

# Corporate **Governance Report**

# 20 21

We improve  
lives with  
**sustainable  
and  
competitive  
energy**



Grupo Energía Bogotá

[view report](#)



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Operation at Electrodunas, Peru.





# Introduction



At **Grupo Energía Bogotá** we see Corporate Governance as one of the main leverages of our corporate strategy. It defines the standards and principles that make a robust decision-making process and for a transparent relation with our shareholders, investors and all the stakeholders.

That is why, more than five years ago, we started a profound transformation process to consolidate and strengthen the best practices of our Corporate Governance, in line with the highest international standards and with Environmental, Social and Governance (ESG) components, including recommendations from the Organization for Economic Co-operation and Development (OECD) found in Circular Letter

028 from 2014 of the Financial Superintendence of Colombia (Colombian Best Practices Code).

Under the leadership of the Board of Directors and of Senior Management, GEB has sought the continuous improvement of its corporate governance and the consolidation of a culture of transparency, integrity and accountability, particularly in:

- (i) **Efficient and responsible management of GEB's equity;**
- (ii) **Protection of the interests of minority shareholders;**
- (iii) **Adoption of the highest standards of ethics and compliance;**
- (iv) **Effective and transparent management of processes to ensure the traceability and evidence of each of its acts and decisions; and**
- (v) **Definition of processes guided by technical and business sustainability criteria based on decisions that generate sustainability, profitability and competitiveness for all Group companies.**

With this goal, in 2021, certain milestones were reached that strengthen our commitment to involve ESG criteria as support for the strategy. We high the following, among others:





GEB's work in matters of corporate governance was the subject of many important recognitions in 2021. The Group's rejoining of the Dow Jones Sustainability Index and the Investors Relations (IR) recognition of the Colombian Securities Exchange, together with the measurement of the adoption of the measures of the Best Practices Code (Circular Letter 028 from 2014 of the Financial Superintendence of Colombia) show the achievements made. The following 2021 milestones are highlighted below:

**Dow Jones Sustainability Index**

GEB was able to rejoin the Dow Jones Sustainability Index and received the historically highest results. This has allowed GEB to enter the indices of the Latin American Integrated Market (MILA) and of emerging markets, and placing itself in the **fourth position** of the overall ranking of the Gas Utilities industry.



**IR Recognition from the Colombian Securities Exchange**

For the **eighth straight year**, GEB obtain the Investor Relations (IR) Recognition, which the Colombian Securities Exchange awards to the issuers with the highest standards in disclosure of information and of investor relations, which increased the percentage of compliance with the Colombian Securities Exchange's recommendations to **95.4%**.



**Member of the Colombian Institute of Corporate Governance**

GEB is an active member of the Colombian Institute of Corporate Governance (ICGC), which encourages the promotion of improvements in matters of corporate governance and contributes to its successful performance. Key stakeholders meet in spaces provided by the ICGC and share their experience and knowledge of best practices in this matter. In addition, GEB was part of the ICGC's Board of Directors **until March, 2021**.



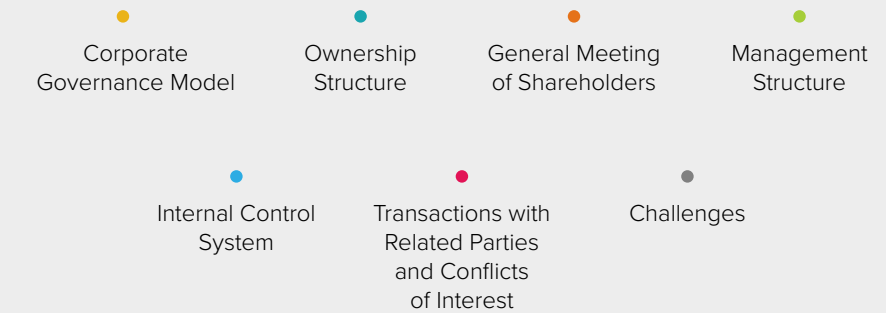
**Implementation of the Colombian Best Practices Code**

The level of adoption of the measures contained in the Colombian Best Practices Code continued to improve, for a total of **95.9%**.



Compromised with the continuous strengthening and inclusion of the best practices in accordance with global trends, especially with the consolidation and appropriate thereof in the culture of the companies making up the Business Group, GEB's Management and Board of Directors present to all of its shareholders the following **Annual Corporate Governance Report** to render account of the management done in 2021, in accordance with the provisions of the Company Bylaws and the Corporate Governance Code.

Following the recommendations of the Colombian Best Practices Code, this report contains the following chapters:



Cálidda Management Team, Peru.





# 01 Corporate Governance Model

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During 2021, GEB's management updated the Corporate Governance Model in order to implement the most recent recommendations from the ESG perspective and, at the same time, adjust it to the reality of the Business Group. Once a diagnosis and design process was carried out, the Board of Directors approved the new model at the ordinary meetings No. 1650 of February 25, 2021.

The main objectives of the new Corporate Governance Model are to:





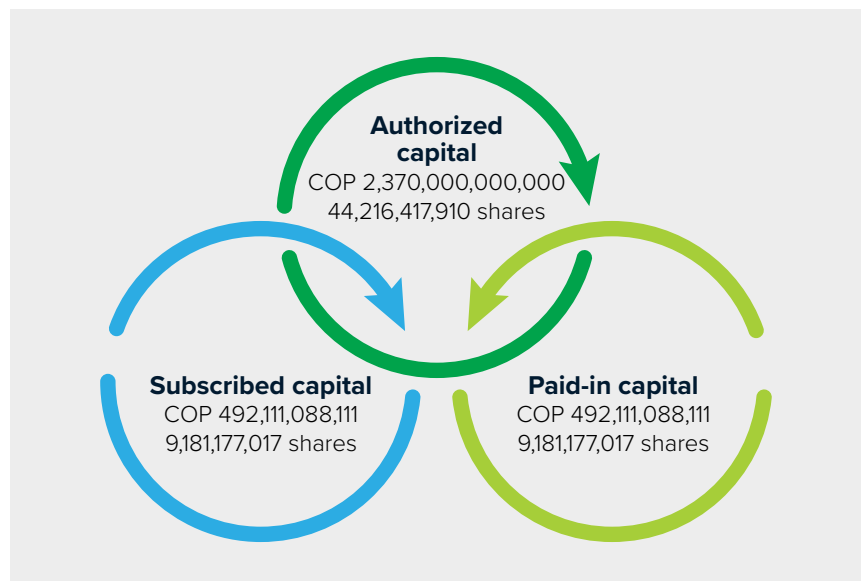


# Ownership Structure



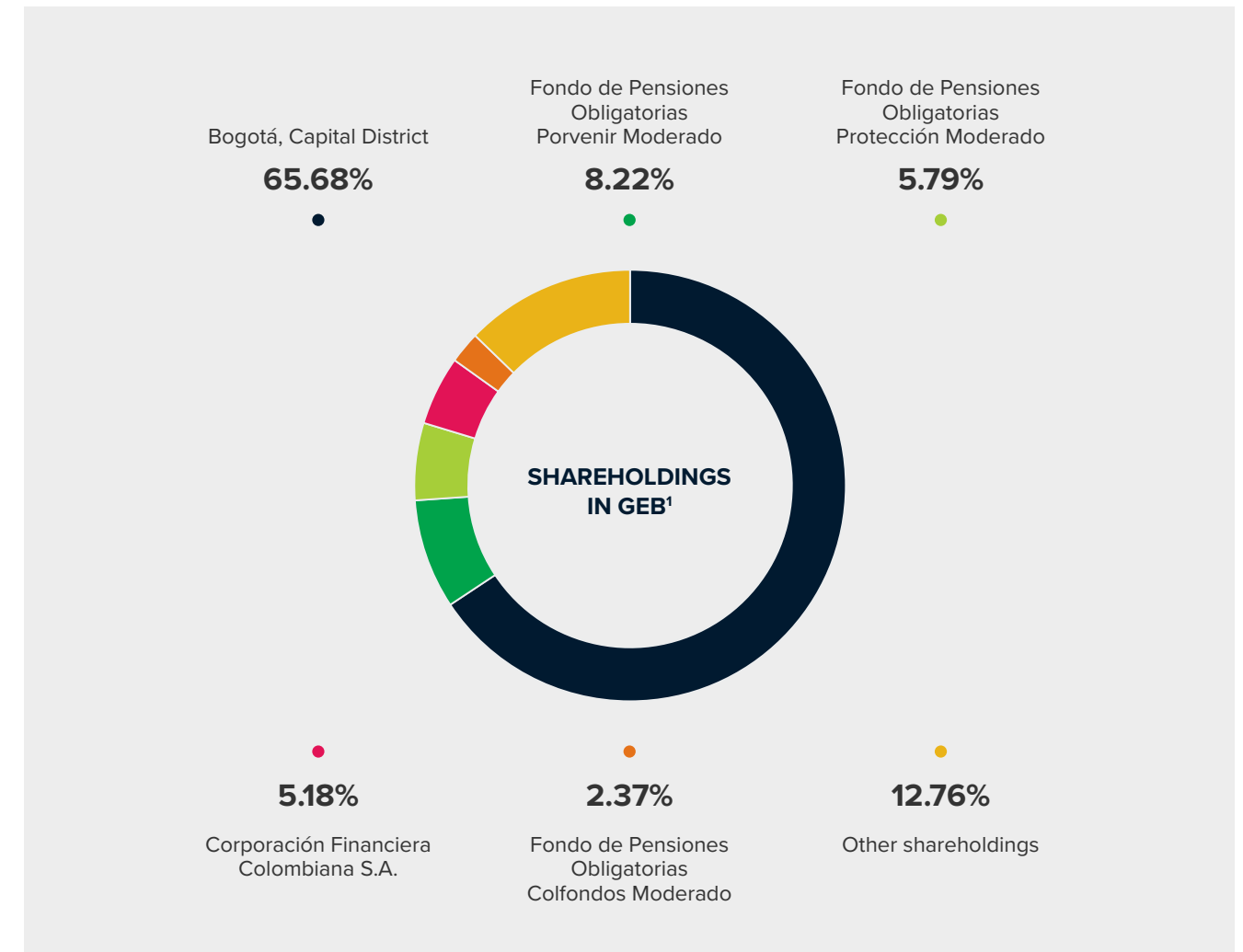
Share capital

THE SHARES INTO WHICH THE GEB'S CAPITAL IS DIVIDED SHALL BE NOMINATIVE AND SHALL CIRCULATE IN A NON-MATERIAL MANNER. THE CAPITAL STRUCTURE IS AS FOLLOWS:



GEB has **more than 6,300 shareholders**. Its majority shareholder is Colombia's Capital District, which holds **65.68%** of the Company's subscribed and paid-up capital.

GEB has several minority shareholders. These include domestic and international individuals and legal entities, GEB employees and institutional investors.



None of the members of the Board of Directors owns GEB shares.

The ownership structure of GEB is predominantly institutional, and thus there are no family relations between holders of significant shareholdings.

There are no own shares held by the Company.

<sup>1</sup> Information taken from the certification issued on January 17, 2022, by GEB's statutory auditor (KPMG S.A.S.) according to the data provided by the Central Securities Depository of Colombia (Deceval, for the Spanish original).



## Shareholders with significant shareholdings

The following shareholders have significant shareholdings in GEB as of December 31, 2021<sup>2</sup>.

<p><b>Bogotá, Capital District</b></p> <p><b>6,030,406,241</b> shares</p> <p><b>65.68%</b> of shareholdings</p>	<p><b>Fondo de Pensiones Obligatorias Porvenir Moderado</b></p> <p><b>755,130,630</b> shares</p> <p><b>8.22%</b> of shareholdings</p>	<p><b>Fondo de Pensiones Obligatorias Protección Moderado</b></p> <p><b>531,885,551</b> shares</p> <p><b>5.79%</b> of shareholdings</p>
<p><b>Corporación Financiera Colombiana S.A.</b></p> <p><b>475,298,648</b> shares</p> <p><b>5.18%</b> of shareholdings</p>	<p><b>Fondo de Pensiones Obligatorias Colfondos Moderado<sup>3</sup></b></p> <p><b>218,003,632</b> shares</p> <p><b>2.37%</b> of shareholdings</p>	

## Trading in shares

During the period covered by this report, the members of the Board of Directors did not carry out, directly or indirectly, any trading of GEB shares. For its part, the Company's Senior Management has a not material shareholding equivalent to **0.00494%**.

<sup>2</sup> *Ibidem*

<sup>3</sup> Pension and Severance Funds Administrators (AFP, for the Spanish original), are financial institutions supervised by the Financial Superintendence of Colombia, whose corporate purpose is to efficiently manage mandatory and voluntary pension funds, as well as severance fund contributions made by employers and employees. They are considered institutional investors because they manage and concentrate the savings of a large number of people and invest the funds in different portfolios, seeking to obtain profitability for their affiliates.

According to the provisions of Article 404 of the Commercial Code and Geb's Policy on Trading in Shares, any trading of shares by Senior Management, the members of the Board of Directors or employees with access to proprietary information, it must be authorized by the Board of Directors, which verifies

the conditions of the operation and that it is not done for speculative purposes, nor with the use of proprietary information.

In 2021, twelve (12) requests were submitted to the Board of Directors by parties covered by the Policy on Trading in Shares, as below:

	Party Covered by the Policy	Request Type	Board of Directors Meeting	Status
<b>1</b>	José Fernando Montoya	Acquisition	Ordinary Meeting No. 1650 of February 25, 2021	Not materialized
<b>2</b>	Natalia Carrillo	Disposal	Ordinary Meeting No. 1658 of June 24, 2021	Not materialized
<b>3</b>	Juan Carlos de la Cuadra	Acquisition	Extraordinary Meeting by written vote No. 1669 of December 9, 2021	Materialized in December
<b>4</b>	Javier Hugo Hernández Delgadillo	Acquisition	Extraordinary Meeting by written vote No. 1669 of December 9, 2021	Materialized in December
<b>5</b>	María del Pilar Mejía	Acquisition	Extraordinary Meeting by written vote No. 1669 of December 9, 2021	Not materialized
<b>6</b>	Aida Lorena Cuevas	Acquisition	Extraordinary Meeting by written vote No. 1669 of December 9, 2021	Not materialized
<b>7</b>	Julián Andrés Santamaría	Acquisition	Extraordinary Meeting by written vote No. 1669 of December 9, 2021	Materialized in December
<b>8</b>	Linda Catalina Ospina	Acquisition	Extraordinary Meeting by written vote No. 1669 of December 9, 2021	Not materialized
<b>9</b>	Liliana Feghali	Acquisition	Extraordinary Meeting by written vote No. 1669 of December 9, 2021	Not materialized
<b>10</b>	Luz Dary Quinche	Acquisition	Extraordinary Meeting by written vote No. 1669 of December 9, 2021	Materialized in December
<b>11</b>	Juan Camilo Amaya Raba	Acquisition	Extraordinary Meeting by written vote No. 1669 of December 9, 2021	Not materialized
<b>12</b>	Juan Martín Serrano Prada	Acquisition	Extraordinary Meeting by written vote No. 1669 of December 9, 2021	Not materialized



## Shareholder agreements

### Two shareholder agreements are filed before Company Management, namely:

**Shareholder Agreement concluded during the democratization process of a percentage of the share interest in Colombia's Capital District, filed on July 31, 2018.**

The provisions set out in the Shareholder Agreement include the following:

**1 Call to Extraordinary Shareholder Meetings**  
Minority shareholders may call Extraordinary Meeting of Shareholders with a number representing at least ten percent (10%) of the total subscribed shares.

**2 Voting Commitments at the Meeting**  
So that the Capital District, the majority shareholder, may vote in favor of matters such as changing the main corporate purpose, the issuance of shares and the sales of substantial assets, among others, seventy percent (70%) of the total of subscribed shares must be reached.

**3 Independent Members of the Board of Directors**  
The Board of Directors must be composed of at least **four (4) members** who fulfill the criteria of independence.

**4 Independence Criteria for the Board of Directors**  
Alignment of the independence criteria based on the recommendations of the Corporate Governance Code of the New York Stock Exchange.

**5 Chairperson of the Board of Directors**  
They must be an independent member.

**6 Quorum and Qualified Majorities at Board Meetings**  
To approve transactions with related parties, disposal of relevant assets, approval of the Strategic Plan and of the Rules of the Board of Directors, among others, a quorum of **seven (7) members** and a **majority of six (6)** are required.

**7 Composition of the Board of Directors**  
The ten (10) or the four (4) minority shareholders with the largest shareholdings in GEB may choose an independent candidate on the list the Capital District.

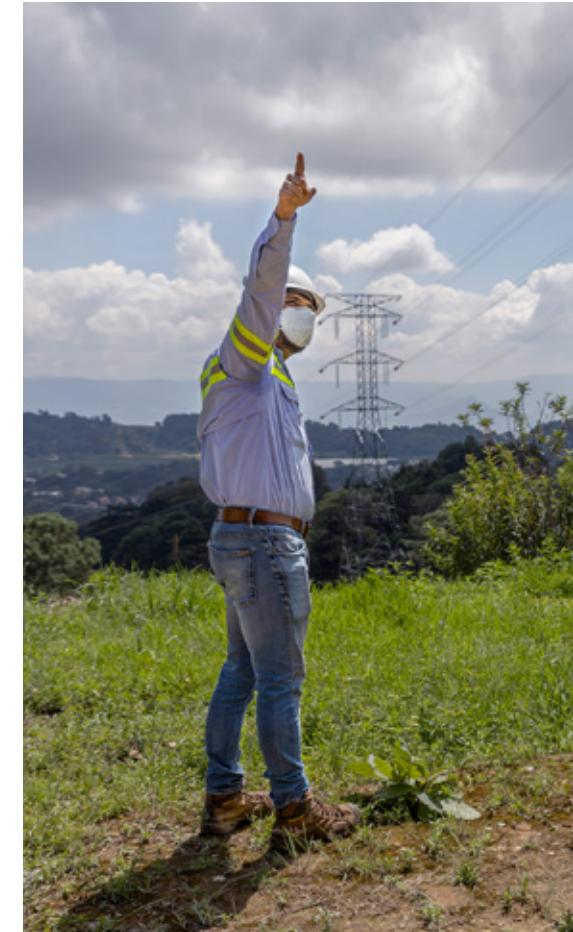
**8 Election of the Company CEO**  
The creation of an *Ad-Hoc* Committee of independent members, the hiring of a head hunter and the creation of a list of candidates for the election of the Company CEO by the Board of Directors are required.

#### Agreement of Minority Shareholders with Major Shareholding in GEB, filed on January 21, 2020.

Signed by the four minority shareholders with the largest shareholdings in GEB, was submitted to the Company's management, by means of which they appointed Juan Benavides as their candidate to be included in the sixth line of the single list of candidates to the Board of

Directors of GEB<sup>4</sup>, in accordance with the right they have by virtue of the Shareholder Agreement submitted by the Capital District on July 31, 2018, as well as the provisions of section b) of Paragraph Two of Article 16 of the Rules of the General Meeting of Shareholders.

<sup>4</sup> Fondo de Pensiones Obligatorias Porvenir Moderado, Fondo de Pensiones Obligatorias Protección Moderado, Corporación Financiera Colombiana S.A. and Fondo de Pensiones Obligatorias Colfondos Moderado.







# 03 General Meeting of Shareholders

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# Adoption of best practices

THE GENERAL MEETING OF SHAREHOLDERS IS THE HIGHEST GOVERNANCE BODY OF GEB, AND IS THE MAIN MECHANISM FOR PROVIDING INFORMATION TO SHAREHOLDERS AND EFFECTIVE CONTROL OVER THE COMPANY'S PERFORMANCE.

GEB has implemented 100% of the measures established in the Colombian Best Practices Code in line with OECD recommendations and has incorporated into its internal corporate documents the

best practices related to the protection of shareholders' rights and the exercise thereof within the framework of the meetings of the highest governance body, as follows:

**1** Besides the other legal functions assigned to the General Meeting of Shareholders, the bylaws explicitly incorporate the powers of the highest governance body and indicate their non-delegable functions (Measure No. 8: of the Colombian Best Practices Code);

**2** The General Meeting of Shareholders has regulations that establish the rules for its operation as the Company's highest governance body (Measure No. 9 of the Colombian Best Practices Code). The following mechanisms, among others, are set out to facilitate the shareholders' right to receive information (Measure No. 10 of the Colombian Best Practices Code, Chapter V of the Corporate Bylaws, Rules of the General Meeting of Shareholders):

Calls to the Ordinary General Meeting of Shareholders are made at least thirty (30) days in advance, and extraordinary meetings are called at least fifteen (15) days in advance (Rules of the General Meeting of Shareholders, Chapter II).

Extraordinary meetings may be summoned by the Board of Directors, the CEO, the Company's Statutory Auditor or a number of shareholders representing at least **ten percent (10%)** of the subscribed capital (Corporate Bylaws, Art. 45).

Mechanisms are used to ensure maximum dissemination and publicity of the calls to meetings through electronic media, including the corporate website, among others (Rules of the General Meeting of Shareholders, Article 8).

**3** No limitations to the shareholders' right to be represented at the General Meeting of Shareholders is established, including the delegation of votes to any other person, whether this person is a shareholder or not. (Measure 11, Colombian Best Practices Code, Corporate Bylaws, Art. 57, Rules of the General Meeting of Shareholders Title III).

**4** The Rules of the General Meeting establish that Board members, and, especially, its Chairman, and the Chairperson of the Committees, as well as the CEO, shall attend the General Meeting to field any shareholder inquiries (Measure No. 12 of the Colombian Best Practices Code, Rules of the General Meeting of Shareholders, Art. 2).

In order to increase the transparency of the decisions made during the General Meeting, along with the call to the meeting the Company makes available to shareholders the proposals submitted by the Board of Directors to the General Meeting, with a higher standard than required by the Colombian Best Practices Code, (Rules of the General Meeting of Shareholders, Article 22).

In order to facilitate their review and to avoid voting jointly on matters or proposals that should be voted on separately, the points on the agenda contain precise descriptions of the items to be discussed, and in the case of amendments to the bylaws, each substantially independent article or group of articles is voted on separately (Rules of the General Meeting of Shareholders, Article 8).

In order to strengthen and ensure the shareholders' right to inspection and information, the Bylaws recognize the right to propose the inclusion of additional points on the Agenda of the General Meeting of Shareholders and to submit new proposals for agreement on matters already included (Company Bylaws, Art. 46).

Company uses electronic means, in particular, the corporate website, to publish information related to the Agenda of the General Meetings of Shareholders (Rules of the General Meeting of Shareholders, Art. 8).

The right of the shareholders to request additional information or clarifications related to the matters on the Agenda of the General Meeting of Shareholders is recognized (Corporate Bylaws, Art. 46, and Rules of the General Meeting of Shareholders, Art. 23).





In addition, as part of the measures for greater protection and guarantee of the rights of the minority shareholders of GEB, the Shareholder Agreement filed July 31, 2018 by the Capital District establishes that it, as the majority

shareholder, may vote only in favor on the following matters, if, by including its votes, a total number of votes in favor reaches an amount equal to or greater than 70% of GEB's subscribed capital.

(i) reforms to Company capital (including the issuance of any type of shares;

(ii) the sale for any reason of one or more transactions related to the Company's assets that are equal to or greater than 15% of the stock market capitalization<sup>5 (i)</sup>;

(iii) the reform of the bylaws that requires the change in the Company's main corporate purpose;

(iv) early dissolution;

(v) any changes to aspects of the Shareholder Agreement included in the Corporate bylaws, and

(vi) the distribution of dividends from retained earnings or reserves established in prior periods.

## Meetings of the general meeting

In 2021, the Company carried out **three (3)** General Meetings of Shareholders. The details of the attendance are as follows:

MEETING	Meeting of March 29, 2021	Meeting of June 28, 2021	Meeting of September 13, 2021
TYPE	Ordinary	Extraordinary	Extraordinary
ATTENDANCE	95.21172% (8,741,556,593)	94.54787% (8,680,608,055)	93.39371% (8,574,641,906)

As the meetings of the highest governance body, the various measures adopted in relation to the protection of shareholder rights were made effective, along with the provisions of the Basic Legal Official Letter of the Financial Superintendence of Colombia, Part 3, Title I, Chapter VI.

In the course of the calls and publication of information related to the agenda, the regulated time periods were observed, i.e., thirty (30) calendar days in advance for ordinary meeting and fifteen (15) calendar days for extraordinary meetings. With respect to the ordinary meeting carried out on March 29, 2021, the shareholders' right to inspection was taken into consideration and all the financial and non-financial information for the 2020 period was published on its website so that it could be consulted by investors and other stakeholders.

As a consequence of the declaration of a health emergency by the national Government caused by COVID-19, after being authorized by the Financial Superintendence of Colombia, the ordinary meeting of the General Meeting of Shareholders was not done face-to-face, but through proxy representatives and streaming, which facilitated participation by the shareholders. The implementation of this strategy made it possible to have uninterrupted continuity of the activities and functions set out in the Company Bylaws and achieved an attendance of more than 95% of the shareholders and the approval of all of the items submitted for the consideration of the shareholders.

For its part, the Company returned to face-to-face meetings for the extraordinary meetings held in June and September, strictly observing all the biosafety protocols to guarantee the health and well-being of attendees.



<sup>5 (i)</sup> With the exception of the transfer or contribution of assets into stand-alone trusts and other vehicles aimed at structuring the execution of projects in which control is not lost.



**Main decisions of the meeting**

March 29, 2021

At the Ordinary General Meeting of Shareholders, the following decisions were made:

- Discussion of the Financial Statements at December 31, 2020 and their attachments
  - 2020 Sustainable Management Report.
  - 2020 Annual Corporate Governance Report.
  - 2020 Transactions with Related Parties Report.
- Presentation of the Separate and Consolidated Financial Statements for the period between January 1 and December 31, 2020.

- Statutory Auditor's opinion on the Financial Statements.
- Discussion of the profit distribution and dividend payment proposal
- Selection of the Statutory Auditor.
- Reform to Company Bylaws.
- Amendments to the Rules of the General Meeting of Shareholders.
- Amendments to the Policy on Appointment, Succession and Compensation of the Board of Directors.
- Amendments to the Trecca guarantee.

At Extraordinary General Meetings of Shareholders, the following decisions were made:

June 28, 2021

- Redefinition of GEB investments in Emgesa S.A. ESP and Codensa S.A. ESP.

September 13, 2021

- Release of reserves and extraordinary dividend.
- Guarantee for Trecca and EEBIS.

It is important to highlight that all of the information on the decisions submitted to the General Meeting of Shareholders was published through the various channels for information disclosure established in the Company Bylaws, including the publication thereof on the Company's website and on the relevant information portal.

In the case of the redefinition of GEB investments in Emgesa and Codensa, GEB published the support information for the redefinition process, providing the studies and conclusions carried out by third-party experts that issued a *fairness opinions* on the analyses contained therein.

Employees of Trecca, Guatemala





# Relation with shareholders

According to the provisions of the Company Bylaws and the Corporate Governance Code, shareholders have the right to ask questions or request clarifications related with the items on the Agenda for the General Meeting of Shareholders and, therefore, Management must respond to them in a timely and effective manner. Similarly, when the response to a request for information by a shareholder may give him or her an

unfair advantage, such information will be made available to all other investors through the website, in accordance with regulatory provisions, given its status of securities issuer.

In addition, with the aim of guaranteeing a continuous and smooth relationship with the shareholders and other stakeholders, the Company has provided for the following:

## 1

GEB has a Financing and Investor Relations Department, the purpose of which is to disclose to shareholders and investors, regulators, stock exchanges and risk calculation agencies, information on the commercial, financial and operational performance of Group companies and on the economic environment in which they carry out their activities.

## 2

On a quarterly basis, the Company discloses to its investors and to the market its financial and non-financial information provided is intended to provide stakeholders elements of judgment for their decision-making. Through these ongoing communications, the Financing and Investor Relations Department aims to build trust among the different groups of stakeholders and consolidate GEB's position in domestic and international financial markets.

## 3

The Company has a corporate website in Spanish and English on which GEB's financial and non-financial information is continuously updated. In addition, all of the corporate documents, updated in Spanish and English, may be consulted, in order to guarantee greater dissemination among stakeholders.

## 4

In compliance with its legal obligations as an issuer of securities, GEB reports through the Comprehensive Stock Market Information System (SIMEV for the Spanish original) of the Financial Superintendence of Colombia any relevant information that may impact GEB and its shares. The foregoing is with the aim to communicate in a timely, truthful clear and sufficient manner information for decision-making by investors, promoting transparency in the securities market and trust in stakeholders.

## 5

In 2021, the following relevant information was disclosed:

2	29	3	3
Extraordinary meetings of shareholders	Notices published by the Company	Issuer rating	Securities ratings
2	2	3	3
Calls to ordinary General Meeting of Shareholders	Corporate Governance codes	Decisions of the General Meeting	Board of Directors decisions
3	2	2	2
Representation of shareholders (Res. 116 of Feb. 27/2002)	News stories in the mass media on securities issuers	Loss or profit distribution proposal that will be submitted to the General Meeting of Shareholders	Loss or profit distribution proposal approved by the General Meeting of Shareholders
	4	2	
	End of period report	Bylaw Reforms	

Sixty-two actions of disclosure in total were effected during the term.



6

Also, in 2021, the following consultations and requests from qualified shareholders and stakeholders and the relations events were carried out by the Department of Financing and Investor Relations:

	Institutional Indicator of Requests	Requests from Investors, Analysts, Rating Agencies and Other Qualified Stakeholders	Other Requests
Requests solved <= 5 business days	476	327	149
Total requests	515	351	164
Indicator	92.4%	93.2%	90.9%
Average days	2.5	2.3	2.5

Topics of Consultations and Follow-up as of December, 2021	Consultation Topics
GEB: 92 Financing: 58 Enel Agreement: 28 ISA acquisition: 23 TGI: 20 Ratings agencies: 14 Results: 12 ESG: 11 Others: 93	Requests for income tax certificates (individuals-brokers), information on shareholder status (individuals), dividend payment dates (individuals) or information on payment of income tax withholding refunds (brokers)

Meetings

More than 70

*Investor Day:* Hybrid event with 283 participants (investors - employees), chairperson round table, business perspective and gas for the transition.

Events organized by the Investors Relations Office

Strategic update of the investments in Emgesa and Codensa: Master Agreement of Investment with Enel.

Trii Event: Three thousand five hundred people connected to GEB's conferences and more than ~ 2,500 new shareholders added to the current ~8,000

Webinars

Conference for Investors: BTG Pactual BOFA, Credicorp Capital, Larrain Vial, Bancolombia, Corredores Davivienda, TSX, with participation by GEB senior management.

Investors group calls

SMBC: over 15 investors.

Credit rating agencies

Corporate and international bonds Fitch: BBB, stable outlook

Corporate and local bonds Fitch: AAA, stable outlook

Corporate and International bonds Moody's: Baa2, stable outlook

Corporate and international bonds Fitch: BBB, stable outlook

Corporate and International bonds Moody's: Baa3, stable outlook

Corporate and international bonds Fitch: BBB, stable outlook

Corporate and International bonds Moody's: Baa2, stable outlook

Corporate international S&P: BBB-, negative outlook

Local bonds Moody's: AAA.pe

Local bonds Class & Asociados: AAA, stable outlook

Local bonds Apoyo & Asociados: AAA (Pe)

Local bonds Class & Asociados: AAA





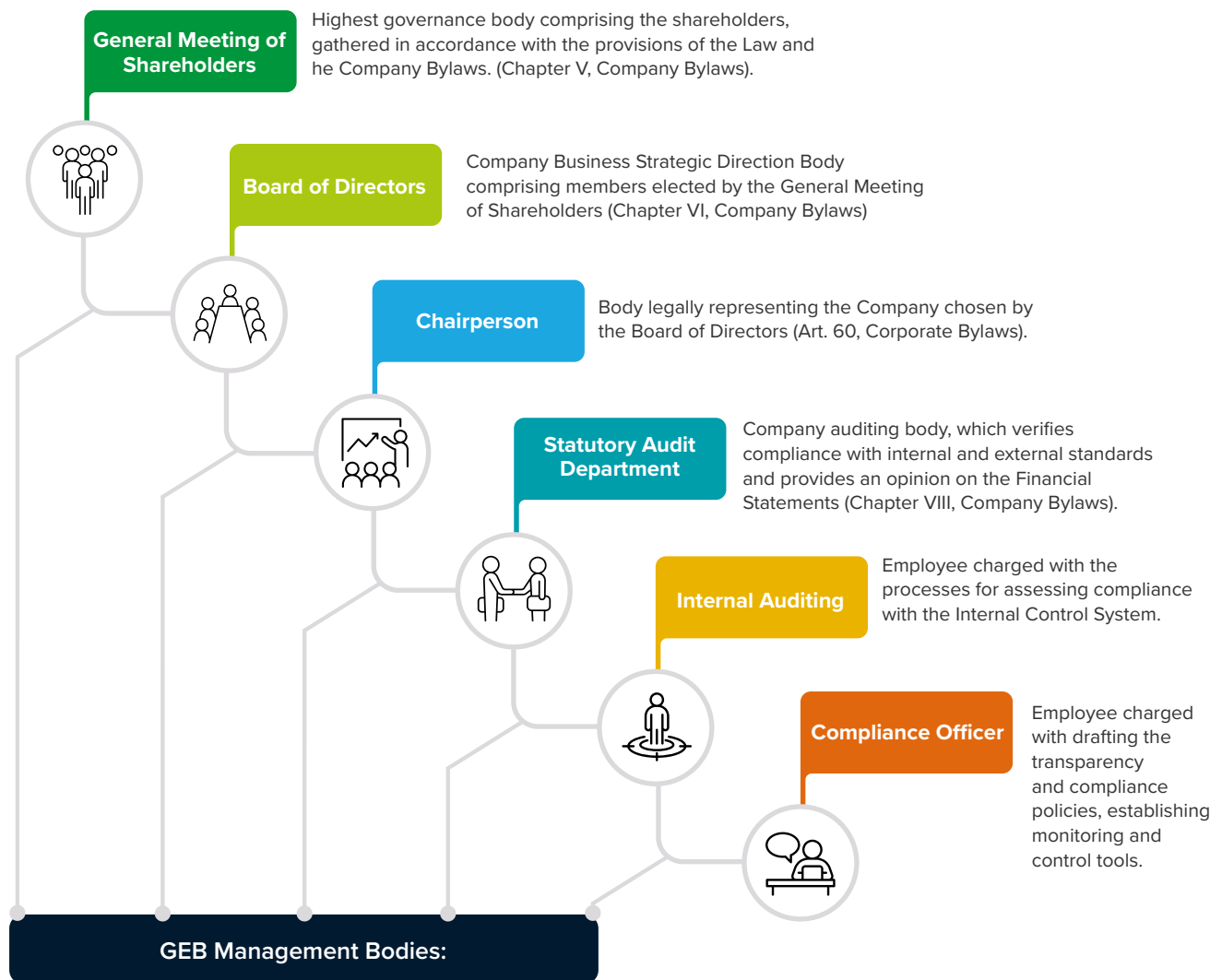


# 04

# Management Structure



A set of bodies is involved in GEB's management. These contribute to the institutional strategic direction from their areas of activity described below:

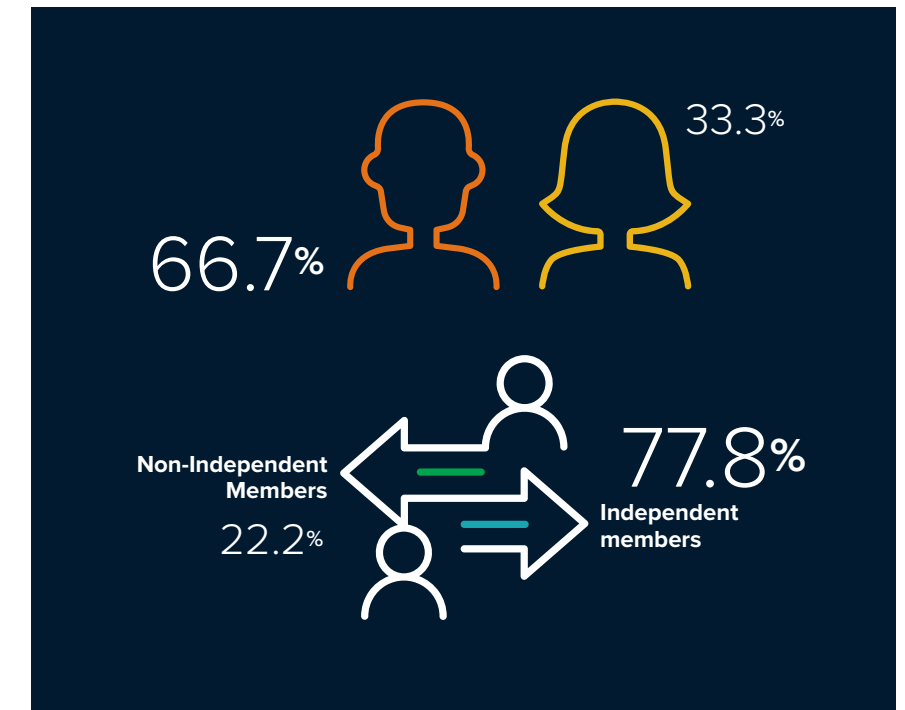


## Board of Directors

In accordance with the provisions of the Company Bylaws, the GEB Board of Directors comprises **nine (9) core members**, without alternates, elected by the General Meeting of Shareholders using the electoral quotient procedure by the General Meeting of Shareholders for periods of **two (2) years**, and may be re-elected indefinitely.

In addition, **five (5) members** must meet the **independence criteria** set out in Paragraph Two of Article 44 of Law 964 of 2005 and in Article 8 of the Rules of the Board of Directors, and **three (3) members** must be **women**. Consequently, the statistics for compliance with the foregoing are as follows:

The current members of the Board of Directors were elected by the General Meeting of Shareholders on Extraordinary meeting No. 084 on January 31, 2020, for a period of two (2) years. Consequently, no changes were made in the make-up of the Board of Directors in 2021.



The Rules of the Board of Directors and the Policy on Appointment, Succession and Remuneration of the Board of Directors establish the procedure for the election of Board members and the minimum profile and requirements that shareholders must fulfill to postulate candidates, which are validated by

the Compensation Committee and the Corporate Governance and Sustainability Committee.

None of the GEB Board members is a member of the boards of directors or holds an executive position at the subsidiaries.



# Profiles of the members of the board of directors

GEB's Policy on Appointment, Succession and Compensation of the Board of Directors establishes the rules for the election of Board members, and establishes that its members must have the highest personal and professional qualifications, experience in specific economic fields; a profile indicating their background, recognition, prestige, availability, leadership, good name, and availability of time and interest to faithfully fulfill their responsibilities.

For this purpose, a general summary of the profiles of each of the current members and an overview thereof.

## PROFILE

MEMBER	CAPACITY	Power and Gas Industry	Investment banking, new business, business strategy and sustainability	Finance, audit and risk management	Legal	Human talent management
Juan Mauricio Ramírez Cortés	Non-independent	●		●		
Rafael Pardo Rueda	Independent	●				●
María Mercedes Cuéllar López	Independent	●	●	●		
Luis Javier Castro Lachner	Independent	●	●	●		●
María Lorena Gutiérrez Botero	Non-independent	●	●	●		●
Juan Mauricio Benavides	Independent	●	●	●		
Ignacio Pombo Villar	Independent	●	●	●		●
Martha Yaneth Veleño Quintero	Independent (Vice Chairperson)	●		●	●	●
Andrés Escobar Arango	Independent (Chairperson)	●	●			●



**Juan Mauricio Ramírez**

### Professional training and practice

Economist from Universidad de los Andes, master's degree in Economics from Universidad de los Andes and doctoral studies pending completion at Stanford University.

Currently acting as District Finance Secretary.

He has held positions such as Deputy Director at the National Planning Department, Technical Vice President of the Private Council on Competitiveness, Director of the Macroeconomic and Inflation Programming Department at the Central Bank (Banco de la República) and General Director of Macroeconomic Policy at the Ministry of Finance and Public Credit.

### Experience in the sector

He coordinated the 2010-2014 National Development Plan through the National Planning Department in relation to mining development and energy expansion, coordinated the design of sectoral public policies and presentation to the National Council on Economic and Social Policy (CONPES, for the Spanish original), and was part of the Board of Directors of the Energy and Gas Regulatory Commission. As a consultant he carried out the study "Recommendations for a comprehensive energy pricing policy (diesel fuel, gasoline, LPG, jet fuel, natural gas, electricity, biofuels and coal) and its fiscal, social, environmental and energy implications applicable in Colombia for the transition to a modern, safe, reliable, affordable and clean energy system," and through Fedesarrollo, he published the Policy for the Regulation of Prices of Liquid Fuels for Automotive Use in Colombia..

### Boards of Directors other than GEB

Empresa Metro de Bogotá S.A.



**Rafael Pardo Rueda**

### Professional training and practice

Economist from Universidad de los Andes, Urban and Regional Planning Studies at the Institute of Social Studies at The Hague and International Relations Studies at Harvard.

He has served as researcher and director of the Center for Interdisciplinary Studies on Development of the Universidad de los Andes, Minister of Defense, Advisor to the Secretary General of the OAS, Director of RCN News and the CM& news program, Senator of the Republic, Presidential Candidate in 2010, Acting Mayor of Bogotá D.C. in 2014, Minister of Labor and High Counselor of the Presidency for the Post-Conflict OEA..

### Experience in the sector

As a Senator of the Republic, he participated in preparing and approving the 2002-2006 National Development Plan "Towards a Community State," which formulated, among others, the policies for the "Promotion of hydrocarbon exploration and exploitation and mining" in Colombia..

### Boards of Directors other than GEB

Organización Pajonales S.A.S.





**María Mercedes Cuéllar López**

*Professional training and practice*

Economist from Universidad de los Andes, master's degree in Economic Development from Boston University and in Law from Universidad de los Andes.

She has served as President of the Federación Latinoamericana de Bancos, President of Asobancaria, President of the Instituto Colombiano de Ahorro y Vivienda, Co-Director of the Board of Directors of Central Bank (Banco de la República), Minister of Economic Development, Executive Director of the National Planning Department, Vice Minister of Finance and Acting Minister of Finance and Public Credit.

*Experience in the sector*

She took part in the management of investments and tariffs in the electricity sector as Director of the National Planning Department, and as a consultant she conducted research related to Ecopetrol's growth prospects.

*Boards of Directors other than GEB*

Fiduprevisora S.A.  
Fondo Nacional de Garantías S.A.  
Fiduagraria S.A.



**María Lorena Gutiérrez Botero**

*Professional training and practice*

Industrial Engineer from Universidad de los Andes, Specialist in Finance from Universidad de los Andes, MA in Management from Tulane University and PhD in Finance from Tulane University.

She is currently serving as the President of Corficolombiana, and has held positions such as Minister of Industry and Trade, Colombian Ambassador in Germany, Minister of the Presidency, General Secretary of the Presidency, Acting Minister of Mines and Energy and High Government Advisor for Good Governance and Administrative Efficiency for the Presidency of Colombia.

*Experience in the sector*

She served as Acting Minister of Mines and Energy and is Chairman of the Board of Directors of Promigas. She has also carried out several industry consultations from Universidad de los Andes.

*Boards of Directors other than GEB*

Promigas S.A.  
Grupo AVAL S.A.  
Fiduciaria CFC S.A.  
Gases del Caribe S.A. E.S.P.



**Luis Javier Castro Lachner**

*Professional training and practice*

Degree in Agricultural Economics from Texas A&M University and MBA from Georgetown University.

Founding partner and CEO of Mesoamérica Investment and Consultant at Bain & Company. In the energy sector, Mesoamérica Investment developed a Central American company jointly with ACTIS with operations in three countries and a generation capacity of 400 MW; additionally developed ZUMA Energía in Mexico with a wind energy generation capacity of 800 MW.

*Experience in the sector*

He has experience in renewable energy as a manager at Zuma Energía México and Globeleq Mesoamérica Energy.

*Boards of Directors other than GEB*

PNS de Colombia S.A.  
Codensa S.A. E.S.P.  
Emgesa S.A. E.S.P.



**Juan Mauricio Benavides**

*Professional training and practice*

PhD in Mineral Economics Pennsylvania State University, Specialist in Advanced Mathematics from Universidad Nacional de Colombia, Specialist in Management of Energy Systems from Universidad de los Andes and Electrical Engineer from Universidad de los Andes.

He has served as the Vice Chairman of the Committee of Experts on Infrastructure, Coordinator of the Sustainable Energy Commission of the Commission on Science, Technology and Innovation and member of the Board of Directors of the Colombian National Infrastructure Agency (ANI, for the Spanish original).

*Experience in the sector*

He coordinated the 2010-2014 National Development Plan through the National Planning Department in relation to mining development and energy expansion, coordinated the design of sectoral public policies and presentation to the National Council on Economic and Social Policy (CONPES, for the Spanish original), and was part of the Board of Directors of the Energy and Gas Regulatory Commission. As a consultant he carried out the study "Recommendations for a comprehensive energy pricing policy (diesel fuel, gasoline, LPG, jet fuel, natural gas, electricity, biofuels and coal) and its fiscal, social, environmental and energy implications applicable in Colombia for the transition to a modern, safe, reliable, affordable and clean energy system," and through Fedesarrollo, he published the Policy for the Regulation of Prices of Liquid Fuels for Automotive Use in Colombia.

*Boards of Directors other than GEB*

Proindesa S.A.S.





**Ignacio Pombo Villar**

*Professional training and practice*

Business Administrator from Universidad del Rosario, graduate degree in Telecommunications Project Management from Politécnico Gran Colombiano, and Municipal Management Studies from Universidad Externado.

CEO of Inversiones Assure S.A., Advisor of Neogen Fund Transmission and Power Generation, Advisor of International Venture Partners in Power Generation and Gas, Secretary of the Council of Ministers of the Presidency of the Republic and Private Secretary of Bogotá's mayor's office.

*Experience in the sector*

Consulting experience with International Venture Partners on power and gas generation and Neogen Fund on electric energy generation and transmission.

*Boards of Directors other than GEB*

ETB S.A. E.S.P.  
Ágata S.A.S.  
RV Inmobiliaria S.A.  
Terranova S.A.



**Martha Yaneth Veleño Quintero**

*Professional training and practice*

Law degree from Universidad Santo Tomás, Specialist in Administrative Law from Universidad del Rosario and Specialist in Constitutional Law from Universidad de Salamanca.

Executive vice president for the Chamber of Commerce of Bogotá, legal vice president of the Chamber of Commerce of Bogotá, director of Legal Defense of the State's Legal Defense Agency and legal director of the Capital District's Department of Finance.

*Experience in the sector*

She has served as a member of the Boards of Directors of GEB and Transportadora de Gas Internacional.

*Boards of Directors other than GEB*

Emgesa S.A. E.S.P.  
Corferias S.A.  
Alpopular S.A.



**Andrés Escobar Arango**

*Professional training and practice*

Economist from Universidad de los Andes, MBA in Economics from Universidad de los Andes, MBA in Economics from New York University (USA) and PhD candidate in Economics at New York University (USA).

He has held positions such as CEO and Partner of EConcept AEI, Technical Vice Minister of the Ministry of Finance and Public Credit, General Deputy Director of the National Planning Department, Economic and Political Advisor on Colombia for the main financial institutions through GlobalSource, Advisor of BankBoston for Colombia, among others.

*Experience in the sector*

He was a member of the Energy and Gas Regulation Commission (CREG, for the Spanish original), Deputy Director General of the National Planning Department, preparing and presenting the National Development Plan to Congress, consulting for Promigas on Natural Gas Vehicles (NGV), consulting for Ecopetrol on the regulatory implications and the market for the company's plants and as a researcher in the Energy Transformation Mission summoned by the National Government.

*Boards of Directors other than GEB*

Self-Regulatory Organization of the Securities Market - ESAL  
Fundación Antonio Restrepo Barco - ESAL



In the Board of Directors meeting of February 14, 2020, the Board appointed independent members **Andrés Escobar Arango** and **Martha Veleño Quintero** as **Chairperson** and **Vice-Chairperson**, respectively, positions they currently continue to hold.

The Chairperson of the Board of Directors is responsible for steering the agenda of the decision-making body to ensure that its focus is strategic. It is also responsible for the active participation of the members in the discussions and decisions that are approved, for verifying the text of the minutes of the Board appropriately reflect the occurrences therein and for there being fluid communications with the Senior Management team.

For their part, in accordance with that established in the Corporate Bylaws, the functions of the **Secretary** of the Board of Directors were exercised by Néstor Fagua Guauque, GEB Legal and Compliance Vice President, who is responsible for the formal functions of the Company, for maintaining the books and records required, communicating calls to meetings of governance bodies, attesting to internal acts and documents, as well as fulfilling the duties assigned to him/her by the Board of Directors.

In 2021, the Chairperson and Secretary of the Board of Directors fully complied with the functions assigned to them by the law and by the bylaws.



## Board of directors compensation

Pursuant to the provisions of the General Meeting of Shareholders, contained in Paragraph Two of Article 59 of the Corporate Bylaws, the equivalent of five (5) legally valid monthly minimum wages is recognized as professional fees for their participation in each meeting for up to two Board meetings within the same month. For 2021, the foregoing is COP 4,542,630.

In addition, the members of the Board of Directors' committees receive professional fees for their participation in each meeting in an amount equivalent to seventy-five percent (75%) of the professional fees currently paid for Board of Directors meetings for up to two Committee meetings within the same month. For 2021, the foregoing is COP 3,406,972.

It must be noted that GEB does not have a variable compensation scheme for Board of Directors; consequently, all amounts are associated to the participation in the meetings, and members are excluded from any compensation schemes involving options on shares.

## Quorum for deliberation and decision of the board of directors

In order to deliberate validly, the Board of Directors requires a **quorum** of at least **five (5) members**, and decisions are approved with the majority of those in attendance (Article 67 of the Company Bylaws and Article 14 of the Rules of the Board of Directors) and, in this regard, all the decisions adopted by the Board of Directors in 2021 had the deliberation and decision quorum mentioned.

In addition, the following matters require a quorum for deliberation of **at least seven (7) members**, and the decisions must be approved with the affirmative vote of **at least six (6) of the members present**:

1

The sale, transfer or disposal of Company assets in amounts greater than five percent (5%) and less than fifteen percent (15%) of stock market capitalization, with the exception of the transfers of assets into stand-alone trusts and other vehicles aimed at structuring the execution of projects in which control is not lost.

2

Transactions with related parties that are above the level of authorization of the Company's CEO, or with shareholders that hold more than twenty percent (20%) of GEB's share capital, or managers of GEB or of its subsidiaries in amounts greater than 200 legal monthly minimum wages in force (SMMLV for the Spanish original).

3

Investment proposals, changes to existing investments, mergers, creation and/or amendment of investment vehicles, and other financing transactions in amounts greater than five percent (5%) of GEB's stock market capitalization.

4

The approval and amendments to the Company's strategic plan, business plan, management objectives and guidelines for their execution.

5

Appointment of the Company's CEO.

6

Approval or amendments to the Rules of the Board of Directors.

7

Approval of the Company's Contracting Manual.

8

Approval of the Company's Investment Policy.

9

Approval of the Company's governance model.





In 2021, the Board of Directors adopted the following decisions with qualified majorities:

MEETING No.	Decision
1648 of January 26, 2021	Related parties transaction: Inter-administrative agreement GEB - District Secretary of Finance
1650 of February 25, 2021	Related parties transaction: Inter-company credit GEB - TGI
1653 of April 21, 2021	Related parties transaction: Lease contract GEB - District Secretary of Education
1653 of April 21, 2021	Related parties transaction: Lease contract GEB - Canal Capital
1654 of April 29, 2021	Amendments to Contracting Manual
1655 of May 6 and 8, 2021	Related parties transaction: Inter-company credit GEB - Trecca
1657 of June 11, 2021	Redefinition of GEB investments in Emgesa and Codensa
1658 of June 24, 2021	Amendment to the Rules of the Board of Directors
1661 of July 25, 2021	Related parties transaction: Amendment to GEB - Canal Capital lease contract
1663 of August 26, 2021	Related parties transaction: Amendment to GEB - EEG Perú Holding Ltda. inter-company credit
1665 of September 30, 2021	Update of Corporate Strategic Plan (CSP)
1667 of November 08, 2021	Related party transaction: Inter-administrative agreement GEB - District Secretary of Finance.

## Board of directors committees

The GEB Board of Directors has **four (4) support committees**: Audit and Risk Committee, Compensation Committee, Financial and Investment Committee and Corporate Governance and Sustainability Committee. All are chaired by an independent member.

<p><b>FINANCIAL AND INVESTMENT COMMITTEE</b></p>	<p><i>Objective</i></p> <p>To follow up on the financial management of the Company and Group, and analyze opportunities for new business and the redefinition of existing investments (Article 1, Rules of the Financial and Investment Committee).</p>	<p><i>Meetings</i></p> <p>Four times yearly and as needed</p>
<p><b>AUDIT AND RISK COMMITTEE</b></p>	<p><i>Objective</i></p> <p>To verify compliance with recommendations, accounting procedures of the Statutory Auditor, control architecture and risk analysis (Article 1, Rules of the Audit and Risk Committee).</p>	<p><i>Meetings</i></p> <p>Every two months and as needed</p>
<p><b>CORPORATE GOVERNANCE AND SUSTAINABILITY COMMITTEE</b></p>	<p><i>Objective</i></p> <p>To supervise compliance with the Company's and Group's corporate governance measures and sustainability focus (Article 1, Rules of the Corporate Governance and Sustainability Committee).</p>	<p><i>Meetings</i></p> <p>Twice yearly and as needed</p>
<p><b>COMPENSATION COMMITTEE</b></p>	<p><i>Objective</i></p> <p>To review the policies of staff, human management, compensation and benefits (Article 1, Rules of the Compensation Committee).</p>	<p><i>Meetings</i></p> <p>Twice yearly and as needed</p>



At extraordinary meeting No. 1626 of February 14, 2020, the Board of Directors made the following appointments for the compositions of its committees:



Functioning of the board of directors and its committees



Board of Directors

In 2021, the Board of Directors of GEB held **twenty-four (24) meetings**:



In the term, the average length of the Board of Directors meetings was **2 hours and 47 minutes** and the average attendance of its members was **97.7%** with the following proportion for each:

MEMBERS	ATTENDANCE	% ATTENDANCE
Juan Mauricio Ramírez Cortés	22	91.7
Rafael Pardo Rueda	24	100
María Mercedes Cuellar López	24	100
Luis Javier Castro Lachner	23	95.8
María Lorena Gutiérrez Botero	22 <sup>7</sup>	95.8
Juan Mauricio Benavides Estévez	24	100
Ignacio Pombo Villar	24	100
Martha Yaneth Veleño Quintero	23	95.8
Andrés Escobar Arango	24	100

<sup>7</sup> María Lorena Gutiérrez was not summoned to the joint meeting of the Board of Directors of GEB and the Board of Directors of TGI on September 14 because she was involved in a conflict of interest as part of the formation of Promigas. Therefore, she was not included in total attendance as the rule refers to summoned meetings.



The most relevant matters discussed and decided at Board of Directors meetings in 2021 were as follows:

**1**

Ongoing follow-up of the implementation of the Corporate Strategic Plan (CSP) and the alignments for the development thereof, particularly with regard to the “Gas for the Future” strategic pillar.

**2**

Relations with the strategic partners and allies for the development of current investments and business opportunities, especially in the course of negotiations with Enel Américas on the state of the company relation in the joint investments in Emgesa and Codensa.

**3**

Follow-up of the performance of the GEB shareholder portfolio of both the controlled and non-controlled assets and decision-making for the management of the investments.

**4**

Analysis of the transmission business in Colombia and the strategy for strengthening it.

**5**

Strengthening of the corporate culture of integrity in the Sustainability Models, Corporate Governance, Control Architecture and Human Talent Management in the Business Group.

## Committees

### COMPENSATION COMMITTEE

#### MEETINGS

Total meetings	7
Ordinary meetings	2
Extraordinary meetings	5
Meetings by written vote	--
<b>Average length</b>	<b>1 hour and 41 minutes</b>

#### MEETING ATTENDANCE

Members	Total attendance	% attendance
María Mercedes Cuéllar	7	100
María Lorena Gutiérrez	6	85.7
Rafael Pardo	7	100
Ignacio Pombo	7	100

**Average attendance 96.4%**

#### MOST RELEVANT MATTERS DISCUSSED

- a) Defining the Company's performance objectives and following up on their fulfillment.
- b) Reviewing the fixed and variable compensation system for employees.
- c) Updating the organizational structure.
- d) Modifying the Internal Work Regulations.

### AUDIT AND RISK COMMITTEE

#### MEETINGS

Total meetings	12
Ordinary meetings	4
Extraordinary meetings	8
Meetings by written vote	--
<b>Duration and average</b>	<b>1 hour and 56 minutes</b>

#### MEETING ATTENDANCE

Members	Total attendance	% attendance
Ignacio Pombo	12	100
María Mercedes Cuéllar	12	100
Martha Veleño	11	91.7

**Average attendance 97.2%**

#### MOST RELEVANT MATTERS DISCUSSED

- a) Verifying GEB and the Group's financial information as of December 31, 2020, for its recommendation to the Board of Directors and General Meeting of Shareholders.
- b) Reviewing the operations carried out with related parties, especially those with Colombia's Capital District, Bogotá, GEB's majority shareholder.
- c) Following-up the strategic risk matrices of the Company, subsidiary companies and Compliance management.
- d) Strengthening of the Group's Internal Audit strategy.



**CORPORATE GOVERNANCE AND SUSTAINABILITY COMMITTEE**

MEETINGS		MEETING ATTENDANCE		
Total meetings	9	Members	Total attendance	% attendance
Ordinary meetings	2	Luis Javier Castro	9	100
Extraordinary meetings	4	Martha Veleño	8	88.9
Meetings by written vote	3	Rafael Pardo	9	100
Average length	1 hour and 51 minutes	Juan Benavides	9	100
		María Mercedes Cuéllar	9	100
		Average attendance 97.8%		

- MOST RELEVANT MATTERS DISCUSSED**
- a) Amendments to the Sustainability Strategy, Corporate Governance Model and Ethics and Compliance Program.
  - b) Updating corporate documents, particularly amendments to the Bylaws, Rules of the General Meetings of Shareholders, Policy on Appointment, Succession and Compensation of the Board of Directors, Rules of the Board of Directors, Rules of the Committees, Policy on the Appointment of Members of the Boards of Directors of Affiliates, Non-controlled Companies and Investment Vehicles, Contracting and Audit Manual and Internal Work Regulations.
  - c) Ratifying the structure of the boards of directors of affiliated and non-controlled companies.
  - d) Validating requests for the acquisition and sale of GEB shares submitted by recipients of the Policy on Trading in Shares.

**FINANCIAL AND INVESTMENT COMMITTEE**

MEETINGS		MEETING ATTENDANCE		
Total meetings	13	Members	Total attendance	% attendance
Ordinary meetings	3	Juan Benavides	12	92.3
Extraordinary meetings	10	Andrés Escobar	13	100
Meetings by written vote	--	María Mercedes Cuéllar	13	100
Average length	2 hour and 26 minutes	Juan Mauricio Ramírez	12	92.3
		Ignacio Pombo	13	100
		Average attendance 96.9%		

- MOST RELEVANT MATTERS DISCUSSED**
- a) The redefinition of investments in the subsidiary company Trecca, and in non-controlled companies Emgesa and Codensa.
  - b) Analysis of investment opportunities in Brazil through the non-controlled company Argo.
  - c) Follow-up the investment made in Agencia Analítica de Datos S.A.S. (Ágata) and approval of capital disbursements.
  - d) Study of the strengthening system of the transmission business.

**Relation with the statutory auditor: and external advisers**

In accordance with the Rules of the Audit and Risk Committee, GEB's statutory auditor, KPMG S.A.S. attends all meetings of this committee as a permanent guest, and at which he submitted the reports and took part in the matters for which he is responsible.

In addition, in 2021, the Board of Directors and its Committees had the external consultancy of the following firms as input in decision-making.



**Management of the information of the board of directors**

According to the Rules of the Board of Directors, one of the rights Board members have is to receive full and specific information on the matters to be submitted for their consideration during the term of the call, as well as to request the Company's CEO to provide any additional information deemed necessary to make their decisions. The responsibility for ensuring that the information sent is useful and

delivered in good time lies with the Company's CEO and the Secretary of the Board of Directors.

To this effect, GEB implemented the technology tool **Microsoft SharePoint** for the unified management of the information of the Boards of Directors, Councils of Management, Directors and Committees of Group companies to thus guarantee both its integrity and its confidentiality.





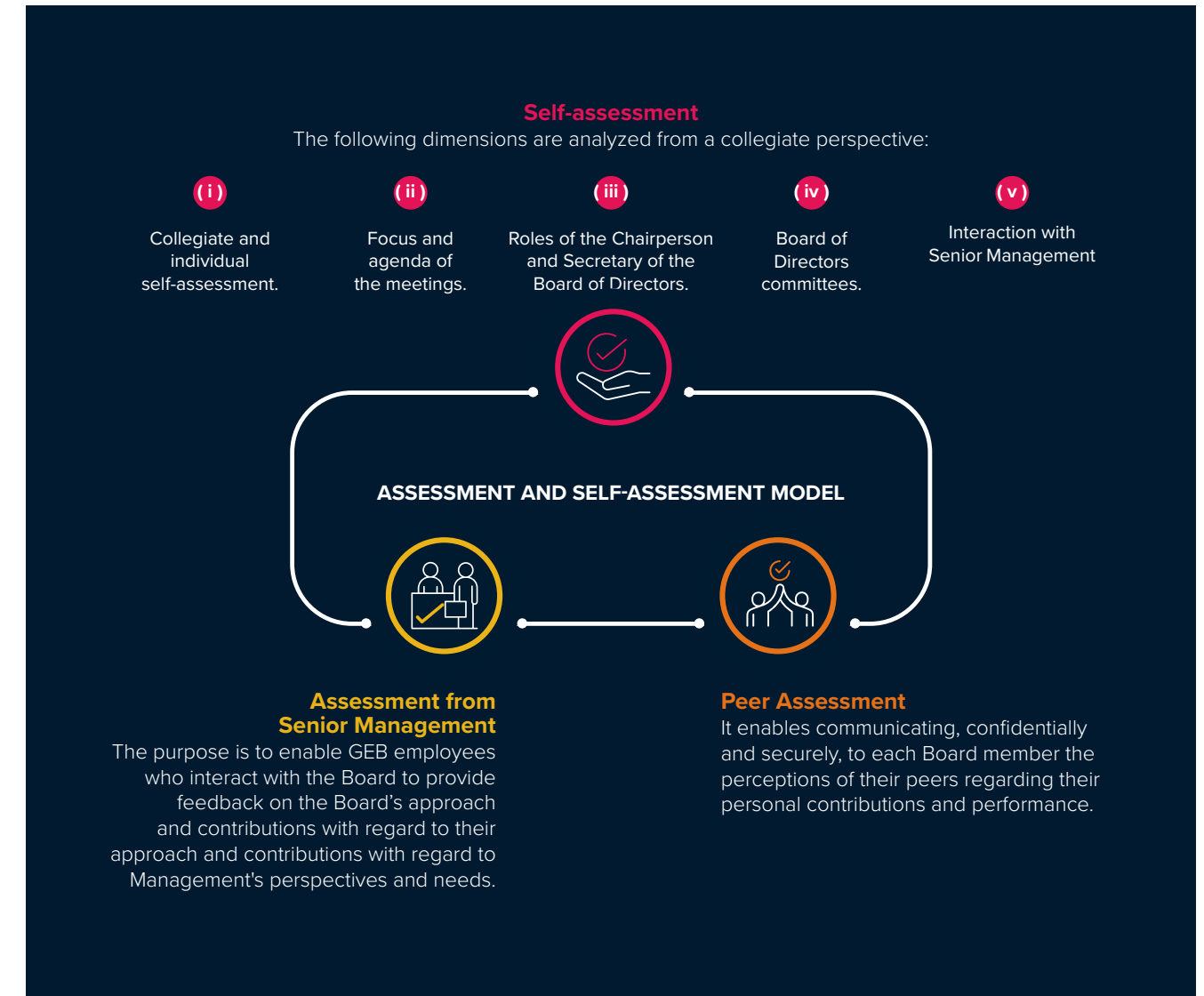
Employees of Cálidda, Peru

## Board of directors assessment process

For the **fifth consecutive year**, the **annual process of assessment and self-assessment** of the GEB Board of Directors was carried out headed by an external consultant, which is framed within the culture of continuous improvement of the Company's main decision-making bodies.

In the regard, the purpose of the assessment and self-assessment model is to obtain feedback from the members and Senior Management on the functioning and focus of the Group's governing bodies.

The assessment methodology consists of three components:



The assessment questionnaires were filled out in December 2021 and January 2022, the results of which were reviewed by the independent consultant in February 2022. These results were first presented to the Corporate Governance and Sustainability Committee, and then to the Board of Directors, to subsequently be submitted to the General Meeting of Shareholders by means of this report.

To this end, in November, 2021, the external consultant submitted the methodology that will be implemented to the Compensation Committee and the Corporate Governance and Sustainability Committee. Immediately thereafter, in December, 2021 and January 2022, the corresponding questionnaires were filled out and individual interviews were

done with the various stakeholders. Subsequently, the external consultant analyzed the information and issued its report of results in February, 2022, for submission to the Compensation Committee and the Corporate Governance and Sustainability Committee, and to the Board of Directors in a plenary meeting. The results that must be highlighted are:



## Approval and amendment of corporate documents

In 2021, the following different corporate documents were approved and/or amended:

In response to the best corporate governance and ethics and compliance practices in various recommendations from national and international organizations, the General Meeting of Shareholders approved the amendment in its Ordinary Meeting No. 087 of March 29, 2021, the amendment of the Company Bylaws with the aim of including the following aspects:

- Requirement of a minimum of three (3) women on the Board of Directors of the nine (9) members.
- Right of the shareholders to requests additions to the agenda of the ordinary meeting of the Shareholders Meeting, or to propose new agreements.
- Increase in the minimum number of independent members to five (5).
- Continuity of members of the Board of Directors in their position until a new election is carried out, provided that they meet the requirement for re-election established by the Policy on Appointment, Succession and Compensation of the Board of Directors.
- Inclusion of matters that must be approved by quorum and special majorities of the Board of Directors. Contracting Manual, the Investment Policy and the Corporate Governance Model.
- Obligation of GEB managers and employees to adopt a zero-tolerance policy for fraud, bribery, violations of the Law on Foreign Anti-money Laundering and Counter-terrorism Financing practices.
- Addition of Board of Directors functions, such as the assessment of the CEO, the function of the supervision of corporate governance practices and of ethical and conduct standards adopted by the company, know the performance assessment of the Senior Management members and the approval of certain credit and financing asset and liability transactions with related parties.
- Amendment of the GEB corporate purpose with the aim of including, as a related and complementary activity of the main corporate purpose, the execution of asset and liability credit and financing transactions with related parties after approval of the Board of Directors.

### APPROVAL AND AMENDMENT OF CORPORATE DOCUMENTS



**RULES OF THE GENERAL MEETING OF SHAREHOLDERS**

At Ordinary Meeting No. 087 of March 29, 2021, the General Meeting of Shareholders approved the amendment of the Rules of the General Meeting of Shareholders as follows:

- Rules for the make-up of the main board and description of the process for election of the Chairperson of the General Meeting of Shareholders.
- Increase in the minimum number of independent members to five (5).
- Stricter independence criteria.

**SUSTAINABILITY STRATEGY**

At Ordinary Meeting No. 1658 of June 24, 2021, the Board approved the new Sustainability Strategy, whose aim is to ensure the sustainable growth of GEB by creating conditions of well-being and prosperity in the territories, transparent and fair relations with stakeholders, and contributing to the transition towards energy-efficient and low-carbon economies.

**POLICY ON APPOINTMENT, SUCCESSION AND COMPENSATION OF THE BOARD OF DIRECTORS**

At Ordinary Meeting No. 087 of March 29, 2021, the General Meeting of Shareholders approved the adjustments arising from the increase in the number of independent members of the Board of Directors, as well as the broadening of the criteria for diversity and inclusion for the creation of the lists of candidates for the Board of Directors.

**CONTRACTING AND AUDITING MANUAL**

At Ordinary Meeting No. 1654 of April 29, 2021, the Board approved the amendment to the Contracting and Auditing Manual to process-focused management in order to obtain the results sought effectively and efficiently, recognizing the public nature of the resources managed by GEB and guaranteeing the highest standards of transparency and quality.

**RULES OF THE BOARD OF DIRECTORS**

At Ordinary Meeting No.1658 of June 24, 2021, the Board of Directors included as part of its Rules the appointment of one of the women that make it up as its Chairperson or Vice Chairperson. In addition, the pertinent amendments were made to reflect the amendment of the minimum requirements of independent members and women on the Board of Directors, the continuity of the Board of Directors until a new election is carried out, the adjustments to the independence criteria and additional special majorities, among others.

**INTERNAL WORK REGULATIONS**

At Ordinary Meeting No. 1670 of December 20, 2021, the Board approved an amendment to the Internal Work Regulations. The main changes are related to adjustments to the regular workday, shift work and the inclusion of the characteristics of the voluntary and reversible nature of telecommuting.

**POLICY ON THE APPOINTMENT OF MEMBERS OF THE BOARDS OF DIRECTORS OF THE GEB COMPANIES, NON-CONTROLLED COMPANIES AND INVESTMENT VEHICLES**

At its Ordinary Meeting No. 1658 of June 25, 2021, the Board approved an amendment aimed at simplifying the governing structure of the subsidiaries, strengthen candidates' profiles and include diversity as the guiding principle for the make-up of the governing bodies of the companies it controls.

**APPETITE RISK POLICY AND METHODOLOGY**

At Ordinary Meeting No. 1670 of December 20, 2021, the Board approved amendments to the Risk Appetite Policy and Methodology of GEB and its subsidiaries that tend to effect a more rigorous exercise in the calculation of the risk appetite and allow a more rigorous follow-up of the strategic risks of GEB and its subsidiaries by the Board of Directors and Senior Management.



# 05 Internal Control System

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One of the commitments to its shareholders and other stakeholders is to maintain an adequate control environment in the Company. Consequently, The **Control Architecture Model** is based on three lines of defense:



**Ethics and compliance program**

One of GEB's corporate values is “**integrity**.” Therefore, the Company, through its employees, always acts ethically and transparently, and generates trust in its stakeholders.

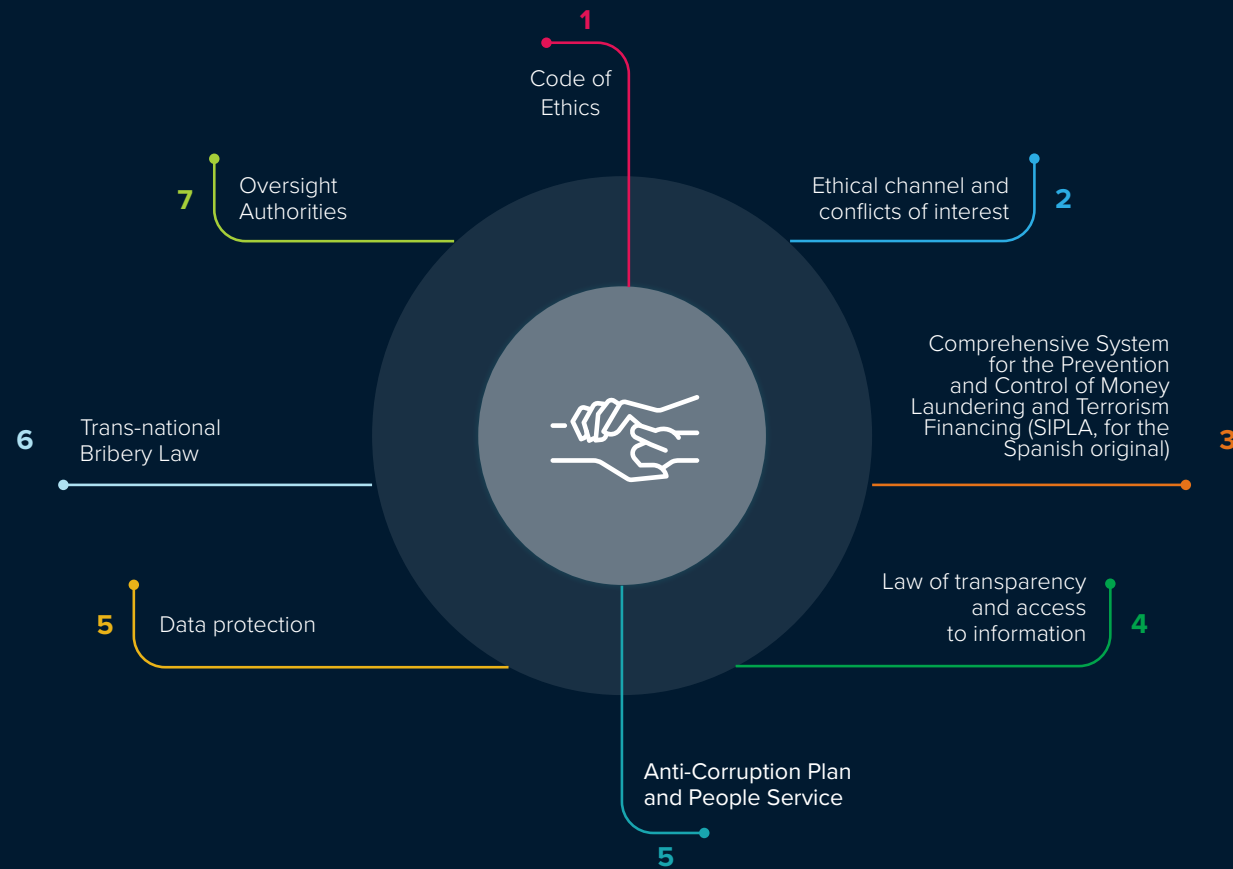
With the aim of strengthening the control architecture, GEB has the Corporate Compliance Department. It reports administratively to the directly to the Legal and Compliance Vice President, and functionally to the Audit and Risk Committee of the Board of Directors. The objective of the Corporate Compliance Department is to formulate, implement and control the policies on transparency and compliance within the Group through the establishment of monitoring and control mechanisms and to promote a corporate culture of probity in its activities and relations with all stakeholders.

In 2021, a new **Ethics and Compliance Program** was defined. It has eight (8) components based on international standards and regulatory requirements framed in the processes of prevention, detection, monitoring and reporting:



Employees at Guavía Substation, Cundinamarca, Colombia.

**ETHICS AND COMPLIANCE PROGRAM**



- Government and Culture
- Methodology
- Policies and Procedures
- Communication and Training
- Monitoring
- Information Systems

**Risk management systems**

The **Comprehensive Risk Management Model** is based upon NTC ISO 31000 2018 and provides a frame of reference that assures the execution of activities needed for proper management of the risks identified by GEB, and its subsidiaries, the Transmission Branch and Group companies.

The model is complemented by the Risk Management Policy, which establishes the commitments related to risk management, and the Corporate Risk Management Procedure, which details the methodology for the comprehensive management of risks. In addition, it provides an approach for continuous improvement and the effective management through the execution of its seven (7) stages.



Stages 4 and 5 of the model establish the activities of definition and implementation of controls and response plans for the risks identified. These will correspond to the treatment measures adopted to GEB, namely:

- 1** Avoid the risk
- 2** Mitigate the risk
- 3** Transfer the risk through contracts and insurance policies, as appropriate
- 4** Accept the risk



In 2021, the following commitments put forward in the Risk Management Policy were fulfilled:

- 1** It helped to achieve the strategy and the continuous operational improvement of the Company and of the companies making up the Group by means of the identification, valuation and definition of plans for responding to and/or controlling strategic risks, process risks, project risks and the methodology in the operating assets, guaranteeing the appropriate implementation of actions to mitigate their impact and the probability of occurrence at all levels of the organization.
- 2** The culture of risk management was promoted and developed through space for training more than 150 employees at strategic, tactical and operational levels, and desktop testing was done for the tactical and operational roles of critical processes.
- 3** The guarantee of continuity of the business was bolstered through the identification and management of the main risks of interruption for GEB and the Transmission Branch; the strengthening of business continuity management through the implementation of the requirements of the international reference NTC ISO22301, and the implementation and official recognition of the documentation of eight procedures and two manuals, which detail the Business Continuity Management and its main components: Emergency Management, Crisis Management, Business Continuity Plans and Recovery from Technological Disasters.
- 4** Trust was generated among shareholders and stakeholders by reporting with transparency on the risks and the actions implemented to control them through the quarterly reports on the follow-up of the comprehensive management of risks submitted to the Audit and Risk Committee of the Board of Directors and through the reports on sustainability, Dow Jones and information given to the control authorities in the different requirements for information in 2021.
- 5** It was ensured that all investment projects will include risk identification and assessments and that actions will be taken to mitigate them.
- 6** The necessary insurance policies and coverage for insurable risks were managed in order to mitigate the financial impact of any claim events, aimed at obtaining the best technical and economic conditions.

In 2021, no risks materialized for GEB or for the Transmission Branch.

With regard to Group companies, TGI reported the materialization of the following relevant strategic risks for which the necessary corrections and corrective measures aimed at overcoming the situation were defined and implemented:

Materialized Risks		
<b>Risk No. 11:</b> "Non-utilization of the Ballena-Barranca infrastructure"		
<p><b>Causes</b></p> <p>Uncertainty in the supply in the short and medium terms in the country.</p> <p>Change in the methodology of compensation for the transport of gas.</p> <p>Lack of a structural demand for the occupation of infrastructures in the interior of the country.</p> <p>Inexistence of a connection between the two transportation systems: Promigas and TGI.</p>	<p><b>Impacts</b></p> <p>Decrease of 30% in the contracted capacity (of that section) of the total capacity of TGI due to various scenarios, among others, non-entry of new gas sources into the system.</p>	<p><b>Actions taken:</b></p> <p>Development of multi-disciplinary workshop in which six risk scenarios were identified as possibly materializing in the medium and long terms.</p> <p>Nine controls of these risk scenarios are identified, with a time line for implementation in 2023.</p> <p>The risk is named, thus: reduction of the contribution of the Ballena-Barrancabermeja infrastructure.</p>
<b>Risk No. 7:</b> "Failure to fulfill Business Plan"		
<p><b>Causes</b></p> <p>Materialization of Risk No. 15, COVID-19 pandemic, which affects the continuity of the business and generates less revenue due to the Transitory Commercial Policy.</p> <p>Devaluation of the peso, which generates less revenue from fixed charges for AOM when re-expressing them in UDS.</p>	<p><b>Impacts</b></p> <p>Decrease in revenues with respect to those budgeted</p>	<p><b>Actions taken:</b></p> <p>Implementation of all controls for all risks identified.</p> <p>A weekly follow-up of the budgetary implementation will be done in the President's Committee.</p>
<b>Risk No. 7:</b> "Failure to fulfill Business Plan"		
<p><b>Causes</b></p> <p>Emergency: pk 8+600 Acacias Section Event Description Emergency: pk 11+ 700 Cusiana-Porvenir Loop Emergency: pk 34+200 Otero-Santana Highway</p>	<p><b>Impacts</b></p> <p>Default on commercial commitments.</p> <p>Environmental effects due to CO<sub>2</sub> emission.</p>	<p><b>Actions taken:</b></p> <p>Work plan for the area to be worked in.</p> <p>Movement of machinery.</p> <p>Work for water management.</p> <p>Upgrades to the rights of way for passage of equipment and materials.</p> <p>Civil works and repair work.</p> <p>Geo-technical works implemented.</p> <p>Upgrade of areas after repairs.</p>





# Transactions with Related Parties and Conflicts of Interest



# Policy on transactions with related parties

The Policy on Transactions with Related Parties contains the principles and rules that must be followed by GEB and by GEB subsidiaries when they engage in transactions with their related parties.

Its purpose is to ensure transparency in transactions, under conditions of equality and impartiality, in order to protect the rights of all shareholders, and to establish adequate review, approval and disclosure mechanisms.

Consequently, the Board of Directors is competent to approve the following transactions with related parties upon recommendation of the Audit and Risk Committee:

- 1 Non-relevant transactions that are not within the ordinary course of business of the contracting companies or are not carried out at market prices.
- 2 Relevant transactions that are within the ordinary course of business of the contracting companies or are not carried out at market prices.

In addition, the Financial Vice-president's Office submits to the quarterly reports on the transactions carried out by GEB with its related parties Audit and Risk Committee and, in accordance with the legal obligation it has, Management

drafts and submits the special report on the most relevant transactions with its related parties to the General Meeting of Shareholders, at its ordinary meeting. For 2021, the breakdown of the transactions of this type is as follows:

## Bogota, Capital District



Majority shareholder Inter-administrative Agreement No. 210522 with the District Finance Department whose purpose is the management of the democratization process for the disposal of up to 863,480,214 ordinary shares of the Capital District GEB, which corresponds to 9.4% of all Company shares in circulation. The value of the management fee to GEB is monthly fees of COP 158,574,500 (VAT included) for 12 months.

Subsidiary company Inter-company credit with the following conditions:

- Value: USD 370 million
- Creditor: GEB
- Debtor: TGI
- Date established: December 07, 2007
- Payment deadline: December 2022 in a single payment
- Interest rate: 5.02% quarter in arrear
- Balance: COP 1,485 million (capital COP 1,475 million/interest COP 10 billion)
- Financial revenue: COP 71 billion

Professional fees for technical support COP 3 billion. Account receivable of COP 3 billion for the implementation of the SAP 4HANA program in the Business Group.



Subsidiary company Inter-company credit with the following conditions:

- Value: BRL 175 million
- Creditor: GEB
- Debtor: GEBBRAS
- Date established: August 14, 2015
- Term: 16 years
- Interest rate: 9% annual, quarter in arrear
- Balance: COP 127 billion (capital COP 124 billion/interest COP 3 billion)
- Financial revenue: COP 8 billion

Subsidiary company Inter-company credit with the following conditions:

- Value: USD 53 million
- Creditor: GEB
- Debtor: GEBBRAS
- Date established: August 17, 2018
- Term: 5 years
- Interest rate: Libor 6M + 1.95% annual, quarter in arrear
- Prepayment: USD 22 million
- Balance: COP 124 billion (capital COP 123 billion/interest COP 1 billion)
- Financial revenue: COP 7 billion



Subsidiary company Inter-company credit with the following conditions:

- Value: USD 56 million (maximum amount of disbursement USD 70 million)
- Creditor: GEB
- Debtor: Trecsa
- Date established: May 20, 2021
- Deadline: May, 2028
- Interest rate: 6% with three-year grace period
- Prepayment: USD 22 million
- Balance: USD 228 million (capital USD 223 million/interest USD 5 million)
- Financial revenue: USD 5 million.

Consultancy and technical support services contract signed on July 15, 2011 with an account receivable for GEB of COP 17 billion. \*The contract was settled on December 30, 2016.



Account receivable of COP 1 billion for collection of commissions.

Account receivable of COP 1 billion for the implementation of the SAP 4HANA program in the Business Group.

Subsidiary company

Consultancy and technical support services contract signed on December 10, 2012 with an account receivable for GEG of COP 6.8 billion. *\*The contract was settled on December 30, 2016.*

Account receivable of COP 118 billion for collection of commissions.



Account receivable of COP 362 billion for the implementation of the SAP 4HANA program in the Business Group.

Inter-company credit with the following conditions:

- **Value:** USD 53 million
- **Creditor:** EEB Perú Holdings
- **Debtor:** GEB
- **Date established:** December 10, 2018
- **Term:** 8 years
- **Interest rate:** Libor 6M + 1.85% S.V.
- **Prepayment:** USD 22 million
- **Balance:** COP 211 billion
- **Interest expenses:** COP 5 billion.

EEB Perú Holdings

Subsidiary company

Inter-company credit with the following conditions:

- **Value:** COP 100 billion
- **Creditor:** EEB Gas S.A.S.
- **Debtor:** GEB
- **Date established:** March 17, 2020
- **Term:** 3 years
- **Interest rate:** IBR (6M) + 2.10%
- **Prepayment:** USD 22 million
- **Balance:** COP 100 billion
- **Interest expenses:** COP 1 billion.

EEB Gas S.A.S.

Subsidiary company

Agreement for the positioning of the brand No. 05510001, whose purpose is the presence and dissemination of "Grupo Energía Bogotá" corporate brand in the Iluminación y Ruta Navideña Bogotá 2021 project in the amount of COP 950 billion and a three-month implementation deadline. The account payable amounts to COP 850 billion.



Non-controlled company



Non-controlled company

Account receivable of COP 15 billion for dividends declared in 2021.

## Policy on managing conflicts of interest

The Policy on Management of Conflicts of Interest establishes general guidelines to disclose, manage and solve conflicts of interest of managers and employees.

In compliance with the provisions of the aforementioned Policy, in 2021 the Risk and Auditing Committee and the Board of Directors were informed of the declarations of conflicts of interest of the members of the Board of Directors and of GEB employees. These were

managed in accordance with the procedure established in No. 4 of the Policy on Managing Conflicts of Interest.

Specifically, the conflicts of Interest declared by the member of the Board of Directors were as follows:

### MARÍA LORENA GUTIÉRREZ

In view of her status as a member of the Board of Directors of Promigas S.A. ESP, she declared that she was involved in a conflict of interest in relation to GEB's participation in the natural gas markets in which the Group has holdings. Consequently, in 2021, she abstained for taking part in the following Board of Directors meetings:

- Board of Directors Extraordinary Meeting No. 1664 of September 14, 2021, which was a joint meeting with TGI.
- Also, she abstained from taking part in the item "Update of the Corporate Strategic Plan (CSP) - Gas for the Future," of the Board of Directors Ordinary Meeting No. 1665 of September 30, 2021.



### JUAN MAURICIO RAMÍREZ

Due to his status as the Secretary of the District Finance Department of the Bogotá's mayor's office, he declared that he was involved in a conflict of interest in relation to the transactions effected between GEB and the District Finance Department as related parties. Consequently, he abstained from voting on the following matters:

- "Transaction with Related Party - GEB and the District Finance Department," at the Board of Directors Ordinary Meeting No. 1648 on January 26, 2021.
- "Transaction with Related Party - Agreement for the Management of the Democratization of the Following Stage," at the Board of Directors Extraordinary Meeting No. 1667 on November 8, 2021.

### IGNACIO POMBO

Due to his status as a member of the Board of Directors of Agencia Analítica de Datos S.A.S. - Ágata, he declared he was involved in a conflict of interest in relation to the matters of this GEB non-controlled company. Consequently, he abstained from voting on the following matters:

- "Agencia Analítica de Datos - Ágata: case of use and second disbursement," at the Financial and Investment Committee's Extraordinary Meeting No. 62 on June 22, 2021.
- "Third disbursement to the Agencia Analítica de Datos, S.A.S. - Ágata," of the Financial and Investment Committee's Ordinary Meeting No. 62 on November 23, 2021.
- "Ratification the structure of the Board of Directors of Cálidda and the Board of Directors of Ágata, in accordance with the Policy on the Appointment of Members of the Boards of Directors of the GEB companies, controlled companies and investment vehicles," at the Board of Directors Ordinary Meeting No. 1668 of November 25, 2021.
- "Ratification of the structure of the Board of Directors of Ágata, in accordance with the Policy on the Appointment of Members of the Boards of Directors of the GEB companies, controlled companies and investment vehicles," at the Board of Directors Extraordinary Meeting of Written Vote No. 1669 of December 13, 2021.

### MARÍA MERCEDES CUÉLLAR

Given the existence of a first-degree affinity relationship with a person who is related through employment with Agencia Analítica de Datos S.A.S. - Ágata, she declared that she was involved in a potential conflict of interest in relation to the matters of the GEB non-controlled company. Consequently, she abstained from voting on the following matters:

- "Agencia Analítica de Datos - Ágata: case of use and second disbursement," at the Financial and Investment Committee's Extraordinary Meeting No. 62 on June 22, 2021.

In addition, and in line with the provisions of the Corporate Group Agreement, the GEB Board of Directors is the body charged with solving **potential conflicts of interest** between GEB and other Group companies arising from the assignment of business opportunities, taking into account the generation of profit for the entire Business Group and the attainment of the corporate strategy. **In 2021, no situations of this nature arose.**



Work team at Trecca, Guatemala.





# 07 Challenges

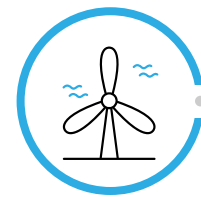


In 2022, GEB will continue to strengthen environmental, social and corporate governance aspects, paying special attention to the following:



**Corporate Culture**

The consolidation of the culture of sustainability and integrity by means of the implementation of the Sustainability Strategy and the Ethics and Compliance Program in all companies.



**Continuity of the Strategy**

Adopting additional measures that favor the continuity of the corporate strategy in the medium and long-term.



**Relation of the Business Group**

Strengthening of the governance of the Business Group, guaranteeing unity of purpose and direction, and respecting the autonomy of each company that comprises it.







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