor, Compliance Manager or any other Ethics Committee member**

**a.** Suspend any direct or indirect action or engagement in activities or decisions involving an eventual conflict of interests.

**b.** Report any eventual conflict of interests to the Audit and Risk Committee, through the Compliance Department, through the completion of the form provided to that end (Annex 1) stating all of the necessary information that will help determine whether there is a conflict of interests. The Committee shall take any necessary measures to manage the relevant conflict and shall proceed with its corresponding classification (potential or real, permanent or occasional).

**c.** The Audit and Risk Committee shall give the next-level management body recommendations on measures that may be taken for the management of that conflict of interests.

**d.** In case of a permanent conflict of interests that may affect the Company's series of operations, the reporting party shall be required to assess whether the collaborator must or not continue in the Company. In case of a permanent conflict of interests that affects only one operation, the Audit and Risk Committee shall give the next-level management body recommendations on measures for the management of that conflict of interests on the terms specified in section (c) above.

## **iii. With respect to Collaborators**

When a Collaborator is not a Manager, and is in an eventual conflict of interests, the [Code of Ethics](#) shall apply, which shall be adjusted in accordance with this Policy.

## 6. DECISION TREATMENT IN THE GROUP'S BEST INTEREST

In the context of the Business Group Agreement, and for the purposes of following GEB's corporate strategy and goal achievement, should there be any potential conflicts of interests over business opportunity distribution across affiliates, GEB's Board of Directors shall be the corporate body responsible for settling any such situations, considering that business opportunities must be given following the Group's strategy and as such opportunities may be more effective in driving benefits for the Group.

## 7. SUPPLEMENTARY RULES

**i.** The Secretary of the Board of Directors or the relevant Board Committee shall refrain from providing with the meeting call any information based on which a conflict of interests has been declared to exist by a reporting member.

**ii.** The tendency shall be to discuss any conflict of interests related issues either at the beginning or end of each meeting agenda.

**iii.** In the event that a conflict of interests may involve several Board of Directors members and this may prevent the Board deliberative quorum, the decision shall be submitted to the General Shareholders' Assembly for consideration.

**iv.** Eventual conflicts of interests declared in Board of Directors meetings or Board Committee meetings shall be duly stated in the meeting minutes, with the reporting party being identified therein. In the case of the procedure provided in Article 5.i.g of this Policy to determine whether there is a conflict of interests or not, that procedure shall be followed after the relevant Board of Directors or Board Committee meeting.

**v.** Decisions on whether there is a conflict of interests or not shall be stated in the relevant qualified body meeting.

## 8. POLICY RESPONSIBLES

**i.** The General Shareholders' Assembly shall be responsible for authorizing the Managers to take part in decisions and votes, as deemed convenient, provided that such authorization shall not be detrimental to the company's interest.

**ii.** GEB Board of Directors shall be responsible for the approval of this Policy, as well as for establishing measures to manage conflicts of interests as advised by the Audit and Risk Committee.

**iii.** The Audit and Risk Committee must be made aware of any conflict of interests cases reported by the Managers - Board of Directors members, Legal Representatives, the Group's General Auditor and Compliance Manager; and shall give the Board of Directors recommendations on the necessary measures for the management of conflicts of interests. Also, the Audit and Risk Committee shall bi-yearly review the consolidated report to be submitted by the Management.

**iv.** GEB Corporate Governance Committee and Audit and Risk Committee shall advise the Board of Directors on the approval of this Policy.

**v.** Managers and Collaborators of all Group companies shall observe this Policy and ensure the implementation of this Policy.

This is a binding Policy, and it is supplemented by the provisions set forth in GEB corporate documents, in particular the [Related Party Transaction Policy](#).