



Corporate Governance

56 Corporate Governance
72 Ethics and Transparency

The President of GEB, Astrid Álvarez, with the management team of GEB and the Transmission Branch



Corporate Governance

The pillar of growth

As a Corporate Group, we promote transparency and building of long-term genuine relations with our stakeholders. This is how we managed it in 2019.

Why is it important?

(103-1)

EIn 2016 we decided to strengthen our corporate governance in order to align it with the highest international standards. And we have achieved it: As of 2019, we fulfill 92.6% of the recommendations of Circular 028/2014 - Código País, issued by the Financial Superintendence of Colombia, which compiles the corporate governance principles published by the Organization for Economic Cooperation and Development (OECD).

Strategic decisions at the Corporate Group level have enabled us to mature our Corporate Governance Model and to become benchmarks for other companies and corporate groups. These include:

- An increase in the number of independent members: They increased from 25% to 44.4% of Board members. This means a minimum of four of the nine Board members. However, in 2019 GEB had six independent members.
- Chairperson of the Board of Directors: In 2019, for the first time, the Chairman of the Board of Directors is an independent member.
- Independence of the Board: We established stricter independence criteria based on the practices of leading companies in the region and companies listed on the New York Stock Exchange.
- Profit distributions: The City of Bogotá will vote in favor of any profit distribution proposal that is recommended by the Board of Directors, pursuant to the mechanism for determining profit distributions established by law.

posals that is recommended by the Board of Directors, pursuant to the mechanism for determining profit distributions established by law.

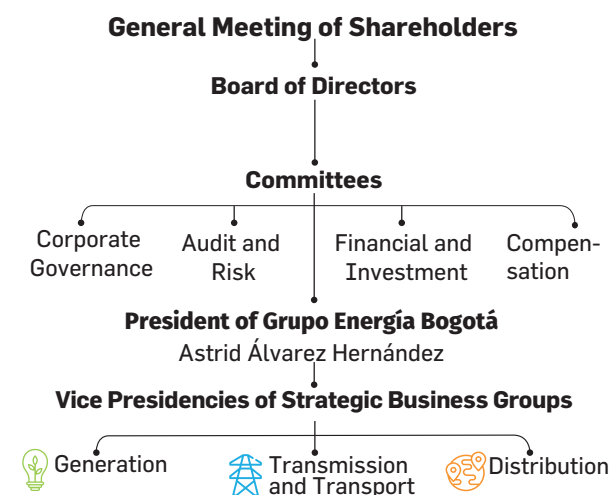
- Greater participation by minority shareholders: Previously, minority shareholders only had the right to call a General Meeting of Shareholders when they represented 25% of total shares outstanding. Now a meeting can be called with only 10%.

How we manage it

(103-2) (103-3)

Governance structure (102-18)

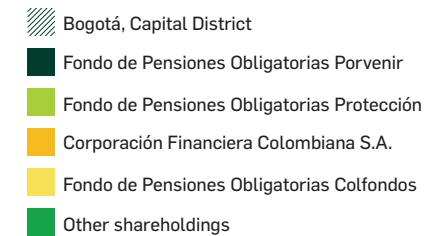
The bodies that form part of our corporate governance structure conduct, manage and oversee the company. They are the following:



Grupo Energía Bogotá shareholdings in 2019*

(102-7) (Own)

(*) At December 31, 2019



Given that the shareholders of Grupo Energía Bogotá are predominantly institutional, there are no family relations between the holders of significant interests.

General Meeting of Shareholders of GEB

It has its own rules and it is the highest governance body of Grupo Energía Bogotá. It is responsible for establishing guidelines and for guiding and assessing the performance of the Board members and the company's legal representatives. Its members are the shareholders, and it is consequently the main channel for providing information and interacting with them. Only in certain specific cases can the General Meeting of Shareholders delegate performance of any of its duties to the Board of Directors or the President, always taking into consideration the provisions of paragraph one of Article 58 of the Corporate Bylaws.

Given the status of Grupo Energía Bogotá S.A. E.S.P. as a securities issuer in the Colombian Securities Exchange, and taking into consideration that our majority shareholder is the city of Bogotá (the Capital District), and that we also have minority shareholders, including individuals and institutional investors such as pension funds, we fulfill the standards and requirements on the disclosure of information established by law, by the guidelines of the Financial Superintendence of Colombia, by the Comprehensive Securities Market Information System (SIMEV, for the original in Spanish) and the highest local and international standards on transparency.

It should be noted that the second-largest shareholder, Porvenir, and the fourth-largest, Corficolombiana, both belong to Grupo Aval, one of Colombia's most important financial conglomerates.

We reiterate our commitment to high standards of corporate governance and transparency, which we have incorporated in our Corporate Governance Code, the Corporate Governance Policy and the Disclosure of Information Policy. These instruments ensure that all our acts are framed in fair treatment for all.

Additionally, our Investors Relations Office is available to answer any specific inquiries (by investors), either by phone or in writing mailed to the physical address of Grupo Energía Bogotá or by e-mail at ir@geb.com.co.

Board of Directors

(102-18) (102-19) (102-22) (102-25) (102-26) (Own - attendance, seniority and experience of Board members)

Our highest strategic management body establishes the Company's general policies, ensures protection of the rights and fair treatment of all shareholders, as well as the stability and development of Grupo Energía Bogotá in the short, medium and long term.

One of its responsibilities is to ensure compliance with the law, the Bylaws, the Governance Code, and the commitments acquired by the company in performing its business and on environmental and social matters.

It is also 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 regulations or voluntarily standards adopted by Grupo Energía Bogotá. It has nine principal members, who are elected by the General Meeting of Shareholders through the electoral quotient system for two-year terms.

1 Beatriz Elena Arbeláez Martínez
(102-23)

- Finance Secretary of the Bogotá Mayor's Office until December 2019, CFO of Banco de Comercio Exterior de Colombia S.A.
- Economist
- Master's degree in Finance
- Non-independent
- Designated by the Capital District from 2016 to 2019.
- Financial and Investment Committee.
- 100% attendance.
- Did not report any potential conflicts of interest in 2019.

4 Jaime Eduardo Ruiz Llano

- Civil engineer with a master's degree in Civil Engineering.
- Independent
- Designated by the Capital District from 2016 to 2019.
- Vice-Chairman of the Board of Directors in 2019.
- Chairman of the Corporate Governance Committee since April 30, 2019.
- Member of the Audit and Risk Committee since April 30, 2019.
- 86% attendance.
- He reported a potential conflict of interests at the meeting held on February 21, 2019, as stated in Minutes No. 1607, in connection with his participation in the discussion of the point on the "Tominé Project".

2 Gisele Manrique Vaca

- Attorney
- Non-independent
- Designated by the Capital District from 2016 to 2019.
- Member of the Compensation Committee until April 29, 2019.
- Member of the Corporate Governance Committee since April 30, 2019.
- 100% attendance.
- Did not report any potential conflicts of interest in 2019.

5 Margarita María Rehbein Dávila

- Biomedical engineer
- Master's degree in Industrial Engineering
- Independent
- Designated by the Capital District from 2016 to 2019.
- Chairperson of the Compensation Committee since April 30, 2019.
- Member of the Corporate Governance Committee.
- 95% attendance.
- Did not report any potential conflicts of interest in 2019.

6 Marc Willy Eichmann Perret

- Mechanical engineer
- MBA from the Darden Business School of University of Virginia.
- Independent
- Designated on March 28, 2019 by the minority shareholders with greatest shareholdings in the company.
- Member of the Compensation and Audit and Risk Committees since April 30, 2019.
- 90% attendance.
- Did not report any potential conflicts of interest in 2019.

3 Gustavo Antonio Ramírez Galindo

- Investment VP of Corporación Financiera Colombiana.
- Electrical engineer with master's degree in Economics
- Non-independent
- Designated by Corficolombiana and Fondos Porvenir from 2014 to 2019.
- Chairperson of the Audit and Risk and Compensation Committees until April 29, 2019.
- Member of the Financial and Investment Committee since April 30, 2019.
- 95% attendance.
- As member of the Board of Directors of Promigas, at the meeting held on August 29, 2019, as stated in Minutes No. 1616, he reported a potential conflict of interests in the point on "TGI Presentation".
- Also, at the meeting held on September 25, 2019 he declared a potential conflict of interests, as stated in Minutes No. 1618, in the point on "Presentation of Electro Dunas S.A.S. Perú, Power Company S.R.L. and Cantaloc S.R.L.", specifically regarding co-generation businesses.



7 Rafael Simón Herz Stenberg

- Independent consultant for the mining-energy and infrastructure industries and on business sustainability.
- Vice-President of the Colombian Petroleum Association
- Master's degree in Economics
- Designated by Fondos Protección from 2016 to 2019.
- Chairman of the Board of Directors in 2019
- Chairman of the Financial and Investment Committee until April 29, 2019.
- Member of the Financial and Investment and the Compensation Committees.
- 100% attendance.
- Did not report any potential conflicts of interest in 2019.

8 Roberto Holguín Fety

- Economist
- Independent
- Designated by the Capital District from 2017 to 2019.
- Chairperson of the Audit and Risk Committee since April 30, 2019.
- Chairperson of the Financial and Investment Committee since April 30, 2019.
- 100% attendance.
- At the meeting held on August 29, 2019, as stated in Minutes No. 1616, he declared a potential conflict of interests in the point on "Davivienda syndicated loan" for being a member of the board of directors of that financial institution.

9 Carlos Alberto Sandoval Reyes

- Business administrator and economist
- Master's degree in Public Policy and Fiscal Studies from University of Bath.
- Independent
- Designated by the Capital District from 2016 to 2019.
- Chairman of the Corporate Governance Committee since April 30, 2019.
- Member of the Audit and Risk Committee since April 30, 2019.
- 100% attendance.
- Did not report any potential conflicts of interest in 2019.

Committees of the Board of Directors

(102-22) (102-19) (102-20) (102-18)

In order to perform its duties, the Board of Directors receives support from the Corporate Governance, Audit and Risks, Financial and Investments, and Compensation Committees. Each has its own separate operating rules and its members are assigned by the Board of Directors to perform their duties over the same term, though they can be removed at any time.

The Committees are responsible for presenting periodic reports on the matters within their purview, and for proposing and supervising compliance with the corporate governance measures adopted by the Group.

Following the appointment by the General Meeting of Shareholders in March 2019 of Marc Willy Eichmann Perret as new member of the Board of Directors, adjustments were made to the members of the committees. We present the information on the composition of the committees before and after the appointments made by the Board of Directors at the meeting held on April 29, 2019.



1 Corporate Governance Committee

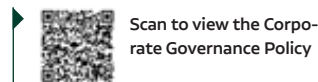
It proposes corporate governance measures and supervises compliance with the Corporate Group's established measures in this regard. It also makes recommendations related to our guiding Governance Model.

Committee members from January 1 to April 29, 2019

- Luis Fernando Uribe Restrepo
Committee Chairperson
- Margarita María Rehbein Dávila
- Carlos Alberto Sandoval Reyes
- Roberto Holguín Fety

Committee members since April 30, 2019

- Carlos Alberto Sandoval Reyes
Committee Chairperson
- Roberto Holguín Fety
- Margarita María Rehbein Dávila
- Gisele Manrique Vaca



Scan to view the Corporate Governance Policy



2 Compensation Committee

It is responsible for reviewing and discussing matters related to employee compensation: fixed and variable remuneration, incentives and benefits, employer-employee relations and industrial relations, with the objective of making specialized recommendations to the Board of Directors, which it supports for decision-making and advice related to the appointment and compensation of Board and Senior Management members.

Committee members from January 1 to April 29, 2019

- Gustavo Antonio Ramírez Galindo
Committee Chairperson
- Rafael Simón Herz Stenberg
- Gisele Manrique Vaca

Committee members since April 30, 2019

- Margarita María Rehbein Dávila
Committee Chairperson
- Marc Willy Eichmann Perret
- Rafael Simón Herz Stenberg
- Gustavo Antonio Ramírez Galindo



3 Audit and Risk Committee

(102-29) (102-30) (102-31) It fulfills the duties assigned to it by law, the Bylaws and its rules. Among other matters, it is responsible for supervising and assessing the fulfillment of the Annual Internal Audit Plan, which covers the Company's business risks and processes, and the Internal Control System, to recommend and issue opinions to the Board of Directors.

Committee members from January 1 to April 29, 2019

- Gustavo Antonio Ramírez Galindo
Committee Chairperson
- Luis Fernando Uribe Restrepo
- Rafael Simón Herz Stenberg

Committee members since April 30, 2019

- Roberto Holguín Fety
Committee Chairperson
- Marc Willy Eichmann Perret
- Rafael Simón Herz Stenberg
- Jaime Eduardo Ruiz Llano
- Carlos Alberto Sandoval Reyes



4 Financial and Investment Committee

It reviews new business opportunities and redefines existing investments in order to make specialist recommendations to the Board of Directors, which it supports in decision-making on matters within its purview. It also monitors the financial management of the company and of Grupo Energía Bogotá.

Committee members from January 1 to April 29, 2019

- Rafael Simón Herz Stenberg
Committee Chairperson
- Beatriz Elena Arbeláez Martínez
- Jaime Eduardo Ruiz Llano
- Roberto Holguín Fety

Committee members since April 30, 2019

- Jaime Eduardo Ruiz Llano
Committee Chairperson
- Rafael Simón Herz Stenberg
- Roberto Holguín Fety
- Beatriz Elena Arbeláez Martínez
- Gustavo Antonio Ramírez Galindo

Board of Directors appointment process (102-24)

As 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 ordinary General Meeting of Shareholders held on March 28, 2019, appointed the people who meet the highest professional and personal standards, regardless of their gender, race, nationality, or ethnicity.

Pursuant to the provisions of commercial law and the Corporate Bylaws, whenever two or more persons are to be elected to become members of the Board of Directors, the electoral quotient system shall be used in order to ensure the right to representation by minorities.

Pursuant to Decree 3923/2006 and whenever independent members must be elected, two votes must be made: one to elect the independent members as required by law or the bylaws, and the other to elect the remaining members, except when a single vote ensures that the minimum number of independent members is elected as required by law or the bylaws. The electoral quotient system must be used in both votes.

The Commercial Code establishes that the electoral quotient system consists in adding up all the votes validly made, and dividing the total into the number of positions to be filled. The number of votes in favor of each list is divided by the defined quotient, and the result indicates the number of positions each list is entitled to. Once the lists with full numbers have been exhausted, the residual number of each total shall be used. The remaining positions are allocated based on the highest residual value obtained by each list, until exhausting the number of members required. In the event of a tie in the residual numbers, the decision shall be made by chance.

The procedure carried out to elect the Board of Directors took into consideration the commitments made by GEB. In particular, these include the rules introduced by the Shareholder Agreement offered by the Capital District as part of the Democratization Process, and which became effective upon its delivery to the company's management, as well as the rules of the Policy on Appointment, Succession and Compensation of the Board of Directors. The Board of Directors was elected as follows:

- On the date on which notice was given on the call to a General Meeting of Shareholders, a list of the 10 largest minority shareholders was published on GEB's website, in accordance with information provided by the statutory auditor. This was to enable the ten or four largest minority shareholders to submit to the Capital District their candidate to independent member of the Board to be in-



Ordinary General Shareholders Meeting held in March 2019

cluded in the sixth line of the District's candidate list, pursuant to the terms of the aforementioned Shareholder Agreement.

- Subsequently, the four largest minority shareholders (Fondo de Pensiones Obligatorias Porvenir Moderado, Fondo de Pensiones Obligatorias Protección Moderado, Corporación Financiera Colombiana S.A. and Fondo de Pensiones Obligatorias Colfondos Moderado) made use, for the first time, of the prerogative granted by the Capital District, and designated Marc Willy Eichmann Perret as candidate to be placed in the sixth line of the single list to be put to the consideration of the General Meeting of Shareholders, pursuant to the signed Shareholder Agreement.
- Once the sixth line candidate had been designated, the Capital District forwarded to the company's management the single list of nine candidates to the Board, including the candidate nominated by the four largest minority shareholders, in order to verify fulfillment of the requirements and qualifications to become Board members.
- Our Legal and Compliance Department, with support from the external consultant Governance Consultants S.A.S., submitted to the Compensation and Corporate Governance Committees of the Board of Directors the report on

fulfillment of the requirements and qualifications by the candidates, to enable such committees, in a joint session held on March 18, 2019, to verify fulfillment of the requirements for their appointment. Afterwards, based on the recommendation of the Compensation and Corporate Governance Committees, an extraordinary meeting of the Board of Directors held on March 27, 2019, approved submitting the single list of Board candidates to the General Meeting of Shareholders of GEB.

- Lastly, the General Meeting of Shareholders approved the appointment of the single list of candidates submitted by the majority shareholder, with 98.21% votes in favor, at the meeting held on March 28, 2019, as stated in the Minutes No. 083.

Board of Directors Compensation Policy (102-35) (102-36) (102-37)

By decision of the General Meeting of Shareholders and pursuant to what is set forth in the GEB Board of Directors Appointment, Succession and Compensation Policy, Board members receive as professional fees an amount equivalent to five (5) legally valid monthly minimum wages for their participation in each meeting and up to two Board meetings within the same month. 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 meetings and up to two Committee meetings within the same month, as approved by the General Meeting of Shareholders held on October 2, 2018, as stated in Minutes No. 82.

Evaluation procedure of the Board of Directors and Senior Management (102-28)

Each year, the Board of Directors, with the support of an external advisor (Governance Consultants S.A.) and subject to prior assessment by the Corporate Governance Committee, performs a self-assessment process as collegiate body on its operations, the matters it discusses, the fulfillment of its duties and expectations, and the work of its committees. Every year, a report on the outcome of such assessment is submitted to the General Meeting of Shareholders.

The self-assessment of the Board of Directors was carried out in December 2019 and January 2020, along with a peer-to-peer assessment, also involving Senior Management. Some of the main strengths identified in the assessment of our Board of Directors are its adequate focus on GEB's material topics, which has led to a positive perception of this body's contribution to the generation of value and the preservation of the long-term institutional vision of the Corporate Group. The report also highlighted its good teamwork, with a high level of professionalism, confidence to carry out discussions and open and articulated communications between its members and Senior Management.

Opportunities for improvement include the need to continue maturing the operating model of the committees, in connection with the amount of delegation of authority by the Board, as well as their role in terms of interactions with Senior Management.

The self-assessment and evaluation methodology of the Board of Directors included the analysis of the effectiveness of each collegiate body, its dynamics and operation, the work of its committees, the topics discussed and the extent to which points on the agenda were covered, and interaction with the Senior Management teams at each company. The results have propitiated important discussions at the Group's boards of directors and structuring action plans to continue moving forward in a robust direction in accordance with best local and international corporate practices. Our Corporate Group's Senior Management considered that the Board of Directors addressed topics with a strategic approach and in depth, and that it produced guidelines that provide orientation to Management. We also highlight the level of teamwork between Senior Management and the Board of Directors, which has created a high level of trust and contributes to management's decision-making process. Lastly, both the members of the Board and GEB's Senior Management believe the committees are an effective mechanism that facilitates and expedites the Board's decision-making.

Senior Management

(102-19) (102-20) (102-26)

It is led by the President of Grupo Energía Bogotá, and its make-up and structure is defined by the Board of Directors.

Senior Management reports to the Board of Directors on the Company's economic, social and environmental management.

Given that Grupo Energía Bogotá S.A. E.S.P. is the Group's parent company, Senior Management, in accordance with the corporate strategy, performs its duties at the corporate level, defining guidelines and making decisions related to the coordination and development of synergies between the Group companies and the Strategic Business Groups.

Parent Company

Grupo Energía Bogotá S.A. E.S.P. is comprised by a parent company organized into Strategic Business Groups and associated companies, and it acts as strategic controller and establishes guidelines and policies on significant matters in order to ensure consistent leadership for our companies and unity of purpose and direction for the Group.

The companies that form part of the Corporate Group are independent legal entities with separate management and governance structures, which are interrelated with the parent company and the Strategic Business Groups in the manner defined in the Corporate Intervention Model.



Mauricio Vera - CEO (D) of TGI



Freddy Zuleta - CEO of the Colombia Transmission Branch



Martín Mejía del Carpio - CEO of Cálidda



Mauricio Acevedo - CEO of Trecca and Eebis



Paulo Bacci - CEO of Contugas



Marcos Díez - CEO of Gebbras



Milena Díaz - CEO of Energy Re

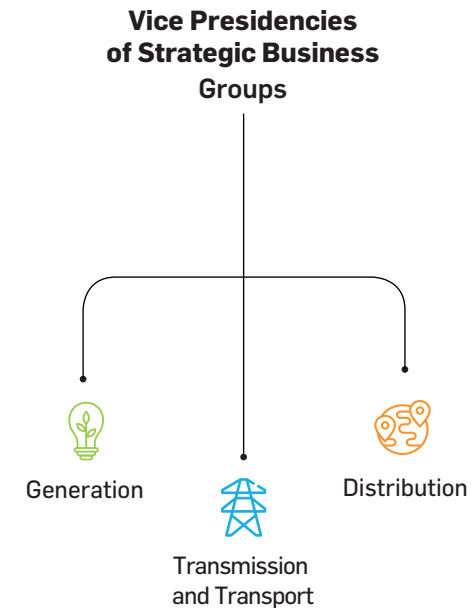


Walter Sciutto - CEO of Electro Dunas



Strategic Business Groups

They group together the Grupo Energía Bogotá companies by line of business and corporate purpose as follows:



Each Strategic Business Group has a specialist liaison officer who understands the dynamics of the industry and the business, and who has the capabilities to support the deployment of strategies at the affiliates and acts as the point of contact between the parent company and the subsidiaries. This specialist has the title of Vice President of the Strategic Business Group.

GEB's Senior Management is led by the President of the Group, and its make-up and structure is defined by the Board of Directors.

Monitoring compliance with corporate governance rules

The Legal, Regulatory and Compliance Vice-Presidency of Grupo Energía Bogotá monitors compliance with the Corporate Governance Code and all other internal rules. Our shareholders may file complaints through the Board of Directors or the Corporate Governance Committee in order to guarantee effective fulfillment of such rules.

Training for the Board of Directors

(102-27)

Members of the boards of directors of GEB and of its affiliates are entitled to receiving orientation and ongoing training, as specified in the respective rules of the boards of directors. Consequently, in 2019 we carried out the following activities, in addition to orientation for new Board members:

- On December 2, 2019, at GEB offices we held a workshop named "Communications in Corporate Senior Management Teams", aimed at all members of the boards of directors of GEB and of its affiliates. The main speaker at the event was a well-known professor of the IE Business School from Spain, a specialist in clinical psychology and certified executive and corporate coach, and an expert in the development of personal competencies at all organizational levels.
- Every month during 2019 we hosted a series of talks related to the Corporate Strategic Plan, with participation by top-level national and international speakers: Nicholas Bahr, Global Director of Operational Risk at DuPont; Mark Dorsett, Executive Vice-President at Prosci; Cecilia Pinzón, Senior Principal at Korn Ferry; Norman Bay, Partner of Willkie & Fahr and former President of the Energy Regulatory Commission; Alejandro Silva, International Counsel at Hunton LLC and former General Counsel at IFC, among others.
- These talks, aimed at the Board members of GEB, discussed topics such as operating Risks in the Energy Sector, Change Management, Direct Current, tool for leaders, Digital Transformation, Corporate Governance, Orange Economy, among other topics of current interest.

Shareholder information and communications

(102-21)

According to the provisions of the Corporate Governance Code adopted by GEB, shareholders have the right to receive adequate and effective responses to their information requests, in compliance with the provisions of the Code and other GEB internal rules. However, 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 that apply to the company, given its status of securities issuer.

The main objective of GEB's Investor Relations Department is to communicate to shareholders and investors, regulators, securities markets and credit rating agencies information on the commercial, financial and operating performance of the Group companies and the economic environment in which they operate.

The financial and non-financial information provided is intended to provide stakeholders elements of judgment for their decision-making. Through these ongoing communications, the Investor Relations Department aims to build trust among stakeholders and consolidate GEB's position in national and international financial markets.

Also during 2019, GEB reported, through the Comprehensive Stock Market Information System (SIMEV, for the original in Spanish), 66 events that were considered relevant information, in order to enhance our transparency in the securities market and build trust among all market agents, as well as to provide stakeholders sufficient information for decision-making purposes. Such disclosures contain information that may have an impact on GEB and its stock.

We multiplied good Corporate Governance practices

- In November 2019, jointly with the Mayor's Office of Bogotá, we participated in the DEV Talks organized by the Organization for Economic Co-operation and Development (OECD), through its Development Center, where we shared the experience of the practices promoted by the GEB in matters of Corporate Governance based on the Process of Democratization of a number of shares held by the city of Bogotá, Colombia's Capital District. This event was held in Paris, and it enabled GEB, represented by its President and three Board members, to share the processes and achievements of what we call the Plan for the Re-institutionalization of Corporate Governance.
- In June we participated in the 5th meeting of the League of Directors, organized by AT Kearney in partnership with Korn Ferry and Universidad de los Andes. The Chairman of the Board, a Board member and the company's President attended this event. The League of Directors is a knowledge platform for leading Latin American companies that provides ongoing training for boards of directors by sponsoring events for debate and the joint construction of knowledge. It is a high-level private event for leading companies that are invited directly by the organizer. The theme of this particular event was "The Board's Role in Times of Crisis." Its purpose was to raise awareness on the role that the board of directors must have in these times, given the volatility of the current political environment and the possible impact this may have on companies due to magnification through circulation of information in the social media. The agenda covered four key moments in responding to possible crises: anticipate, experience, learning and personal reflexion.
- In November, the GEB President participated in the 19th edition of ForoMET: Woman, Business and Technology, organized by MET Community in partnership with BBVA. This international NGO promotes female entrepreneurship and sustainability. Our President participated as a panel member on Inclusion and Participation in Boards of Directors, with María Paula Duque, Vice-President of International Relations at Avianca, and María Eugenia Rey, member of the Board of Directors of ANDI.



The Chairman of the 2019 Board of Directors, Rafael Herz, participated in the forum of La República on Corporate Governance



We participated in the 19th Edition of Foro MET, in partnership with BBVA



Our President Astrid Álvarez met with representatives of the World Economic Forum (WEF). In the photograph with the President of WEF, Klaus Schwab



We participated in an OECD DEV Talks event in Paris, France. In the photograph, the President of GEB with Gabriela Ramos, Chief of Staff



Biodiversity on a path of *Bosques de Paz*

Being included in the Dow Jones Sustainability Index since 2012 has helped position us as a leader in emerging markets within the “gas utilities” industry.



We participated in the executive Corporate Governance program in Madrid, Spain.



- This panel highlighted the importance of the role of women in boards of directors and the need to create spaces to increase their visibility in matters that enable them to move up in companies and have greater presence in the boards.
- The Chairman of our Board of Directors, Rafael Herz Stenberg, participated as speaker at a forum organized by *Semana* magazine under the theme "Women of Colombia, Women Who Inspire", during which leaders from several industries shared their experiences and thoughts on the path to be followed to achieve gender equality in the country. Rafael Herz participated as panel member on "How to Generate Cultural Transformations to Achieve Gender Equality at Companies," along with senior executives at other companies such as PepsiCo, 3M, Oleoducto de Colombia and Grupo Semana.
- In October, the President of GEB participated in the event of the Emerging Markets Network of the Organization for Economic Co-operation and Development (OECD, EMnet) as panel member in the discussion on the opportunities and challenges of political and economic trends in Colombia, in the framework of the country's adherence to this organization. It also explored the role of public institutions and the digital agenda in the creation of

- a favorable context for trade and investment, and the private sector's contribution towards developing more credible and visionary institutions in Colombia.
- We participated as panel members in the talk shop organized by the Latin American Association of Corporate Secretaries (ASCLA, for the original in Spanish), with the theme "Experiences and Progress in Board Assessments." Our Legal and Compliance Officer shared his experience with the Board of Directors, the assessment of its members and its challenges, year after year.
- We participated as a Corporate Group in the 6th meeting of the Latin American Network of Corporate Governance at Government-Owned Companies, organized by the Development Bank of Latin America and the Organization for Economic Co-operation and Development (OECD), with support from the government of Spain and the United Kingdom Prosperity Fund. The network's objective is to improve governance at public companies in the region through ongoing sharing of experiences and knowledge on policies, practices and reforms, based on OECD guidelines. The theme of the June 2019 meeting in Lima was "Performance and Integrity of the Boards of Directors of Government-owned Companies."

Awards for Corporate Governance

- Being included in the Dow Jones Sustainability Index has helped position us as a leader since 2012 in emerging markets within the “gas utilities” industry. In 2019, we were ranked within the top 6% in terms of performance from among all companies in the same industry that aspired to be included in the Dow Jones Sustainability Index. This index is a benchmark for socially-responsible investors and it identifies and classifies the top sustainable companies based on environmental, social and corporate governance criteria.
- In 2019 we were recognized as one of the top one hundred companies with best reputation in Colombia, in the ranking of the Corporate Reputation Monitor, (MERCOC, for the Spanish original).
- In 2019 we were included in the Sustainability Yearbook published by the firm SAM (previously, RobecoSAM). This yearbook lists the companies with best performance in terms of sustainability, including the most outstanding companies in each industry in social, environmental and corporate governance matters.

RESULTS

- For the first time in GEB’s history, on March 26, 2019, a Board member was designated by the four minority shareholders with the largest shareholdings, under the terms of the Shareholder Agreement. Marc Willy Eichmann Perret was designated as an independent candidate, having fulfilled the requirements established in the Policy on Appointment, Succession and Compensation of the Board of Directors, and was included in the sixth line of the single list of candidates to the Board of Directors of GEB submitted by the Capital District, in its capacity of majority shareholder.
- For the first time in GEB’s 123 years of history, an independent member was elected Chairman of the Board. Rafael Herz Stenberg was nominated by pension and severance fund management companies with shareholdings in the company; his election helps assure the independence of this collegiate body.
- We adopted a Senior Management Succession Policy, which defines the guidelines and main measures for succession (of the President of GEB and its affiliates, and GEB Vice-Presidents); to attract, retain and motivate the best talent; to maintain the professional suitability of its employees; to ensure the stability and continuity of the companies’ businesses, and to preserve and consolidate the institutional memory.
- We made adjustments and amendments to the Policy on Transactions with Related Parties, in order to provide clearer and more precise mechanisms to ensure compliance with the requirements to carry out transactions with related parties.
- In May 2019, our Corporate Group was elected as member of the Board of Directors of the Colombian Corporate Governance Institute (ICGC, for the original in Spanish). The ICGC promotes improvements in corporate governance to contribute to successful performance. The events promoted by ICGC bring together key stakeholders who share their experience and knowledge on best practices in this field.
- In order to preserve the institutional memory of the process carried out at GEB in what we call the Plan for the Re-institutionalization of Corporate Governance, in 2019 we prepared the document “Corporate Governance at GEB”, which highlights the Group’s efforts to adopt the best practices related to corporate governance as one of the pillars for growth and to create value for all its stakeholders.
- As a means to promote ongoing learning and training, the corporate governance teams of GEB and of its affiliates were certified by the Executive Corporate Governance Program. This degree was granted by the IE Business School in partnership with the Center

for Corporate Governance Studies (CEGC, for the original in Spanish) of Colegio de Estudios Superiores de Administración (CESA), jointly with the Colombian Corporate Governance Institute. The purpose of this program is to share research on current trends related to corporate governance and the experiences of their peers, to strengthen the soft skills required for the adequate performance of individuals in order to leverage the results of the team of Board members.

- We implemented a Communications Plan covering GEB, as the parent company, and all its affiliates. The plan is intended to communicate the corporate governance arrangement to all employees, to enable them to understand its importance and its workings, and to strengthen the message that a good corporate governance system is part of the Group’s corporate culture.
- Through the GEB Academy we offered a series of events to continuously provide training to our employees on relevant topics for our business, as well as specific required organizational competencies. An example of this is the Corporate Governance online course, which we developed in order to illustrate the importance of corporate governance as one of the main pillars for the Corporate Group’s growth, the operation of the various governance bodies and their composition, among other aspects. The course is available to all our employees and close to 90% have completed it.
- We currently fulfill 137 of the 148 recommendations defined in Annex 1 of External Circular Letter 028/2014 of the Financial Superintendence of Colombia, which means that 92.6% of the measures have been adopted.

CHALLENGES

- To maintain and continue managing corporate governance good practices and standards at the Group.
- To disseminate and communicate both internally and externally the progress made in terms of corporate governance, to position the Company as a leader in this field.
- To consolidate corporate governance measures at the Group.*

* For more detailed information on our management of this topic, see our 2019 Corporate Governance Report at our website.

Board of Directors 2020

On January 31, 2020 at an Extraordinary Meeting of Shareholders, the new GEB Board members were elected. They are:

- Andrés Escobar Arango, former Assistant Minister of Finance, elected as Chairman of the Board of Directors.
- Juan Mauricio Ramírez Cortés, Secretary of Finance of Bogotá.
- Rafael Pardo Rueda, former Minister of Defense.
- María Mercedes Cuéllar López, former President of the Banking Association.
- Luis Javier Castro Lachner, CEO of Mesoamérica and President Emeritus of the Business Alliance for Development (AED, for the original in Spanish).
- María Lorena Gutiérrez Botero, CEO of Corficolombiana.
- Martha Yaneth Veleño Quintero, Executive Vice-President of the Chamber of Commerce of Bogotá.
- Juan Mauricio Benavides Estévez, Director of the Interdisciplinary Center of Studies on Development (Cider, for the Spanish original) at Universidad de los Andes.
- Ignacio Pombo Villar, CEO of Inversiones Assure S.A.



Keys to creating value

Ethics, Transparency and Anti-corruption

High standards of ethical behavior are essential in the actions of all employees of Grupo Energía Bogotá (GEB) in order to create value and as a factor that builds trust among partners, suppliers, citizens and stakeholders.

Why is it important?

(103-1) (102-16)

- T**he corporate values that guide Grupo Energía Bogotá's ethics culture are framed in:
- **Transparency.** We manage our company in an objective, clear and verifiable manner.
 - **Respect.** We interact recognizing collective interests, individual diversity, sustainability of natural resources and institutions.
 - **Integrity.** We act with firmness, righteousness, honesty and consistency.
 - **Equity.** We act with justice, fairness and impartiality, seeking to cause positive and inclusive social impact.

At GEB we are committed to a policy of "zero tolerance" towards fraud, money laundering, terrorist financing and corruption.

How we manage it

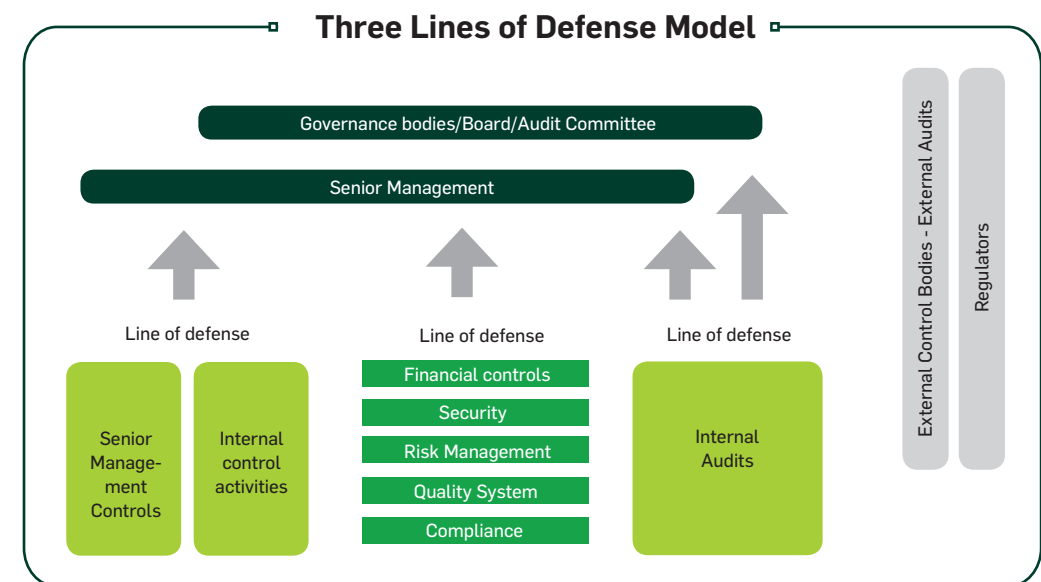
(103-2) (103-3) (102-17)

In order to perform detailed monitoring of the implementation of the corporate instruments for prevention, detection and investigation of situations associated with fraud and corruption, we have an Internal Control System that has been structured under the COSO (Committee of Sponsoring Organizations of the Treadway Commission) standard, and which is subject to annual independent assessment.

On the other hand, all the companies that belong to GEB must ensure compliance and preserve the integrity of the Internal Control system through the implementation of the Control architecture model based on Three Lines of Defense, according to the standard promoted by the European Confederation of Institutes of Internal Auditing (ECIIA), in which the responsibilities within the system are defined as follows:



GEB employees in the Corporate Governance program



- **First line of defense** It is performed by the employees. It enables the identification and management of risks (control/self-control) and the implementation of corrective actions to address any shortcomings in processes and controls.
- **Second line of defense** It covers the various supervisory and monitoring functions performed by the areas responsible for financial reporting, legal and regulatory compliance, quality management systems, information security, and risk management, supervision and inspection. These areas facilitate and monitor the implementation of risk mitigation and control activities. This line ensures that the first line of defense is operating as designed. The Compliance areas of the Group and each of its affiliates are part of this line of defense.
- **Third line of defense** It is responsible for providing independent assurance through internal audit activities carried out by the Group's general auditor. This line of defense provides corporate governance bodies and Senior Management reasonable assurance on the effectiveness of corporate governance, risk management and control, and independence and objectivity for our companies.

Each year, the Board of Directors' Audit and Risk Committee approves the overall strategies and policies related to the Internal Control System and the Annual Audit Plan, which are established based on the business risks identified by GEB.

In order to exercise control and promote compliance with the organization's rules and principles, we have established several mechanisms, including the Corporate Group Agreement, the Corporate Governance Code, the Code of Ethics, the Ethical Channel, the Policy on Internal Control and Prevention of Fraud and Corruption, the Policy on Managing Conflicts of Interest and Policy on Disclosure of Information. We also carry out initiatives aimed at the prevention, detection and investigation of events of fraud and corruption in all our companies through the following tools:

The Global Institute of Internal Auditors assessed our Internal Audit activities, and issued a rating of "Generally Complies". This is the highest rating issued by the Institute and includes us in a select group of 23 certified companies in Colombia.

Prevention

(102-16) (102-17) (205-2)

Through our Ethics and Compliance Program we provided face-to-face and e-learning training to 88% of our employees on our anti-corruption policies and procedures in 2019. 100% of GEB employees were informed through internal communication channels.

Total employees	
Employees trained in anti-corruption policies and procedures	
Senior Management	8
Middle Management	76
Advisors	242
Professionals	142
Support/assistants	54
TOTAL	522

Policy on Internal Control and Prevention of Fraud and Corruption

It establishes the commitment to adopt and maintain an Internal Control System that enables attainment of the objectives and the promotion and consolidation of an ethics culture based on the corporate values; it also establishes guidelines to identify, detect, assess, mitigate, monitor, investigate and prevent risks of fraud and corruption that may arise.

Code of Ethics

It establishes and defines the principles of behavior and the rules of action at Grupo Energía Bogotá and its companies in their relationships with all stakeholders, as well as their actions in the markets where they do business.

(415-1) (Own) In 2019 we updated our Code of Ethics to include the express prohibition of making any direct or indirect contributions to political parties, candidates or campaigns, and of making any facilitation payments. We also established guidelines for lobbying activities, in the event they are carried out. Also, 100% of Board members and GEB employees renewed their annual adherence to the Code of Ethics and the Statement of Conflicts of Interest by digital means, in order to facilitate monitoring and avoid the use of paper records.

One of the most important updates made to the Code of Ethics was the prohibition of contributions to political parties or representatives, which implies that in 2019 no such contributions were made by the Group or its affiliates.



Customer service at Cálidda, Peru

Manual of the System for Prevention of Money Laundering and Terrorist Financing (SIPLA, for the Spanish original)

In accordance with Basic Legal Official Letter 029/2014 of the Financial Superintendence of Colombia, the Group, given its status of issuer of securities that is not supervised by said entity, is required to fulfill the established provisions and to implement control mechanisms to control and prevent money laundering and terrorist financing for its shareholders. Consequently, we published a manual that contains the policies, controls and procedures adopted to prevent the associated risks.

In order to assure good practices and mitigate these risks, with the continuous support of the Compliance Officer, the following activities and controls were performed:

- The Central Securities Depository (DECEVAL, for the original in Spanish) issued monthly certificates on the Program to Prevent and Control

Money Laundering and Terrorist Financing in connection with the company's outstanding shares. To date, no suspicious or unusual shareholders transactions have been reported.

- The Compliance Officer submitted the biannual report to the Board of Directors, listing the activities carried out to prevent such crimes.
- As part of the Ethics and Compliance Training Program, we included a chapter related to the prevention of money laundering and terrorist financing, with the objective of disseminating the regulatory framework and the controls established to prevent these crimes.
- The statutory auditor is responsible for verifying compliance with the controls required to prevent money laundering and terrorist financing, and for issuing an opinion on this matter in the financial statements. To date, we have not received any reports that would indicate any event of non-compliance with these regulations.

Anti-Corruption Plan and People Service

In compliance with the provisions of article 73 of Law 1474/2011, we have prepared the Anti-corruption Plan, which includes, in addition to the contents of the Ethics and Compliance Program, the following:

- Identification of risks of corruption and management actions
- Anti-paperwork strategy
- Accountability
- People Service Strategy
- Mechanisms for transparency and access to information

Fraud and Corruption Risk Management System

(205-1)

For the Group's critical operating processes, the assigned risk managers (for each process) follow up and monitor the preventive controls, which are also subject to internal audits to verify their effectiveness.

The system's training program, which involves employees, suppliers, Board members, in-house contractors and contract supervisors, complements the Ethics and Compliance Program with topics such as prevention and control of money laundering and terrorist financing, the law of transparency and access to information, data protection, the trans-national bribery law and oversight authorities.

The main risks identified regarding fraud and corruption, and which are monitored by the Control System, are:

- Improper use of financial entity products.
- Inadequate disclosure of financial obligations in the financial statements.
- Failure to make payments or charges of pension installments to external entities and failure to make the relevant accounting adjustments.
- Misstatements in payroll calculations or payments.
- Disbursing advance payments and travel expenses that do not fulfill the requirements.
- Misappropriation of the organization's funds to favor third parties.
- Inadequate control in establishing and managing framework contracts and purchase orders.
- Inconsistencies in payments.

Validation in Restrictive Lists

We performed 6,704 validations in the restrictive lists for individuals and legal entities that maintain business relations with the Group (suppliers, employees, rights of way lessors, leases, among others), using a software that enables reliable queries in such lists and other databases that give warning on such risks.

Detection

Ethical Channel

(Own)

This channel is managed by an independent third party, which guarantees our stakeholders' right to report situations that are deemed to involve presumed fraud or corruption, as well as unethical conduct in the Group, with full confidentiality, reliability and security. This is how we build trust: by carrying out our business in a transparent and sustainable manner.

(102-29) We also have a channel management manual, which was updated in 2019 to define the preliminary verification process of reports received through the channel. The aim of the above is to adequately manage reported presumed irregularities and implement the appropriate actions (preventive and reactive), and to enable making improvements to the processes and risk management. This activity is supervised by the Board of Directors' Coexistence, Ethics and Compliance, and Audit and Risk committees. At Group companies that do not have a Coexistence Committee in place, these responsibilities are assigned to the Human Resources department.

In 2019, we updated the Ethical Channel's technological platform, its communications channels, the User Manual and the Channel Management Manual in order to improve the process. This update was implemented and communicated to all Group companies. Also, the International Institute on Anti-corruption Studies, through the Technical Secretariat of its Latin American Compliance Network, performed a diagnosis of the Ethical Channel, in which we received a score of 25 over 28 points possible.



Work session during the Significant Connections Meeting

To contact the Ethical Channel

(102-17)

- **Toll-free telephone numbers**
Colombia: 01800-012-5470
Peru: 0800-52-093
Guatemala: 1-800-8350-428
- **Website**
<https://www.grupoenergiabogota.com/informacion-corporativa/etica-y-transparencia>
- **E-mail**
canaleticogeb@co.pwc.com

Events Reported Through the Ethical Channel

(102-17) (205-3) (Own - Ethical Channel Events)

In 2019, the Group's Ethical Channel received 10 inquiries and ethical dilemmas, and no corruption events were reported:

Ethical Channel Reports

Status at December 2019

Type of report	Number	Review in progress	Closed
Work issue	4	0	4
Financial fraud	0	0	0
Corruption	3	0	3
Money laundering and terrorist financing	0	0	0
Misuse of company assets	3	1	2
Other	0	0	0
TOTAL	10	1	9

Internal and External Audits

Based on the Annual Audit Plan approved by the Board of Directors' Audit and Risk Committee, 10 audits were carried out in 2019 that enabled the leaders of the audited processes to identify opportunities for improvement and to close gaps in order to strengthen the Internal Control System of the Group and its companies. The internal audits were carried out in accordance with the International Professional Practices Framework for Internal Audits.

Investigation

Protocol for reports received through the Ethical Channel

Its purpose is to provide guidelines for the reception and analysis of reports made through the Ethical Channel, and it covers all operations of GEB and its companies in all the countries where we have operations.

People trained in 21 sessions (205-2)

- 4 Board members.
- 522 employees.

Attendance by cities where training was provided

- Bogotá: 354 people.
- Neiva: 26 people.
- Pereira: 26 people.
- Valledupar: 14 people.

In 2019 we updated the Code of Ethics to expressly prohibit any direct or indirect contributions to political parties, candidates, or campaigns and any facilitation payments. We also established guidelines for lobbying activities.

These are other training and awareness-raising programs carried out in 2019:

- Procedure for verification in restrictive lists for GEB's Sourcing, Sustainability and Land Management departments: 23 employees trained.
- Ethics and Compliance Program for contract supervisors, in order to reinforce the contents of the Code of Ethics, Ethical Channel, conflicts of Interest and supervision authorities: 7 sessions with 127 employees trained.
- 3 sessions with 89 employees, who were trained on the protection of personal information.
- Update on the Ethical Channel process. In March we launched a campaign to communicate the updated process, the application and the communication channels.
- Give yourself peace of mind. In November we carried out a campaign promoting to neither give nor receive gifts or gratuities from counterparties, in compliance with the Code of Ethics.
- Annual Suppliers Meeting. We held a meeting to reinforce the components of the Ethics and Compliance Program.

Participation in initiatives

Collective Action

It is an action plan carried out jointly by the Compliance areas of Colombian electricity sector companies, aimed at creating transparency standards. Jointly with the other members of this team, we developed the risk matrix on money laundering and terrorist financing in the electricity sector. Also, for the second year in a row, we participated as members of the Anti-Corruption Technical Committee, whose objective is to analyze and assess new standards related to the commitments acquired by the Collective Action, and to develop specific proposals to progressively renovate and update the action.



Public hearing for the transmission project at El Carmen de Chucurí, Santander

Latin American Network of Compliance Officers

It is a network of corporate compliance and anti-corruption officers that establishes task groups to work on themes related to presentation techniques, crises and strategic communications, and a practical workshop: "What do you do when the bosses don't listen, and what is the extent of the Compliance Office's responsibility towards the authorities?" We also participated in a conference to discuss the results of the survey on "Compliance with a gender approach, deferred research agreements and external monitoring: What are they and what are they for?" Lastly, we received training on interrogation techniques in internal investigations and on the Magnitsky Act. Our participation has enabled us to learn about international best practices and standards to strengthen our processes.

Towards Integrity

It is an initiative of the United Nations Office on Drugs and Crime (UNODC) aimed at promoting public-private dialogs and sharing of knowledge, with the purpose of strengthening the development and enforcement of measures to prevent, repress and penalize corruption, in accordance with the United Nations Convention. To this effect, Global Compact Colombia, jointly with Alliance for Integrity, launched the Network of Compliance Officers and the CEOS Roundtable on Anti-corruption, which our Group has actively joined.

RESULTS

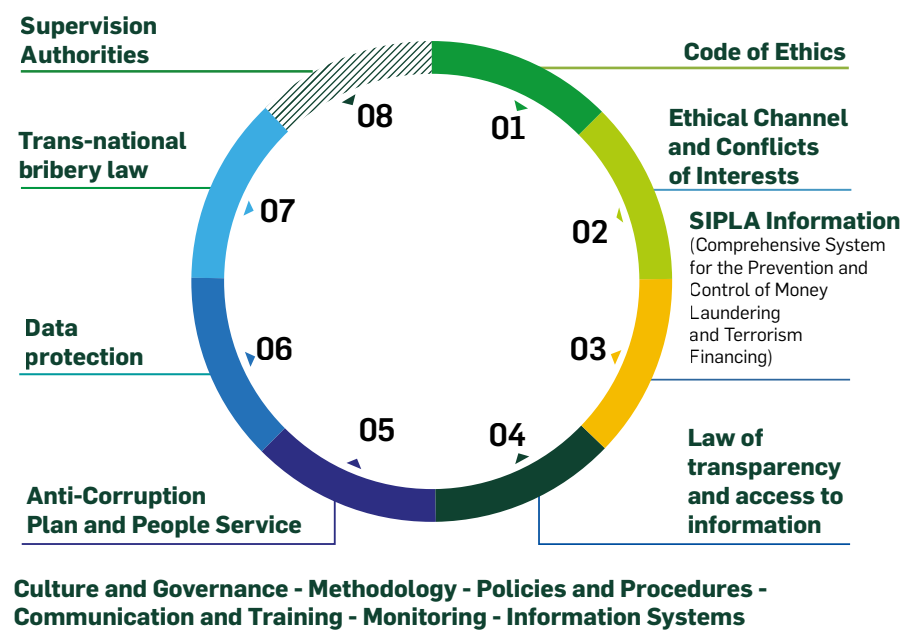
- We re-engineered, implemented and communicated the Ethical Channel of the Group and its affiliates, including an update to the technological platform, the communications channels, the User Manual and the channel's Management Manual. The International Institute on Anti-corruption Studies, through the Technical Secretariat of its Latin American Compliance Network, performed a diagnosis of the channel, in which we received a score of 25 over 28 points possible.
- We provided orientation to the Compliance officers of Group companies and worked jointly on defining timetables for preparing their respective Ethics and Compliance Programs.
- We held the Corporate Governance and Compliance workshop in Bogotá on January 24 and 25, 2019. All Compliance employees of the Group and its affiliates participated in the workshop.
- We carried out training and reinforcement sessions for compliance officers at the affiliates on June 20 and 21, 2019.
- We participated in the technical secretariat of the Organization for Economic Co-operation and Development (OECD) to assess implementation of Law 1778/2016 in Colombia.

- We implemented procedures to address inquiries and submission of reports to the Office of the Comptroller of Bogotá (Contraloría).
- We performed the internal auction *Me lo Pido* (I'll Take It) to auction off non-promotional gifts received by our employees, and which is also a mechanism to verify compliance with the Code of Ethics guidelines.
- We updated the protocol for responding to suggestions and comments received in the compliance officer's suggestion box from affiliates and support from external advisors on compliance and prevention of money laundering and terrorist financing.
- We implemented compliance management indicators at the affiliates to verify the progress made in activities such as training; annual adhesion to the Code of Ethics; reports, inquiries and ethical dilemmas; verification in control lists and requirements by oversight bodies. We also scheduled weekly progress report meetings with the affiliates.
- Through the Ethics and Compliance Committee we adopted a risk management methodology, which defines the criteria and tools used to guide activities related to fraud, corruption, money laundering, terrorist

- financing and trans-national bribery, aimed at adopting the best corporate practices.
- We participated in different corporate governance bodies, such as the President's, Processes and Learning and Audit and Risk Committees at GEB; the Audit and Risk committees of affiliates, and we made presentations and provided support for local compliance management.
- We implemented the HIE work methodology (acronym in Spanish for Threads-Ideas-Edipas) for the analysis of unusual transactions and possible reporting of suspicious transactions in GEB. This strengthens our activities for the prevention of money laundering and terrorist financing.
- The Ethics and Compliance Committee of the Board of Directors increased the control level through the implementation of a methodology to manage the risks of fraud, corruption, money laundering, terrorist financing and trans-national bribery. This in turn raised the standard of best corporate governance practices in bodies such as the President's, Processes and Learning and Audit and Risk Committees at GEB; Audit and Risk committees of affiliates, and presentations and support for local compliance management.

Ethics and Compliance Program

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



Maintenance work on our transmission lines in Guasca, Cundinamarca