

# Corporate Governance Code



Grupo Energía Bogotá



## CORPORATE GOVERNANCE CODE

### INTRODUCTION

Grupo Energía Bogotá S.A. E.S.P., hereinafter the “Company” or “GEB S.A. ESP”, is a stock corporation listed on the Colombian Securities Exchange (BVC, for the Spanish original), whose majority shareholder is the Capital District (the city of Bogotá, Colombia). It is incorporated as a mixed public services company which, in the framework of Colombian law, is autonomous in administrative, equity and budgetary terms, and does business under the private law regime.

GEB S.A. ESP’s main corporate purpose is the generation, transmission, distribution and commercialization of energy, including gas and liquid fuels of all forms. It may also acquire interests as partner or shareholder in other public services companies, either directly or in partnership with other parties. The Company may also develop or participate, directly or indirectly, in engineering and infrastructure projects, and invest in these areas, including provision of services and related activities.

GEB S.A. ESP is the parent company of Grupo Energía Bogotá, hereinafter the “Group” or “GEB”, which is organized into the following three Strategic Business Groups (SBGs):

**i.** Strategic Urban Solutions or Distribution SBG; **ii.** Interconnection for Market Development or Transmission and Transport SBG; and **iii.** Low Emissions Generation or Generation SBG. Thus, GEB S.A. ESP acts as a “strategic hub”, enabling the active and competitive intervention of the different GEB companies.

The corporate governance system of GEB S.A. ESP establishes the mechanisms to manage key aspects for the growth, competitiveness and sustainability of the Company and the Group; in this sense, it is committed to implementing the highest standards on this matter. GEB S.A. ESP understands that its actions are defined by the decisions of its shareholders, the Board of Directors, Senior Management and, in general, all of the Company’ employees.

This Corporate Governance Code describes the main elements of governance of GEB S.A. ESP and sets out guidelines of action for the Company’s governing bodies, including certain aspects related to GEB.

This document is structured on the basis of the principles of the Organization for Economic

Cooperation and Development (OECD), as well as the recommendations of the Financial Superintendence of Colombia. Consequently, the present Code provides a general description of the different practices that have been adopted and are more extensively regulated by other corporate documents, such as the Corporate bylaws, the Rules of the General Meeting of Shareholders, the Rules of the Board of Directors, the Rules of the Board of Directors' committees and corporate policies, among others. It was not prepared with the intention of repeating mandatory legal or regulatory aspects of corporate governance; however, some sections include pertinent references in order to allow the reader to identify certain general elements regarding corporate governance, ethics and transparency that apply to GEB S.A. ESP. To complement the above, GEB S.A. ESP has a Corporate Governance policy that encompasses all GEB companies and provides behavioral guidelines regarding stakeholders such as shareholders, creditors and bondholders, among others.

In addition to the above, this Corporate Governance Code incorporates the provisions of the Shareholder Agreement delivered to the Company on July 31, 2018, which was signed as part of the democratization process carried out by the City of Bogotá in 2017 and 2018, the main purpose of which is to improve the corporate governance practices of GEB S.A. ESP, to ensure continuity in decision-making and to enhance the professionalism of the Company's management team, as well as to maintain the continuity of strategies and avoid any adverse consequences of constant changes of management. Consequently, this document and other internal corporate documents of GEB S.A. ESP are aligned with the statutory provisions adopted as a result of said Shareholder Agreement, once it becomes effective.

## I. SHAREHOLDERS

GEB S.A. ESP is a stock issuer listed on the Colombian Securities Exchange. Its majority shareholder is the city of Bogotá (Colombia's Capital District). Its minority shareholders include individual and institutional investors, such as pension funds. In addition, given its status of parent company of GEB, it should manage relations with other shareholders of the companies in which it holds interests. In this regard, the Company abides by the following general commitments on the following three fronts:

- i. Respect for GEB S.A. ESP's minority shareholders: to treat all shareholders in a respectful and equal manner, regardless of the value of their investments or the amount of shares they represent, as established by legal and regulatory provisions, as well as by the Company's different corporate instruments, including the present Corporate Governance Code.

ii. Respect for the Capital District as its majority shareholder: GEB S.A. ESP is respectful of its relationship with its majority shareholder, and it acts in accordance with the OECD's corporate governance guidelines for State Owned Enterprises; in return, the Company expects a relationship guided by entrepreneurial and technical criteria and which respects the corporate channels, such as the General Meeting of Shareholders and the Board of Directors, body in which representatives of the majority shareholder participate, always bearing in mind the importance of respecting such channels in order to protect the Company's interests and to create value for all shareholders.

iii. Respect for the shareholders at other GEB companies: in all its investments, the guiding rule of GEB S.A. ESP is to maintain respectful, transparent relationships based on the contents of this Code, to ensure that all agreements it may enter into in connection with these investments are properly honored.

## a) Rights of the Shareholders

In addition to the legal rights granted by Colombian commercial law, such as the right to call and participate in general meetings of shareholders, to be paid dividends<sup>1</sup>, to inspect and to withdraw, and those included in the Corporate bylaws and the Rules of the General Meeting of Shareholders, GEB S.A. ESP also recognizes the following rights to its shareholders:

i. To request specialized audits<sup>2</sup> when such request is made by a group of shareholders representing at least 5% of subscribed shares. In such cases, the shareholders may request the President of GEB S.A. ESP to approve performance of specialized audits, on the account of the shareholders who request them, and in accordance with the conditions and procedures set forth in the Corporate bylaws.

ii. To receive timely and sufficient information. The shareholders have the right to receive adequate and effective responses to their information requests in accordance with the provisions of the present Code and other internal rules of GEB S.A. ESP. All information that is of interest for other investors or that must be disseminated as relevant information shall be made available via the web page and in compliance with regulations applicable to issuers of securities.

The information to which Management has access, according to Colombian law and to GEB S.A. ESP's internal provisions, is subject to the duty of confidentiality and to

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1. The exercise of the right to obtain dividends shall be ruled by the provisions set forth in GEB S.A. ESP's Corporate Bylaws.

2. The specialized auditor is defined as the independent professional or group of professionals who study, analyze and issue an opinion on a specific subject. The specialized audit is to be carried out in accordance with what is set forth in the present Code. The specialized auditor shall be under the obligation of maintaining the confidentiality of the information presented during contract performance.

the acknowledgement that all their actions must be made in the Company and all its shareholders' best interests. In any case, these provisions are complemented and administered by means of the conflict of interest regime of the Board of Directors.

iii. To have access to detailed information regarding any transaction that may imply stock dilution. In these cases, the Board of Directors must present before the General Meeting of Shareholders a report explaining the terms of such transactions, for its approval. The aforementioned report shall be prepared by an independent external consultant.

iv. To vote separately on proposals to amend the Corporate bylaws at general meetings of shareholders, in such a manner that each article or group of articles that is substantially independent can be voted on separately. In all cases, an article shall be voted on separately if a shareholder or group of shareholders representing at least 5% of share capital, requests so during the General Meeting of Shareholders.

## **b) Duties of the Shareholders**

In addition to the duties prescribed by Colombian law, such as mandatory duties for public entities, the following are the duties that must be fulfilled by GEB S.A. ESP shareholders:

i. To act loyally. In this regard, they must abstain from partaking in acts or behaviors that may represent a conflict of interest, as well as from disclosing to third parties or using for their own benefit or that of third parties any information about or related to the Company which they may have become aware of by exercising their rights. Similarly, all their actions and decisions must be made in the best interest of GEB S.A. ESP, and not in the interest of an individual shareholder or group of shareholders.

ii. To update their contact information. The shareholders must register and update their address or that of their registered agents or attorneys through the Central Securities Deposit of Colombia (deceval, for the Spanish original) or through their corresponding stockbroker, to enable GEB S.A. ESP to send them communications in a timely and effective manner. Failure to do so will render ineffective any claims against the Company for not having received communications in a timely fashion.

## **c) On the General Meeting of Shareholders**

The General Meeting of Shareholders is the Company's highest governance body. It

establishes guidelines and directs and assesses the performance of the Company's managers (members of the Board of Directors and registered agents of GEB S.A. ESP), and it is comprised by all shareholders. It is the most suitable venue for providing information and interacting with other shareholders, and it is regulated by the Rules of the General Meeting of Shareholders. Such rules are available at the Company's web page.

In addition to what is set forth in Colombian law, the General Meeting of Shareholders has the functions and responsibilities assigned to it by the Corporate bylaws.

#### **d) Operating Provisions of the General Meeting of Shareholders**

The general meetings of shareholders may be either ordinary or extraordinary. Ordinary meetings are held at the Company's headquarters within the first three months of each year at the place, date and time determined by the President of GEB S.A. ESP or by the Board of Directors in the call. Meeting calls must be made at least 30 calendar days in advance.

Extraordinary meetings are held when unforeseen or urgent situations arise. They may be called by the Board of Directors, the President of GEB S.A. ESP or the Statutory Auditor, or when requested by a group of shareholders that represent at least ten percent (10%) of subscribed shares. Meeting calls must be made minimum 15 calendar days in advance. Extraordinary general meetings of shareholders shall not decide on any matters not included in the agenda, unless it is decided otherwise by a group of shareholders representing 70% of the total shares represented at the meeting.

The Company facilitates representation for shareholders who are unable to directly participate in general meetings of shareholders by establishing the conditions in which they may be represented and supplying them a power of attorney form, all of which is regulated in the Rules of the General Meeting of Shareholders. In addition, the Company broadcasts general meetings of shareholders by electronic channels.

The Board members and, in particular, the chairmen of their committees and the President of GEB S.A. ESP are invited to the General Meeting of Shareholders to answer shareholders' inquiries.

In order to facilitate informed decision-making at the Meeting, prior to it the Company shall make available via the web page <http://www.grupoenergiabogota.com/> all the

documentation required on the matters to be discussed, including, when applicable, certified and audited financial statements, as well as the resumes of any candidates proposed by the shareholders to make up the Board of Directors. Additionally, the Company books are made available at corporate headquarters to enable shareholders to exercise their right to inspection.

## II. BOARD OF DIRECTORS

GEB S.A. ESP Board of Directors is responsible for setting the strategic course of the Company, for establishing corporate policies and supervising both financial and non-financial performance in the short, medium and long term. The Board consists of nine members elected by the General Meeting of the Shareholders based on the electoral quotient system, for two-year periods. At least four of its members shall be independent, as defined by Colombian law governing the stock market, in accordance with the independence criteria set forth in the Rules of the General Meeting of Shareholders, the Rules of the Board of Directors and the Board of Directors Appointment, Succession and Compensation Policy. The Board members must meet the highest professional and personal qualifications; their resumes are available at our web page. For their election, the General Meeting of Shareholders must bear in mind the criteria set forth in the Rules of the Board of Directors. The Board of Directors of GEB S.A. ESP has the following support committees: i. Compensation; ii. Finance and Investment; iii. Audit and Risk; and, iv. Corporate Governance, each of which is chaired by an independent member of the Board of Directors. Each of the aforementioned bodies has independent rules that define their functions, composition and responsibilities.

### a) Verification of Qualifications to become a Member of the Board of Directors

The Compensation Committee and the Corporate Governance Committee of the Board of Directors must verify, before the election at the General Meeting of Shareholders, that the candidates for membership of the Board of Directors fulfill the established qualifications and requirements. To such end, all candidates must submit the appropriate documentation to enable the Compensation Committee and the Corporate Governance Committee to carry out the corresponding verifications, as established in the Rules of the General Meeting of Shareholders, the Rules of the Board of Directors and the Board of Directors Appointment, Succession and Compensation Policy.

Candidates for independent membership must include a statement in their acceptance letters whereby they assert their compliance with the Independence requirements set forth in Colombian law and the additional independence criteria adopted in the internal



rules of GEB S.A. ESP as a result of the provisions of the Shareholders Agreement<sup>3</sup>. Similarly, they must inform the Company of any subsequent circumstance that may affect their status as independent members.

## b) Duties and Rights of Board members

The members of the Board of Directors are protected under the Colombian regime of administrators' responsibility, and they must act in compliance with the following duties:

- Diligence and care;
- Loyalty and non-Competition; and
- Secret and nonuse of corporate assets.

On the other hand, the rights of the members of the Board of Directors are:

- Information;
- Have the support of experts;
- Compensation; and
- Permanent training.

All of the above rights and duties are further described in the Rules of the Board of Directors, available at the web page.

## c) Functions of the Board of Directors

The Board of Directors, as the Company's highest organ of strategic management, determines the EEB's general policies, ensures fulfillment of the rights and equitable treatment of the shareholders, as well as overseeing the development of GEB S.A. ESP in the short, medium and long term. The Board is responsible for supervising Senior Management's performance, for verifying the quality of all disclosed information, for establishing risk management guidelines, and for monitoring compliance with the corporate governance policies and arrangements required by Colombian law, or any guidelines voluntarily adopted by GEB S.A. ESP. For the effects of this Code, "Senior Management" is defined as the President and Vice Presidents of GEB S.A. ESP.

Besides establishing general policies at the Company level, the Board of Directors of GEB S.A. ESP decides and guides the corporate policies for GEB.

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3. Shareholders Agreement delivered to the Company on July 31, 2018, as a result of the democratization process.



The detailed functions of the Board of Directors are contained in the Corporate bylaws and, in particular, in the Rules of the Board of Directors.

#### d) On the Chairman and Deputy Chairman of the Board of Directors

The Board of Directors selects a Chairman and a Deputy Chairman from among its members. The election is carried out independently of who they represent or the position they hold.

Among the main responsibilities of the Chairman of the Board are to coordinate and plan the functioning of the Board of Directors, to act as moderator in all debates, to oversee the effective fulfillment of all commitments, and to act as liaison between the Board of Directors and the shareholders. The Chairman's functions are detailed in the Corporate bylaws and in the Rules of the Board of Directors.

According to the provisions of the Shareholder Agreement, the Chairman of the Board must be an independent member, to be elected by at least three (3) votes by independent members and one (1) vote by a member nominated by the City of Bogotá, from among those attending the meeting.

#### e) Secretary of the Board of Directors

The duties of the Secretary of the Board of Directors and its committees are carried out by the Company's Legal and Compliance Vice President, and in the event of his absence, the Secretary will be assigned by the Board of Directors as established in the Corporate bylaws. This officer's main responsibilities are to manage the Board's books and minutes, to call meetings, to certify minutes and internal documents, to serve as legal counsel and to fulfill any other duties assigned by the Board of Directors. The Secretary's functions are contained in the Rules of the Board of Directors.

#### f) On Meetings and their Operation

The Board of Directors' operations are regulated by the Corporate bylaws and the Rules of the Board of Directors. In this regard, provisions have been established on aspects such as: monthly ordinary meetings, delivery of information at least five ordinary days in advance. All of the above in keeping with Colombian commercial law and good corporate governance practices.

In December of each year, the Board of Directors approves a calendar of ordinary



sessions; however, the Board may hold extraordinary meeting as many times as it deems necessary. In general, the Board of Directors holds ordinary meetings once a month.

#### g) Board Assessment and Compensation

Annually, the Board of Directors, with the support of the Compensation and the Corporate Governance committees, carries out a self-assessment process as a collegiate body, of its members on an individual basis, and of its committees. The evaluation may be made with the assistance of an external consultant, and a results report is presented to the General Meeting of Shareholders, which is responsible for approving the Board's Appointment, Succession and Compensation Policy. In this regard, Board members receive as professional fees the equivalent of five legally valid monthly minimum wages for their participation in each session of the Board, for up to two meetings in the same month. For their participation in each meeting, Committee members receive the equivalent of 75% of the currently valid fees for Board meetings and for up to two committee sessions of the same committee within the same month.

### III. SENIOR MANAGEMENT

The President of GEB S.A. ESP is the Company's highest-ranking official, as well as the head of the GEB. The Shareholder Agreement establishes that the President is elected by the Board of Directors based on criteria of suitability, knowledge, experience and leadership, according to the procedure established in the Rules of the Board of Directors, aimed at ensuring that the appointment process is objective, independent and transparent. The President can be reelected for an indefinite number of terms and can be removed at any time.

The President has three alternates to replace them during any temporary or absolute absence, in the order in which they are listed.

Annually, the Board of Directors of GEB S.A. ESP assesses the President's performance, in compliance with the parameters set by the Board itself. The President's compensation includes both a fixed and a variable component; the latter is based on the results of the performance assessment, and is intended as an incentive for the achievement of Company goals.

According to the Corporate bylaws, the Senior Management members are appointed by the President of GEB S.A. ESP, in accordance with the corporate structure defined by

the Board of Directors. The CEO will assess the Senior Management every year, with a review every semester, in accordance with the guidelines of the Performance Management adopted by the Company.

As the parent company of GEB, GEB S.A. ESP's Senior Management also defines the strategy at the corporate level. In this sense, it defines guidelines and makes decisions to coordinate and develop synergies among the Group's different companies and the Strategic Business Groups.

In addition, the management teams of the Strategic Business Groups carry out their functions in a competitive environment, which implies designing and executing each group's strategy in coordination with GEB S.A. ESP's Senior Management.

## IV. CONTROL ENVIRONMENT

### a) Internal Control

The internal control system comprises the policies and procedures set forth by GEB S.A. ESP to provide reasonable assurance regarding management and monitoring of corporate risks, to ensure the reliability of financial information, compliance with regulations, the safekeeping of assets and, in general, to support the Company in achieving its objectives. The Board of Directors, with the support of the Audit and Risk Committee, is responsible for approving the general strategies and policies related to the internal control system, as well as for monitoring their appropriate implementation.

The Company's Internal Control system is framed within the standards of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and the internal control system's three lines of defense model. The internal control policies established by GEB S.A. ESP are made extensive to Group companies.

### b) Group General Auditor

The Company has an independent Group General Auditor who reports functionally to the Board of Directors through the Audit and Risk Committee, and who reports administratively to Company's President.

The Group's General Auditor is responsible for performing assessments of internal control based on risk analysis and COSO elements, and for making recommendations for continuous

improvement.

The functions and responsibilities of the Group's General Auditor are set forth in the Internal Audit Statute.

#### c) Compliance Office

The Company's Compliance Office is responsible for working on the detection, investigation, second-line-of-defense reaction and mitigation of risks of corruption and fraud in data management, money laundering and competition, among others. This Office falls under the responsibility of the Legal and Compliance Vice President of GEB S.A. ESP, reports to the Audit and Risk Committee of the parent company's Board of Directors, receives reports from compliance officers at GEB companies and strengthens the business group's lines of defense.

#### d) Statutory Audit Department

The Company also has a Statutory Auditor appointed by the General Meeting of Shareholders for a period of two years. The Statutory Auditor's functions, qualifications, form of election and responsibilities are set forth in the Corporate bylaws. The General Meeting of Shareholders sets the compensation for the Statutory Auditor.

The Statutory Audit Department can only be recruited for a maximum of ten continuous years; after such time, the firm must be replaced. In all cases, all Statutory Audit Department team members assigned to the Company must be changed every five years.

The Statutory Auditor must be at all times clearly independent from the Company, and such independent status must be reasserted in all audit reports presented to the shareholders. GEB S.A. ESP and the other GEB Companies shall not recruit the same Statutory Audit firm to perform any services other than audit of accounts.

#### e) External Audits

According to the Domiciliary Public Services Law, GEB S.A. ESP is required to recruit and perform an external audit of management and of results, including an assessment on the organizational architecture, business and technical management, the internal control system, the management and results plan, financial viability and an opinion on the Company's risk levels.

The results of this audit are presented in the Annual Report on the External Management Audit and published in the Company's web page.

#### f) Risk Management

GEB S.A. ESP's risk management system aims to increase the trust of GEB stakeholders, to guarantee business continuity, to reduce uncertainties and operate in a transparent manner.

The Company's risk management is based on the principle of self-control, which is why it is the duty of all GEB S.A. ESP departments to ensure prudent risk management as an integral part of doing business. The consolidated risks report of both the Company and GEB are presented periodically to the Audit and Risk Committee and the Board of Directors. Comprehensive risk management at GEB S.A. ESP and other GEB companies is regulated by the Risk Management Policy.

## V. DISCLOSURE OF INFORMATION

GEB S.A. ESP, in its capacity of local and international issuer of securities, fulfills the highest standards of transparency and disclosure of financial and nonfinancial information, in accordance with applicable law, the guidelines set forth by the Financial Superintendence of Colombia, as well as the commitments taken on during each of the respective issues. Currently, GEB S.A. ESP participates in the Investor Relations – IR Award granted by the Colombian Securities Exchange to companies with high standards of disclosure of information to their investors.

In addition, the Company supplies all information in compliance with the provisions of the Comprehensive Stock Market Information System (SIMEV, for the original in Spanish) of the Financial Superintendence of Colombia.

With the exception of confidential information, the Company shall supply general information in accordance with the methodology and periodicity established by the Board of Directors and the applicable securities market rules, in order to provide shareholders and other investors timely and accurate information for their investment decisions.

The information disclosed by GEB S.A. ESP is subject to the guidelines contained in applicable law, as well as in GEB S.A. ESP rules and internal policies on disclosure of

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4. Confidential information is defined as any information that exclusively concerns the members of the Board of Directors, the President, Vice Presidents and Directors, and the dissemination of which could put the Company's business at risk, affect third parties' rights or compromise the Company's business strategies and competitiveness. All persons associated with GEB S.A. ESP shall handle information classified as confidential with extreme care, especially in the case of matters related to its competitive advantage and corporate strategy.

information<sup>4</sup>.

#### a) Annual Corporate Governance Report

As an additional information mechanism for its investors and the public, GEB S.A. ESP prepares an annual Corporate Governance Report, under the responsibility of the Board of Directors. This report is submitted to the General Meeting of Shareholders, following a review by the Audit and Risk Committee, and is available on the web page.

#### b) Investor Relations

GEB S.A. ESP has a Financing Management and Investor Relations Department that is responsible for addressing shareholder inquiries regarding Company shares, via the following email address: [ir@geb.com.co](mailto:ir@geb.com.co). Additionally, the web page includes a link to supply information to investors.

## VI. SOCIAL RESPONSIBILITY

Aware of how important sustainability is for the GEB, GEB S.A. ESP has issued a series of guidelines and provisions aimed at promoting effective relationships with stakeholders, and particularly with the communities where it has presence. These definitions are complemented by the work done by the GEB Foundation and the shared value initiatives promoted by GEB. Within this context, GEB S.A. ESP has a number of corporate policies on environmental, corporate citizenship and sustainability matters, all of which reflect the commitments made on these matters and which are available at the Company's web page ([www.grupoenergiabogota.com](http://www.grupoenergiabogota.com)).

## VII. ON CONFLICTS OF INTEREST AND TRANSACTIONS WITH RELATED PARTIES

#### a) General Provisions

The rules for managing conflicts of interest and transactions with related parties are defined in the Company's Code of Ethics, the Conflict of Interest Management Policy and the Transactions with Related Parties Policy.

#### b) Management of Conflicts of Interest

The above provisions, and particularly the Conflicts of Interest Management Policy, include,

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4. El GEB considera terceros no relacionadas a todas aquellas personas naturales o jurídicas que no se encuentren clasificadas como parte relacionada.

among other aspects, the definition of conflicts of interest, a classification of types of conflicts of interests, and the process to ensure their adequate management.

GEB S.A. ESP's Code of Ethics and the Conflict of Interest Management Policy establish that in the event of a conflict of interest, or when in doubt of its potential existence, the person who has such conflict of interest must abstain from participating either directly or indirectly in the activities and decisions related to the situation that creates such conflict of interest. In addition, the person must also report the situation in full detail and in writing to the appropriate person, according to the following classification:

- i. For Management (Board members and registered agents), GEB's Compliance Office or its equivalent, through the Secretary of the Board of Directors
- ii. For the Group General Auditor, the Compliance Officer or members of the Ethics Committee, the Audit and Risk Committee of the Board of Directors through the Compliance Officer
- iii. For employees, their direct supervisor

Once the situation has been reported, the procedure defined in the Company's Conflict of Interest Management Policy and the Code of Ethics should be followed. In the particular case of the members of the Board of Directors, they have the duty of reporting any direct or indirect relations with the Company, suppliers, clients or any other stakeholder that may lead to situations of conflict of interest. Board members shall also report to the Board of Directors any situation that creates a conflict of interest, in which case GEB S.A. ESP's provisions on conflicts of interest management shall apply. Any doubt on whether an actual conflict of interest exists shall not exempt a member of the Board of Directors from the obligation of abstaining from participating in the respective activities and decisions.

### c) Transactions with Related Parties

The rules established in the Transactions with Related Parties Policy define the principles and rules to be followed by GEB S.A. ESP and its subsidiaries involving inter-company transfers of resources, services or obligations, by means of contracts, agreements or service agreements, regardless of the amount.

This Policy defines related parties according to the provisions of International Accounting

Standard No. 24 - Related Party Disclosures (IAS 24) and International Financial Reporting Standard No. 10 - Consolidated Financial Statements (IFRS 10), which includes:

- i. companies in which GEB S.A. ESP holds a controlling equity interest or joint control, directly or indirectly, as well as Fundación GEB;
- ii. companies in which GEB S.A. ESP, directly or indirectly, holds an equity interest of more than twenty percent (20%) of share capital, i.e. significant influence, though not control;
- iii. shareholders who, directly or indirectly, hold over twenty percent (20%) of the share capital of GEB S.A. ESP, as well as companies in which they exercise control. In the case of Bogotá D.C., the Capital District includes the entities listed in Annex 1 to the Transactions with Related Parties Policy, which covers both the central and decentralized administrative structure;
- iv. managers of GEB S.A. ESP and its subsidiaries, as well as close relatives; and
- v. companies in which any of the above exercise shareholder or joint control.
- vi. It also establishes a classification of transactions with related parties.

#### d) Conditions for Share Disposal

The Company's managers shall not, either personally or through a third party, dispose of or acquire Company stock while in office, except in cases of non-speculative transactions, subject to prior and express authorization from the Board of Directors.

#### e) Code of Ethics and Ethical Channel

The Code of Ethics of GEB<sup>5</sup> S.A. ESP promotes ethical behavior at all levels, including Company Board members, Senior Management, employees and contractors. The aim is to mitigate all risks associated with unethical behavior. The Company also has an Ethical Channel available for stakeholders in order to receive reports or inquiries regarding events of fraud, conflicts of interest or undue or illegal conducts, at the Company's webpage ([www.grupoenergiabogota.com](http://www.grupoenergiabogota.com)).

Additionally, the Company has other corporate policies in place to foster coordinated action against fraud or corruption at the local level and in all jurisdictions where GEB operates,

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5. GEB S.A. ESP defines non-related party as any individual or legal entity not classified as a related party.

with the objective of promoting transparent management and deterring misconduct.

## VIII. DISPUTE RESOLUTION

### a) Arbitration

According to the Corporate bylaws, any dispute between shareholders or between shareholders and the Company or its Board of Directors, may be submitted to an arbitration process, by means of a tribunal comprised by three arbitrators jointly appointed by the parties, or otherwise, by the Center for Arbitration and Reconciliation of the Chamber of Commerce of Bogotá, whose rulings shall be made by law.

The arbitrators' decisions shall be subject to appeals by means of a motion to overturn the ruling, and/or by means of a motion for extraordinary review, in the cases and according to the procedures foreseen by law.

### b) Protection of Shareholders by the Financial Superintendence of Colombia

Due to its status as issuer of securities, any number of GEB S.A. ESP shareholders representing less than 10% of total shares outstanding and which are not represented in the Company's management, may appeal to the Financial Superintendence of Colombia when they consider that their rights have been, directly or indirectly, affected by decisions made by the General Meeting of Shareholders or of management.

## IX. FINAL PROVISIONS

It is the duty of the Board of Directors, as well as of the President and the Legal and Compliance Vice President of GEB S.A. ESP to supervise compliance with the Corporate Governance Code.

The shareholders may demand effective compliance with the present Code through the Board of Directors or through the Corporate Governance Committee, by means of a duly supported written petition.

The present Corporate Governance Code shall become effective upon its approval by the Board of Directors, and any amendments made thereto are to be announced in a newspaper of national