

Corporate Governance Report **2019**



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To the Board of Directors of Grupo Energía Bogotá S.A. E.S.P. (hereinafter “GEB” or the “company”), its CEO, Senior Management and all its employees are pleased to present to the General Meeting of Shareholders this *Corporate Governance Report*, pursuant to the provisions of Section 22¹, Article 66 of the [Corporate Bylaws](#) of GEB, as per the Code of Best Corporate Practices of Colombia, External Circular Letter. 028 / 2015, issued by the Financial Superintendence of Colombia (hereinafter [Código País](#)), and the recommendation of the Corporate Governance Committee at the meeting held on February 21, 2020, as stipulated in Minutes No. 33, and the approval of the Board of Directors at the meeting held on February 26, 2020, as stipulated in Minutes No. 1,627.

In this report to the General Meeting of Shareholders, we present the major developments of 2019, as well as relevant changes to the corporate governance system implemented in GEB, which adjust to the provisions contained in Código País, and establish mechanisms to manage key aspects of growth, competitiveness, transparency in information, and sustainability for both the company and the Group.

This report, as of December 31, 2019, presents shareholders and the general public with content related to compliance with the Corporate Governance recommendations that have been adopted by GEB in accordance with the best national and international practices.

The report's structure is established by Annex 1 of Código País.

¹ Article 66 of the Corporate Bylaws stipulate that the Board of Directors is responsible to: “22. Approve Grupo Energía Bogotá S.A. E.S.P.’s governance model. (...) and submit to the General Meeting of Shareholders and its Chair a report pertaining to the aforementioned matters”.

With a solid and transparent Corporate Governance for its shareholders, GEB focuses on growth

and development of large companies in the territories in which it operates: Colombia, Brazil, Peru and Guatemala.



Scan to learn more about GEB's Corporate Bylaws



Scan to learn more about Código País



Cantón Vega Seca, Chiantla, Huehuetenango, photograph of our employee Edwin Rolando Iquique in Guatemala

Ownership Structure of GEB

GEB's capital and ownership structure

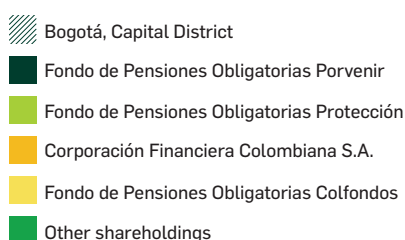
GEB is a leading multi-Latin company in the electric power and natural gas industry, with presence in Colombia, Peru, Guatemala and Brazil. It is focused on the growth and development of its affiliates in the territories where we operate with a solid and transparent corporate government vis-à-vis its shareholders. GEB is subject to the legal regulations set forth in Law 142 / 1994 which regulates the provision of public services. It is of a mixed nature and is listed in the Colombian Securities Exchange; currently, its majority shareholder is Colombia's Capital District, holding 65.68% of the capital stock, in addition to minority shareholders, among these individual and institutional investors. The [Corporate Bylaws](#) regulate capital that is authorized, subscribed and paid in articles 6, 7 and 8.

65.68 %

of the Corporate Group's social capital belongs to its majority shareholder: Colombia's Capital District

GEB is of a mixed nature and is listed in the Colombian Securities Exchange

Grupo Energía Bogotá shareholdings in 2019*



(Information taken from the certification issued on January 13, 2020 by GEB's statutory auditor according to the data provided by the Central Securities Depository of Colombia, deceval)

GEB has more than 6,300 shareholders, including individuals, legal entities, company employees and institutional investors.

The trading of GEB shares is subject to Colombian regulations, in particular Article 404 of the Commercial Code, and its [Policy on Trading in Shares](#), adopted by the Board of Directors at its meeting held on June 22, 2017, which establishes that the directors are prohibited from trading in the company's shares for themselves or through intermediaries for speculative purposes and, in any case, require authorization from the Board of Directors.

Identify of shareholders who have significant holdings, direct and indirect

Pursuant to the certification issued by GEB's statutory auditor¹ on January 13, 2020, the following shareholders have a significant share as of December 31, 2019:

Shareholder	Number of Shares	Percentage of total
Bogotá, Capital District	6,030,406,241	65.68%
Fondo de Pensiones Obligatorias Porvenir Moderado	805,116,563	8.77%
Fondo de Pensiones Obligatorias Protección Moderado	568,476,004	6.19%
Corporación Financiera Colombiana S.A.	475,298,648	5.18%
Fondo de Pensiones Obligatorias Colfondos Moderado	216,797,092	2.36%
Fondo Bursátil Ishares Colcap	167,098,357	1.82%
Old Mutual Fondo de Pensiones Obligatorias - Moderado	82,326,807	0.90%
Fondo Bursátil Horizons Colombia Select de S&P	43,350,411	0.47%
Fondo de Pensiones Obligatorias Porvenir Mayor Riesgo	42,758,758	0.47%
Fondo Pensiones Obligatorias Protección Mayor Riesgo	32,048,942	0.35%
Fondo de Cesantías Porvenir	24,739,935	0.27%

² Certification issued by Deloitte & Touche Ltda. as Grupo Energía Bogotá S.A. E.S.P.'s statutory auditor, dated January 13, 2020.

Pension and Severance Funds Administrators (AFP, for the Spanish original), are financial institutions that efficiently manage mandatory and volunteer pension funds, as well as severance pays 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 them in different portfolios and obtain profitability for their affiliates. They are supervised by the Financial Superintendence of Colombia.

Information on the holdings held directly (in a personal capacity) or indirectly (through companies or other vehicles) by the members of the Board of Directors, and the voting rights they represent

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

Family, commercial, contractual or corporate relationships between owners of significant holdings and the company, or between owners of significant holdings and each other

GEB has a predominantly institutional ownership structure, in which there are no family relationships between significant shareholders.

Negotiations that the members of the Board of Directors, Senior Management and other administrators have carried out with the shares and other securities issued by GEB

At present, none of the members of the Board of Directors have shareholding in GEB, either directly or through family companies. In relation to Senior Management employees at GEB, as of December 31, 2019 it was confirmed that 16 of them have a shareholding (not material) equivalent to 0.0069%.

Any negotiation of shares by Senior Management or members of the Board of Directors shall be subject to the procedure established in GEB's [Policy on Trading in Shares](#) referred to in section 2.1 of this report. During 2019, no member of the Board of Directors, administrator or Senior Management employee requested authorization to trade shares and other securities issued by GEB.



Scan to learn more about our Policy on Trading in Shares

Synthesis of known agreements between shareholders

On July 31, 2018, [a Shareholder Agreement was delivered](#) to the Company's management that was signed in the context of the democratization process of a percentage of the shareholding held by Colombia's Capital District, carried out in 2018.

Due to its relevance in strengthening the Company's corporate governance, we highlight the following provisions set forth in the Shareholder Agreement.

- **Decrease in the percentage required to call a General Meeting of Shareholders** Minority shareholders only had the right to call a General Meeting of Shareholders with 25% of total shares outstanding. It can now convene a plural number of shareholders representing at least 10% of the total shares subscribed in GEB.
- **Commitment to vote on relevant decisions of the Meeting of Shareholders:** On matters related to changing the main corporate purpose, issuance of shares and sales of substantial Company assets, among others, the favorable vote of minority shareholders will be required to reach the threshold of 70% of total shares.
- **Increase in the number of independent Board members** Previously, only 33% of Board members were independent. Now 44.4% will be independent, i.e. 4 members. However, in 2019 GEB had 6 independent members.
- **Stricter independence criteria for Board members.** Stricter independence criteria were established, in line with the highest management professional standards, incorporating not only those established by Colombian law, but also those required for companies listed on the New York Stock Exchange.
- **Appointment of the Chairman of the Board** Previously, any Board member could be elected to this role. Now, in order to obtain greater autonomy in the administration of the society, he must be an independent member.
- **Establishment of vote by qualified majority at Board meetings.** Previously, all Board decisions were adopted by simple majority. In order to carry out operations with Group companies, for matters related to relevant assets, for the modification of the Strategic Plan, the appointment of the Chairman of the company, the approval or modification of the Rules of the Board of Directors, among others, a qualified majority will be required to deliberate (seven members) and to decide (six members). Unlike what took place previously, when all Board decisions were adopted by simple majority.
- **Appointment of an independent Board member by minority shareholders.** Ten shareholders or the four minority shareholders with largest shareholdings in Grupo Energía Bogotá will have the right to assign an independent candidate to the list of candidates to the Board of Directors submitted by Bogotá, Capital District. Previously, minority shareholders did not have the right to include a candidate in the list.

On March 26, 2019, the [Agreement of minority shareholders with greatest shareholding in GEB](#) was submitted to the company's management. These shareholders nominated Marc Willy Eichmann Perret as a candidate to occupy the sixth line of the single list of candidates for members of GEB's Board of Directors, in accordance with the right of the 10 minority shareholders with the largest shareholding in GEB, by virtue of the Shareholder Agreement deposited on July 31, 2018 by the Capital District in the democratization process of shares, as well as the provisions of paragraph b) of the second paragraph of Article 16 of the Rules of the General Meeting of Shareholders.

Company's own shares

The company has no shareholding in itself



Scan to learn more about the minority shareholders agreement

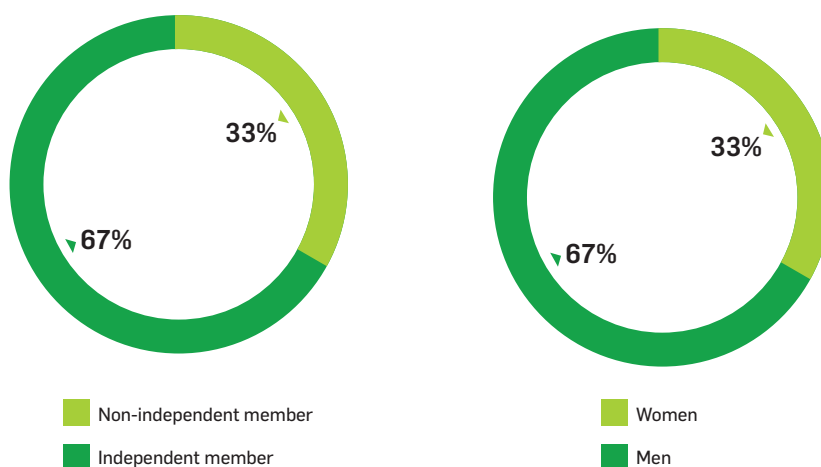
GEB Management structure

Composition of the Board of Directors and identification of the origin or background of each member, and of the committees formed within the board. Date of first appointment and subsequent

Board of Directors ³

Line	Name	Quality
1	Beatriz Elena Arbeláez Martínez	Non independent
2	Gisele Manrique Vaca	Non independent
3	Gustavo Antonio Ramírez Galindo	Non independent
4	Jaime Eduardo Ruiz Llano	Independent (Vice chairman of the Board of Directors)
5	Margarita María Rehbein Dávila	Independent
6	Marc Willy Eichmann Perret	Independent (designated by minority shareholders with higher share)
7	Roberto Holguín Fety	Independent
8	Carlos Alberto Sandoval Reyes	Independent
9	Rafael Simón Herz Stenberg	Independent (Chairman of the Board of Directors)

Composition of the Board of Directors



³ At the extraordinary General Meeting of Shareholders held on January 31, 2020, the composition of the Board of Directors for the 2020-2022 period was designated as follows: Juan Mauricio Ramírez Cortés, Rafael Pardo Rueda, María Mercedes Cuéllar López, Luis Javier Castro Lachner, María Lorena Gutiérrez Botero, Martha Yaneth Veleño Quintero, Andrés Escobar Arango, Juan Mauricio Benavides Estévez and Ignacio Pombo Villar.

Board members' **résumé**

1 Beatriz Elena Arbeláez Martínez

She was Finance Secretary of the Bogota Mayor's Office, CFO of Banco de Comercio Exterior de Colombia S.A. Economist from Universidad Externado de Colombia. Studied Regional Development Administration and Planning at Universidad de los Andes. Master's degree in Finance from the University of Strathclyde in Glasgow, Scotland, and studies in Economic Policy Management from Columbia University in New York. Participated in the Senior Business Development 2010 Plan at Universidad de la Sabana. She has served as head of the Programming and Budgetary Control division at the National Planning Department (DNP); director general of Economic Regulation at the Ministry of Finance and Public Credit, among other senior positions. On January 15, 2016, she was appointed as a principal member of GEB's Board of Directors, in an extraordinary General Meeting of Shareholders and was re-elected by the latter in meetings held in 2017, 2018 and 2019.

2 Gisele Manrique Vaca

Attorney from Universidad Externado de Colombia. Master's degree in Law from Universidad de los Andes. Was Director of the Statutory Audit Department of the General Audit of the Republic in 2015. Broad experience at the City's Planning Department. Was General Manager of the Unit of Penitentiary and Prison Services; General Manager of Fondacun, Secretary General of the Administrative Department of Science, Technology and Innovation, (Colciencias) among others. In 2016 she was appointed principal member of the Board of Directors of GEB and was re-elected in 2017, 2018 and 2019 by the General Meeting of Shareholders.

3 Gustavo Antonio Ramírez Galindo

Investment VP of Corporación Financiera Colombiana. Electrical Engineer and master's degree in Economics from Universidad de los Andes. During the past 15 years, Mr. Ramirez has been an investment banker. Former member of the boards of directors of Organización Terpel S.A., Proenergía Internacional S.A., Proyectos de Infraestructura S.A., Covindes S.A., Concesionaría Ruta del Sol S.A. and Gascop S.A. Current member of the boards of directors of Grupo Energía Bogotá and Promigas, and he represents Corficolombiana as minority shareholder. He was appointed a principal member of GEB's Board of Directors, at an ordinary General Meeting of Shareholders in 2014, and was re-elected by the Board in 2016, 2017, 2018 and 2019.



4 **Jaime Eduardo Ruiz Llano**

Civil Engineer and Master's degree in Civil Engineering from the University of Kansas, specialist in Regional Planning from the Universidad de los Andes, with studies in Development. He was director of the Urban Development Institute of Bogotá (IDU), assistant manager and manager of Colombiana de Viviendas S.A. He was a senator of the Republic of Colombia, director of the National Planning Department (DNP), member of the World Bank Board of Directors in Washington D.C. as representative of nine countries and minister plenipotentiary at the Colombian Embassy to the United States Government. Appointed principal member of GEB's Board of Directors in 2016 and re-elected by the General Meeting of Shareholders in 2017, 2018 and 2019.

5 **Margarita María Rehbein Dávila**

Biomedical engineer from Duke University, Durham. North Carolina. Master's degree in Industrial Engineering from Columbia University. She has served as CFO of Sanford Management, Colombia Branch; Vice President Corporate Banking and Specialized Banking of Bancolombia; Vice President Finance and International of Banco Latino; Vice President Finance of Avianca, among others. Active member of Profamilia's Board of Directors. In 2016, she was appointed principal member of GEB's Board of Directors at an extraordinary General Meeting of Shareholders and was re-elected by this body in 2017, 2018 and 2019.

6 **Marc Willy Eichmann Perret**

Medical Engineer from McGill University MBA from Virginia University School of Business, Darden. In 2019, he was appointed as a principal member of GEB's Board of Directors at an ordinary General Meeting of Shareholders on March 28, 2019.

Member of the Board of Directors appointed by the minority shareholders with the highest holdings, based on the provisions of the "Rules of the General Meeting of Shareholders.



Tominé Reservoir
owned by GEB

7 Roberto Holguín Fety

Economist from Georgetown University. Specialist in Finance from Universidad de los Andes. He is a member of the Board of Directors of Banco Davivienda Colombia, of its Credit Committee and of the boards of directors of Banco Davivienda in Panama and Miami, Constructora Bolívar, Unipalma, Finagro, and GEB, of its Finance and Investment and Corporate Governance committees. Member of the Advisory Committee of PEI (Patrimonio de Estrategias Inmobiliarias). Vice President of the Council of Universidad Jorge Tadeo Lozano and of its Administrative and Financial and Audit and Compensation committees. Mentor in the *Emprende País* (Entrepreneurship Support) program, Fundación Bolívar Davivienda, as well as Endeavor Colombia and Fondo Semilla. Active member of YPO. Member of the Investment Committee of Grupo Bolívar, as well as of the Credit, Audit, Compliance and Risk committees of Banco Davivienda Panama and Miami. Member of Mesolat Investment Committee. In 2017, he was appointed as a senior member of GEB's Board of Directors and was re-elected by the General Meeting of Shareholders in 2018 and on March 28, 2019.

8 Carlos Alberto Sandoval Reyes

Business Administrator, studied Economics at Universidad Externado de Colombia. Master's degree in Public Policy, University College London and Fiscal Policy from Bath University. He has held positions such as vice president of Structuring and Project Management at Financiera de Desarrollo Nacional, self-regulatory president of the Colombian Securities Market, vice president of Economic Affairs of Asobancaria and secretary of Finance, among others. In 2016, he was appointed as a senior member of GEB's Board of Directors and was re-elected by the General Meeting of Shareholders in meetings held in 2017, 2018 and March 28, 2019.

9 Rafael Simón Herz Stenberg

Master's degree in Economics from the University of North Carolina. Ph.D. Candidate in Development Economics at the German Development Institute, Berlin. He is currently an independent advisor and vice president of the Colombian Petroleum Association; advisor in the mining-energy sector and in the infrastructure sector, as well as in aspects of business sustainability. Country manager for AngloGold Ashanti Colombia, Executive vice president of Finance and Development for Sithe Energies Inc., New York. Experience in energy-related issues at the World Bank and with the Government of Colombia. Professor at Universidad de los Andes and Sergio Arboleda University. In 2016, he was appointed as a senior member of GEB's Board of Directors, at an extraordinary General Meeting of Shareholders, and was re-elected by the latter in 2017, on June 20, 2017, 2018 and 2019.

Tower near the La Loma substation in Cesar, transmission project.



Committees

As a result of the appointment of Marc Willy Eichmann Perret by the General Meeting of Shareholders in March 2019 as a new member of the Board of Directors, adjustments had to be made to the composition of the committees. Following is information related to the committee composition before and after the decision was made by the Board of Directors at their meeting held on April 29, 2019.



1 Audit and Risk Committee

▶ Committee composition from January 1 to April 29, 2019:

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

▶ Committee composition since April 30, 2019:

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



2 Compensation Committee

▶ Committee composition from January 1 to April 29, 2019:

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

▶ Committee composition since April 30, 2019:

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

3 Financial and Investment Committee

Committee composition from January 1 to April 29, 2019:

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

Committee composition from April 30, 2019:

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



4 Corporate Governance Committee

Committee composition from January 1 to April 29, 2019:

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

Committee composition from April 30, 2019:

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

Goal of the Senior Management Succession Policy.

- Define the guidelines and major measures for the Senior Management Succession Policy (President of GEB and its affiliates and GEB Vice President's Offices).
- Attract, retain and motivate the best talent.
- Preserve the professional adequacy of its employees.
- Ensure the stability and continuity of the company's business, preserve and consolidate the institution's report and make sure it is available, as well as any statements of commitments that are part of its policies.
- Appointment, evaluation and removal of GEB's CEO.
- Profiles for candidates to occupy the CEO position, appointment and evaluation of GEB Vice Presidents, profiles for candidates to occupy Vice President's Offices, candidate evaluation reports, succession and development, and business continuity.

Changes to the Board of Directors during the fiscal year

On March 28, 2019, the composition of the Board of Directors was modified with the appointment of Marc Willy Eichmann at an ordinary General Meeting of Shareholders, on the occasion of the resignation presented by Luis Fernando Uribe Restrepo and the entry into force of the nomination in the sixth line of a representative of the minority shareholders with the largest shareholding in GEB (one of the commitments established by the Shareholder Agreement deposited with the company on July 31, 2018). The other members remained during the period of 2019.

In 2019, a single change was made to the composition of the Board of Directors in accordance with the commitments of the Shareholder Agreement.

Members of the Board of Directors of the Parent company who are members of the boards of directors of the subordinate companies or who occupy executive positions in these

None of the members of GEB'S Board of Directors is a representative member of GEB on the boards of other companies or holds executive positions in these companies.

Policies approved by the Board of Directors during the period reported

During 2019, the Senior Management Succession Policy was approved, derived from one of the commitments established by the Shareholder Agreement deposited with the GEB on July 31, 2018, which seeks to ensure the suitability of the persons appointed to the positions of Chairman of the Group and vice chairmen, based on the analysis of their profile, skills and experience.

Process to appoint Board members

Pursuant to the provisions set forth in the: Rules of the General Meeting of Shareholders, [Rules of the Board of Directors](#) and in the [Policy on Appointment, Succession and Compensation of the Board of Directors](#), The General Meeting: Of Shareholders, in an ordinary meeting 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 by-laws, 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 process used 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 included in the sixth line of the District's candidate list, pursuant to the terms of the aforementioned Shareholder Agreement.

Shareholder Agreement subscribed with the Capital District

The Board of Directors, in order to incorporate within the corporate documents the commitments acquired in the Shareholder Agreement signed with the Capital District, approved the following amendments:

- At an ordinary meeting held on February 21, 2019, the Corporate Group Agreement, Corporate Governance Code and the Policy on Transactions with Related Parties were amended, as stated in Minutes No. 1607 of the Board of Directors.
- At an ordinary meeting held on May 30, 2019, the Rules of the Board of Directors and the Corporate Group Agreement were amended, as stated in Minutes No. 1611 of the Board of Directors.
- At the ordinary meeting held on August 29, 2019, the Recruitment Manual and the Policy on Transactions with Related Parties were amended, as stated in Minutes No. 1616 of the Board of Directors



Scan to learn more about the Rules of the Board of Directors



Scan to learn more about the Policy on Appointments, Succession and Compensation of the Board of Directors



Transmission tower in the Filandia municipality, part of the Armenia project between the Quindío and Risaralda departments.

- 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 meeting 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.

The General Meeting of Shareholders, at an ordinary meeting held on March 28, 2019, appointed the Board members



Scan to learn more about the Rules of the Board of Directors

Board of Directors Compensation Policy

By decision of the General Meeting of Shareholders and pursuant to what is set forth in GEB's [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.

Board of Directors compensation

- Board of Directors remuneration fees
Per meeting: COP 4,140,580
- Committee remuneration fees
Per meeting: COP 3,105,435

GEB does not have a variable remuneration scheme for members of the Board of Directors. Therefore, all amounts are associated with their participation in meetings and Board members are excluded from any compensation schemes involving options on shares.

In addition to the amount set forth above, the Policy on Appointment, Succession and Compensation sets forth other provisions regarding costs, expenses and induction of GEB's Board of Directors:

- GEB assumes the costs and expenses that are reasonable and necessary for the members of the Board of Directors to adequately carry out their functions; among those are those related to training, travel expenses, lodging, land transportation, provision of technology and shipment of information.
- Participation by Board members in trainings, workshops, seminars, conferences, inductions or training sessions is not remunerated.
- Board members have a civil liability policy for directors and administrators.
- The Board may seek the advice of external consultants as required for its proper functioning.

Upon joining the Board, members go through an induction as per the Rules.

Quorum at Board meetings

In order to deliberate validly, the Board of Directors requires a quorum of at least five members (deliberative quorum) and decisions will be approved with the majority of those attending the respective meeting in accordance with the provisions of Article 14⁴ of the [Rules of the Board of Directors](#).

For the following cases a quorum of at least seven members is required (deliberative quorum) and decisions shall be approved with the affirmative vote of at least six (6) of the members present (special majorities):

- The sale, transfer or disposal of the Company's assets, whose amount is greater than five percent (5%) and lower than fifteen percent (15%) of Market Capitalization 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.
- Transactions with related parties that exceed the powers of the President of the company or with shareholders that exceed twenty percent (20%) of GEB's capital stock, or administrators of GEB and its subordinate companies that exceed two hundred legally valid monthly minimum wages.
- Proposals for investments, to redefine existing investments, mergers, creation and/or changes to investment vehicles, creation or modification of investment Vehicles, and other financial operations in amounts greater than five percent (5%) of GEB's stock market capitalization.
- Approval and amendments to the Company's strategic plan, business plan, management objectives, and guidelines for their execution
- Appointment of the Chairman of the Company
- Approval and amendments to these Rules of the Board of Directors

All decisions adopted by the Board of Directors during the year 2019 had a deliberative and decision-making quorum.

⁴ "Article 14. The Board may validly deliberate with the presence of five (5) of its members and shall decide with the favorable vote of the majority of members present at the meeting.

Information on attendance to Board of Directors and committee meetings

Board of Directors

In 2019, 21 meetings of GEB's Board of Directors were held:

- Ordinary meetings: 12.
- Extraordinary meetings: 6.
- Virtual meetings: 3.

Attendance by Members of the Board of Directors

Members	Attendance	Percentage of attendance
Beatriz Elena Arbeláez Martínez	21	100%
Gisele Manrique Vaca	21	100%
Gustavo Antonio Ramírez Galindo	20	95%
Jaime Eduardo Ruiz Llano	18	86%
Margarita María Rehbein Dávila	20	95%
Marc Willy Eichmann Perret	19	90%
Roberto Holguín Fety	21	100%
Carlos Alberto Sandoval Reyes	21	100%
Rafael Simón Herz Stenberg	21	100%

- Average attendance to Board of Directors meetings in 2019 was 96.22%.
- The average duration of Board meetings for 2019 was 3 hours and 22 minutes
- One hundred percent (100%) of the meetings were completed.

Committees

As mentioned in point 3.1(b) of this report, the committees had two member compositions during the year, before and after the decision made by the Board of Directors on April 29, 2019. Following is the information pertaining to attendance by both member compositions:

Compensation Committee

To deliberate validly, the Board of Directors requires a quorum of at least five members and decisions will be approved by a majority of those attending the respective meeting.

In 2019, GEB's Compensation Committee held six meetings:

- Ordinary meetings: 2.
- Extraordinary meetings: 5.

Committee members from January 1 to April 29, 2019
(total of three meetings):

Members	Attendance	Percentage of attendance
Rafael Simón Herz Stenberg	3	100%
Gustavo Antonio Ramírez Galindo *	3	100%
Gisele Manrique Vaca	3	100%

(*) Committee Chairperson

Committee members from April 30 to December 31, 2019 (total of four meetings)

Members	Attendance	Percentage of attendance
Margarita María Rehbein Dávila (*)	4	100%
Marc Willy Eichmann Perret	4	100%
Rafael Simón Herz Stenberg	4	100%
Gustavo Antonio Ramírez Galindo	4	100%

(*) Committee Chairperson

Average attendance for the Compensation Committee in 2019 was 100%.

Audit and Risk Committee

In 2019, GEB's Audit and Risk Committee held eight meetings:

- Ordinary meetings: 4.
- Extraordinary meetings: 4.

Committee members from January 1 to April 29, 2019
(total of two meetings):

Members	Attendance	Percentage of attendance
Gustavo Antonio Ramírez Galindo *	1	50%
Luis Fernando Uribe Restrepo	2	100%
Rafael Simón Herz Stenberg	2	100%

(*) Committee Chairperson

Committee members from April 30 to December 31, 2019 (total of six meetings):

Members	Attendance	Percentage of attendance
Roberto Holguín Fety (*)	6	100%
Marc Willy Eichmann Perret	6	100%
Rafael Simón Herz Stenberg	6	100%
Jaime Eduardo Ruiz Llano	6	100%
Carlos Alberto Sandoval Reyes	6	100%

(*) Committee Chairperson

Average attendance of the Audit and Risk Committee in 2019 was 93.75%.

Corporate Governance Committee

In 2019, the Corporate Governance Committee held five meetings:

Ordinary meetings: 2.

Extraordinary meetings: 3.

Committee members from January 1 to April 29, 2019
(total of two meetings):

Members	Attendance	Percentage of attendance
Luis Fernando Uribe Restrepo (*)	2	100%
Margarita María Rehbein Dávila	2	100%
Carlos Alberto Sandoval Reyes	2	100%
Roberto Holguín Fety	1	50%

(*) Committee Chairperson

Committee members from April 30 to December 31, 2019 (total of three meetings):

Members	Attendance	Percentage of attendance
Carlos Alberto Sandoval Reyes (*)	3	100%
Roberto Holguín Fety	2	67%
Margarita María Rehbein Dávila	3	100%
Gisele Manrique Vaca	3	100%

(*) Committee Chairperson

Average attendance of the Corporate Governance Committee in 2019 was 90%.

Financial and Investment Committee

In 2019, GEB's Financial and Investment Committee held nine meetings:

Ordinary meetings: 3.

Extraordinary meetings: 6.

Committee members from January 1 to April 29, 2019 (total of four meetings):

Members	Attendance	Percentage of attendance
Rafael Simón Herz Stenberg (*)	4	100%
Beatriz Elena Arbeláez Martínez	4	100%
Jaime Eduardo Ruiz Llano	4	100%
Roberto Holguín Fety	4	100%

(*) Committee Chairperson

Committee members from April 30 to December 31, 2019 (total of five meetings):

Members	Attendance	Percentage of attendance
Jaime Eduardo Ruiz Llano (*)	5	100%
Rafael Simón Herz Stenberg	5	100%
Roberto Holguín Fety	5	100%
Beatriz Elena Arbeláez Martínez	4	80%
Gustavo Antonio Ramírez Galindo	5	100%

(*) Committee Chairperson

Average attendance of the Financial and Investment Committee in 2019 was 98%.

Chairman of the Board (duties and key issues)

At the Board of Directors meeting held in April 2019, and for the first time in over 120 years of history, Mr. **Rafael Herz Stenberg**, an independent member, was appointed as Chairman. Several international standards recommend this arrangement to empower the board of directors, and as a mechanism to protect the interests of the Company's shareholders and managers.

The Chairman of the Board is responsible for:

- Guiding the agenda of the collegial body to focus on issues that are strategic and fundamental for the organization.
- Ensure that the dialogs are enshrined in the meeting minutes.
- Ensure that there is fluid interaction with the Senior Management team.
- That board members actively participate in the conversations and decisions made by that governing body.

The above helps ensure that the board's priorities are set in an objective manner so as to reflect the interests of all stakeholders.

Secretary of the Board of Directors

In accordance with the provisions of Article 74 of the Corporate bylaws and Article 9 of the Rules of the GEB's Board of Directors, the duties of secretariat of said body were assumed by Néstor Fagua Guaqueta, GEB's Vice President for Legal and Compliance. The Secretary of the Board of Directors is in charge of:

- Ensuring the company's formal functions.
- keep the books and records required by law and the corporate bylaws
- Publish calls made by company organizations.
- Attest internal papers and documents and fulfill the duties charged thereto by the

Board of Directors and the CEO.

- Call meetings.
- Prepare each meeting's agenda.
- Verify the quorum of each meeting.
- Prepare the minutes of the Board of Directors meetings, subject to approval, and enter them in the respective book.
- Follow up on the agreements and commitments made during Board meetings.
- Maintain company documentation.
- Ensure the legal formality of the Board of Directors' actions.

Relations of the Board of Directors during the year with the statutory auditor, financial analysts, investment banks, rating agencies and other external advisers

GEB's Board of Directors had ongoing guidance from Governance Consultants S.A. during the evaluation process and while reviewing compliance of the requirements by the candidates that would make up the Board.

Additionally, the following firms were present at different meetings of the Board of Directors providing advice on various issues:

- Credicorp Capital
- Banca de Inversión Inverlink
- Moisés Rubinstein
- PSR Solucoes e Consultoria em Energia
- Citibank
- Banca de Inversión Bancolombia
- Philippi Prietocarrizosa Ferrero DU & Uría
- Estudio Rubio Leguía Normand
- Calden Consultoría
- PricewaterhouseCoopers (PwC)
- Mauricio Pava & Asociados
- Medellín y Durán Abogados
- NBFIA
- Mercer
- Brigard & Urrutia
- Zuleta Abogados
- Bullard Falla Ezcurra Abogados
- Thuoper
- White & Case LLP International Law Firm
- Korn Ferry
- López Asociados

The members of GEB's Board of Directors have the right to receive complete and timely information on the decisions to be taken at each of the meetings, as well as to request from the President of the company the data they consider necessary to make decisions.

Managing the information of the Board of Directors

In compliance with the provisions of GEB's [Rules of the Board of Directors](#), in 2018 we implemented the Diligent Boards technological tool to unify management of information of the boards of directors, management committees, steering committees and councils at Group companies. This program ensures the integrity and confidentiality of the information, and control over different versions of the material during updates.

Furthermore, it allows access from different technological devices. The call is made via e-mail to meeting members at least five calendar days in advance of each meeting. The responsibility for ensuring that the information is useful and forwarded in good time lies with GEB's CEO and the Secretary of the Board of Directors.

In accordance with GEB's Rules of the Board of Directors, one of the rights of Board members is to receive complete and timely information on the decisions to be taken at each of the meetings and to request from the President of the company any additional information they deem necessary. Pursuant to the provisions of the Rules, said information is published in the *Diligent Boards* tools, and the call is issued via e-mail to the members at least five calendar days in advance

The responsibility for ensuring that the information is useful and forwarded in good time lies with GEB's CEO and the Secretary of the Board of Directors.

Activities of the Committees of the Board of Directors

Audit and Risk Committee

- The 2019 Annual Audit Plan was approved at the ordinary meeting held on February 15, 2019, and an adjustment was approved at the ordinary meeting held on August 20, 2019.
- At the ordinary meeting held on February 15, 2019, the evaluation of compliance with the performance objectives of the General Auditor and Director of Compliance 2018 was carried out.
- The following recommendations were made to the Board of Directors:

Corporate Governance Committee

- At the extraordinary meeting held on February 18, 2019, it was recommended that the Board of Directors submit for approval by the General Meeting of Shareholders GEB's Individual and Consolidated Financial Statements, the Profit Distribution Project as of December 31, 2018, the *Report on Transactions with Related Parties* for the period between January 1 and December 31, 2018, the Statutory Auditor's Report and the Declaration of Independence.
- At the extraordinary meeting held on October 29, it was recommended to GEB's Board of Directors and registered agent to sign an inter-company credit between EEB Gas S.A.S. and GEB.
- At the ordinary meeting held on February 15, 2019, it was recommended that the Board of Directors approve the compliance officer's report for the second semester of 2018.
- At the ordinary meeting held on August 20, 2019, it was recommended that the Board of Directors approve the compliance officer's report for the first semester of 2019.

Compensation Committee

- At an extraordinary meeting held on January 28, 2019, the company's objectives and individual performance goals for the CEO were approved.
- At the extraordinary meeting held on January 28, 2019, the Variable Compensation Policy approved by the Board of Directors was amended to incorporate certain provisions and exceptions.

The following recommendations were made to the Board of Directors:

- At the extraordinary meeting held on March 18, 2019, it was recommended that the Board of Directors submit for approval by the General Meeting of Shareholders the list of candidates for membership on the Board of Directors, after verification of compliance with the requirements and procedures for election.
- At the extraordinary meeting held on January 28, 2019, it was recommended that the Board of Directors approve the objectives for GEB 2019, as well as the objectives of the Transmission Branch for the same period.
- At the extraordinary meeting held on January 28, 2019, it was recommended that the salary increase proposed for 2019 be approved.
- At the extraordinary meeting held on March 18, 2019, it was recommended that the Board of Directors approve the Senior Management Succession Policy.

- At the ordinary meeting held on November 27, 2019, an amendment to the Corporate Governance Committee's Regulations was approved.
- At the ordinary meeting held on November 27, 2019, the Annual Work Plan and the Schedule of Meetings of the Corporate Governance Committee for the year 2020 were approved.

It was recommended that the Board of Directors submit it to the General Meeting of Shareholders for approval.

- At the ordinary meeting held on February 20, it was recommended that the 2018 Sustainable Management and Corporate Governance reports be submitted for approval. Similarly, it was recommended that the proposal for Statutory Reform be submitted for approval, with some changes in form and substance.
- At the extraordinary meeting held on March 18, 2019, it was recommended that the Board of Directors submit for approval by the General Meeting of Shareholders the list of candidates for members of the Board of Directors, after verification of compliance with the requirements and procedures for their election.

Recommendations to the Board of Directors:

- At the ordinary meeting held on February 20, 2019, it was recommended that the reform of the Regulations of the Corporate Group Agreement be approved, which mainly included changes in form. At the same meeting, it was recommended that the Board of Directors approve the amendments to the Corporate Governance Code and the Policy on Transactions with Related Parties.
- At the extraordinary meeting held on May 29, 2019, it was recommended that the amendments to the Rules of the Board of Directors and the Rules of Procedure of the Corporate Group Agreement be approved.
- At the extraordinary meeting held on August 28, 2019, it was recommended that the update of the Recruitment Manual, as well as the modification to the Policy on Transactions with Related Parties be approved.
- At the ordinary meeting held on November 27, 2019, it was recommended that the Board of Directors' evaluation methodology for 2019 be approved.

Financial and Investment Committee

- At the extraordinary meeting held on November 26, 2019, the Annual Work Plan and Schedule of Meetings for 2020 be approved.
- At the extraordinary meeting held on November 26, 2019, the amendment to the Rules of the Financial and Investment Committee was approved.

The following recommendations were made to the Board of Directors:

- In the extraordinary meeting held on January 15, 2019, the GEB's legal representatives were asked to authorize the presentation of a takeover bid for Grupo ElectroDunas in Peru, in accordance with the characteristics recommended by the Financial and Investment Committee.
- In the ordinary meeting held on February 19, 2019, it was recommended that the General Meeting of Shareholders consider granting GEB legal representatives the authorization to manage and sign the documents and contracts necessary to give guarantees or other support instruments to EEB Ingeniería y Servicios S.A. (Eebis Guatemala).
- At the ordinary meeting held on April 29, 2019, it was recommended that the GEB's financing strategy be authorized, consisting of the issuance of bonds in the local and international markets.
- At the ordinary meeting held on April 29, 2019, it was recommended that GEB's legal representa-

tives be authorized to grant guarantees or other support instruments in favor of two of the Group's companies: Contugas y Eebis Guatemala.

- In the extraordinary meeting held on June 18, 2019, it was recommended to authorize GEB's legal representatives to submit a binding offer for a project of connection to the National Transmission System (STN), according to the characteristics recommended by the Financial and Investment Committee.
- In the ordinary meeting held on July 24, 2019, it was recommended that the process of external approval of GEB's interest rate hedging strategy be authorized, according to the conditions established by the Financial and Investment Committee.
- In the ordinary meeting held on July 24, 2019, it was recommended to authorize GEB's legal representatives to present a binding offer for the STN Connection Service, with the particularities established by the Financial and Investment Committee.
- In the extraordinary meeting held on August 26, 2019, it was recommended to approve the conclusion of an operation with Banco Davivienda in accordance with the conditions established by the Financial and Investment Committee, as well as to authorize GEB's legal representatives to grant the guarantees that may be required and to execute the procedures required by the authorities.
- In the extraordinary meeting held on October 29, 2019, it was recommended to authorize GEB's legal representatives to sign an intercompany credit agreement, in order to meet cash needs, in accordance with the characteristics recommended by the Financial and Investment Committee.
- At the extraordinary meeting held on October 29, 2019, it was recommended that

GEB's legal representatives be authorized to submit the bid for the acquisition of Argo Energia in Brazil, in accordance with the special rules established by the Financial and Investment Committee.

- At the extraordinary meeting of October 29, 2019, it was recommended that GEB's legal representatives be authorized to submit a binding offer for the Electrical Energy Connection Service to the TNC, in accordance with the particularities established by the Financial and Investment Committee.
- At the extraordinary meeting held on October 29, 2019, it was recommended that GEB's legal representatives be authorized to structure an independent series within the local issue and purchase of the bond as part of the Group's financing strategy, as well as to take the necessary steps with the authorities to carry out the operation, in accordance with the particularities established by the Financial and Investment Committee.
- At the extraordinary meeting held on November 26, 2019, it was recommended that GEB legal representatives be authorized to perform risk coverage operations with the specifications set forth by the Financial and Investment Committee.
- At the extraordinary meeting held on November 26, 2019, it was recommended that GEB's General Income, Costs and Investment Budget be approved for the 2020 period.

Information about carrying out the evaluation processes for the Board of Directors and Senior Management and summary of the results.

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, the General Meeting of Shareholders presents a report with the results.

The self-assessment of the Board of Directors was carried out in 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 GEB's long-term institutional vision. 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



Electricity tower of the Brazilian company Argo, which is in the process of being acquired

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 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.

Duties of the Board of Directors

Article 18 of the Rules of the Board of Directors establishes the following duties for Board members:

- **Loyalty.** It consists in fully reporting to the Board of Directors on any actual or potential conflict of interest. They shall abstain from acting, directly or through related persons, in situations of conflicts of interest, except with express authorization from the General Meeting of Shareholders, as required by law and the Corporate Governance Code.
- **No competition.** It consists in refraining from performing, directly or through related parties, any activities that compete with those of the company, in the terms specified in applicable legislation.
- **Secrecy.** It consists in abstaining from disclosing any information that is not or should not be in the public domain and that he/she has become aware of in connection with performing his/her duties as a member of the Board of Directors.

Transactions with Related Parties

Powers of the Board of Directors regarding this type of operation and conflict of interest situations

The powers of the Board of Directors with respect to transactions with related parties are to approve those that are not within the ordinary course of business of the contracting companies or those transactions that are not carried out at market prices, upon recommendation of the Audit and Risk Committee. Additionally, those operations denominated as "relevant operations", under the terms of the Policy on Transactions with Related Parties, must be approved by GEB's Board of Directors.

Pursuant to the provisions of the [Rules of the Board of Directors](#) in Article 17, Section 34, part of the Board of Directors' duties include

Review and approve the transactions of the Company with related parties, as defined in the International Accounting Standards (IAS), in amounts above the thresholds defined in these Rules. Such transactions will require additional approval by the General Meeting of Shareholders when they occur in the situations defined in Section 17 of Article 59 of the Corporate bylaws, as per the terms defined in these Rules, when it is relevant and does not fulfill the following conditions: a) it is carried out at prices offered to the general market by the person acting in the capacity of supplier of the goods or services involved, and b) it is an ordinary transaction within the Company's normal course of business.

Section 2 of Article 15 of the aforementioned Rules stipulates that a quorum for deliberation and special majority is required in the following cases:

"2. Transactions made by the Company with related parties, as defined in the International Accounting Standards (IAS), and according to the rules included in the Transactions with Related Parties Policy, that exceed the following amounts:

- a. With Bogotá, Capital District and other shareholders that hold more than twenty percent (20%) of GEB share capital, managers of GEB and its subsidiaries, as well as their close relatives and companies in which they exercise control or joint control, in amounts greater than two hundred (200) Colombian legally valid monthly minimum wages

- b. Transactions between GEB and its related parties in amounts above the threshold assigned to the Company's President, as set forth in the Corporate bylaws

In turn, Section 3 of the [Policy on Managing Conflicts of Interest](#) defines these as:

"...A situation in which the independent and impartial judgment of a manager or employee is limited in performance of his/her duties, by having to choose between the interests of the Company and his/her own interests or those of a third party or related party."

The provisions related to management and resolution of conflicts of interest, directly or through related parties, are laid out in detail in the recently Policy on [Managing Conflicts of Interest](#) and [Transactions with Related Parties](#), as well as under the title "Conflicts of Interest" of the [Code of Ethics](#) and Title VII of the [Corporate Governance Code](#).

Detailed information of the most relevant operations with Related Parties in the company's opinion, including operations among GEB companies

TGI

Debt constituted on December 7, 2007.

- Payment term: December 2022, one single payment.
- Balance as of September 2019: \$1,309,389.

Gebbras

Loan issued on August 14, 2015

- Loan value: BRL 174,820,500, which in Colombian pesos on that date would be COP 145,992,000,000.
- Payment term: 16 years.
- Balance as of September 2019: COP 145,480,000,000

Loan issued on August 17, 2018

- Loan value: USD 53,000,000.
- Payment term: 5 years.
- Accounts receivable capital balance is COP 184,237.

Eebis - Guatemala

Debt constituted on February 19, 2019

- Loan value: USD 3,500,000.
- Technical support services consultancy contract
- Signed on December 10, 2012

Trecsa

Support services and consultancy contract

- Signed on July 15, 2011.

Tomine S.A.S.

Support services and consultancy contract

- Signed in 2019

Contugas

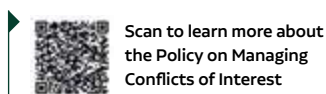
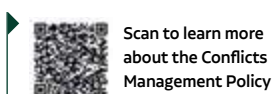
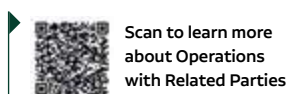
Mutual contract on September 9, 2019

- Contract value: USD 11,000,000.
- Payment term: 1 year.

EEB Perú Holdings LTD.

Credit contract

- Signed on October 10, 2017.
- Contract value: USD 100,000,000.



Conflicts of Interest present and actions by of Board members

In the course of 2019, four cases of possible conflicts of interest involving members of the Board of Directors arose:

- **Gustavo Antonio Ramírez**
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 ElectroDunas S.A.S. Perú, Power Company S.R.L. and Cantaloc S.R.L", specifically regarding co-generation businesses. For that reason, the board member withdrew from the meeting at that point.
- **Jaime Eduardo Ruiz Llano**
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".
- **Roberto Holguín Fety**
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 bank.

Mechanisms to settle conflicts of interest between GEB companies and its application during the period

Pursuant to the provisions of the [Policy on Managing Conflicts of Interest](#) adopted by GEB on September 27, 2018, the procedure for administrators, board members and legal representatives is the following:

- Suspend any direct or indirect action or intervention in the activities and decisions related to the possible conflict of interest.
- Notify GEB's Compliance Office, or the department acting on its behalf, of any situation that may generate a conflict of interest, through the Secretary of the Board of Directors, completing the required form with the necessary information in order to determine the existence or not of a conflict of interest.
- The Compliance Office will present the situation to the Audit and Risk Committee of the Board of Directors, which will evaluate the existence or not of the conflict and make its respective classification.
- In the event that the Audit and Risk Committee decides that there is a conflict of interest, the person implicated shall abstain from participating in the deliberation or decision of the issue in question and withdraw from the meeting.
- The Audit and Risk Committee shall recommend any measures deemed necessary for its administration and management to the Board of Directors. These may be:



After a lot of hard work, the tower was raised, which enables the transportation of electric energy to southern Colombia



Technicians carrying work tools for a new maintenance session

- That the administrator abstains from participating in the situation that generated the conflict of interest.
- If their participation in the decision and their vote is considered relevant, they must have the prior authorization of the General Meeting of Shareholders will grant it provided that the interests of the company are not harmed.
- When the director is a shareholder, he must abstain from participating in the respective decision and his actions will not be taken into account to form the majority decision.

The foregoing does not exempt the director from providing the General Meeting of Shareholders with all the information it requires regarding the conflict of interest and from abstaining from participating in acts in which there is a conflict.

- In the case of the members of the Board of Directors, if the Audit and Risk Committee considers that there is a permanent conflict of interest that could affect the company's operations as a whole, it will inform the General Meeting of Shareholders, which will decide whether or not to remove them from office. In the event that the permanent conflict of interest affects only one operation, the Audit and Risk Committee will recommend to the Board of Directors the measures for its management.
- In the event that the possible conflict of interest is manifested during a meeting of the Board of Directors or its committees, the member involved must temporarily withdraw from the meeting and a subsequent Audit and Risk Committee will review the existence or otherwise of the conflict.

GEB risk management results

Explanation of GEB's internal control system and its changes during the period.

The Group's Control Architecture Model is based on three lines of defense, with the following features:

- The first line of defense, performed by the employees, enables the identification and management of risks (control/self-control) and the implementation of corrective actions to address any shortcomings in processes and controls.
- The second line of defense consists of supervising and monitoring the effectiveness of the controls of the first line, and for providing advisory, assistance, prevention, institutionalization, detection (investigation) and reaction, and for execution of the corporate defense program, performed through the Compliance Department.
- The third line of defense involves independent assurance through external and internal audit activities, as well as the design, assurance and implementation of audit plans for key processes of the organization (Group auditor plus specialized auditors). The provisions on this matter are established in the Business Group Agreement.



Raising of transmission tower at the 309 project in Pradera (Valle), Tesalia - Alférez Project

Description of the Risk Policy and its implementation during the period.

In June 2017, we adopted the [Internal Control and Prevention of Fraud and Corruption Policy](#), which commits Group companies to adopt and maintain an internal control system that enables them to achieve their objectives in an orderly and efficient manner and to assist them in achieving adequate management of the expected objectives through the implementation of rules and procedures.

The commitments established in the Policy include abidance of Group companies by applicable regulations; the adoption of criteria aligned with the COSO model as main criteria for the components of the Control System, and application of the three lines of defense model promoted by the European Confederation of Institutes of Internal Auditing (ECIIA), based on which we establish the responsibilities of the internal control system.

No changes were made to the internal control system in place during 2019.

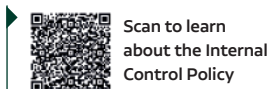
Materialization of risks during the period

In 2019, the following strategic risk materialized:

- GEB. “Non-continuity of the business” risk materialized. Emergency due to flooding at the Administrative Office, on Calle 73.

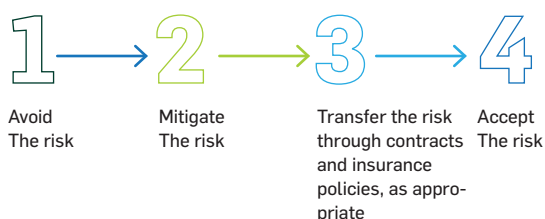
Actions taken

- Activation of an action plan that enabled the timely restoration of activities and operations identified as critical at the Calle 73 Office.
- Activation of strategies in the fronts of Infrastructure and Services, Technology, Document Management, Physical Security, Occupational Safety and Health for the safeguard and recovery of goods and services, as well as to guarantee the safety and protection of people.
- Activation of policies and insurance.



Response plans and supervision mechanisms for major risks

GEB has a Comprehensive Risk Management System in place designed and implemented in accordance with the ISO 31000 international standard and the report of the Committee of Sponsoring Organizations of the Treadway Commission, in order to provide tools that facilitate the identification of potential events that may affect the organization, manage risks within its accepted appetite for risk, and provide trust and security for the achievement of strategic objectives. Depending on the assessment and risk level, GEB implements the following treatment strategies:



GEB General Meeting of Shareholders

Differences in how the General Meeting of Shareholders operates between the regime of the regulations in effect and that defined bylaws and the Regulations of the General Meeting of Shareholders

Law 222 / 1995, which amended Book II of the Commercial Code, determines that the General Meeting of Shareholders will deliberate with a plural number of members representing at least half plus one of the subscribed shares; unless a lower quorum is agreed upon in the bylaws. Following these guidelines, both the Corporate bylaws and the Rules of the General Meeting of Shareholders are in accordance with the higher standard.

GEB's Corporate bylaws indicate that a special majority is required for statutory reforms (70% of the shares represented), placement of ordinary shares not subject to the right of preference (70% of the shares represented),

Risk controls

Based on the implemented risk treatment strategies, controls are established to ensure that they are performed in an adequate and timely manner.

In the event that a risk materializes, the respective manager of the company involved communicates with the parties responsible and ensures that the following activities are carried out:

- Identify the actual causes and consequences.
- Define and implement action plans to minimize impacts
- Establish and implement controls or preventive actions to avoid recurrence of risk materialization events
- Monitor the effectiveness of both corrective and preventive controls
- Update risk assessments and controls
- Document the materialization of risks, determine the lessons learned and disseminate conclusions through internal GEB communications channels. When a risk materializes at a controlled company, it shall report the event to the area responsible for risk management.

reduction of the amount of profits to be distributed in a proportion of less than 50% (78% of the shares represented) and payment of dividends on bonus shares (80% of the shares represented).

For its part, the Shareholder Agreement deposited on July 31, 2018 by the Capital District in the Democratization Process establishes that the District, as majority shareholder of the GEB, may vote in the negative or affirmative on the decisions of the General Meeting of Shareholders related to the reforms in the capital of the company, including the issuance of any type of shares, 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,⁵ the statutory reforms that require the change of the main corporate purpose of the company, the early dissolution and modification of the aspects of the Shareholders Agreement with the Capital District included in the Articles of Association of the company, and the distribution as a dividend of retained earnings or reserves established in previous years. However, in order for the Capital District to vote affirmatively on some of the above-mentioned cases, it must have, including its vote, a total number of favorable votes equal to or greater than 70% of GEB's subscribed capital.

Measures adopted during the period to foster shareholders participation

The General Meeting of Shareholders held in March 2019 was called more than 30 days in advance; this allowed shareholders to exercise their right to inspect GEB's books and documents at the Group's facilities. In order for shareholders at the General Meeting and other stakeholders to have access to information related to the 2018 financial year and other information of interest, this material was hosted on the Group's website. Both this and the updated corporate documents are in English and Spanish in order to have a greater reach to all stakeholders.

During the General Meeting of Shareholders held on March 28, 2019, electronic voting was incorporated to facilitate the participation of all shareholders present and to give more speed and clarity to the voting process for each of the proposed items. This tool made it possible to load into the remote controls the number of shares that each of those present had or represented. If the shareholder did not press any of the options on the command board, the vote was deemed abstained.



GEB has an Investor Relations Department that notifies shareholders and investors, regulators, securities markets and credit rating agencies information about the Group's performance.

⁵ 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.



TGI employees at the Mariquita compression station (Tolima)

Shareholder information and communications

According to the provisions of the Corporate Governance Code adopted by GEB, shareholders have the right to receive full 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 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 pro-

vided 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, GEB reported through the Comprehensive Securities Market Information System (SIMEV, for the Spanish original) of the Superintendence of Finance of Colombia 66 actions considered as relevant information, with the purpose of providing transparency to the stock market and confidence to all agents participating in it, as well as providing stakeholders with sufficient information on relevant facts of society that may influence decision making or have an impact on the Company and its actions.

The following information was disseminated in 2019:

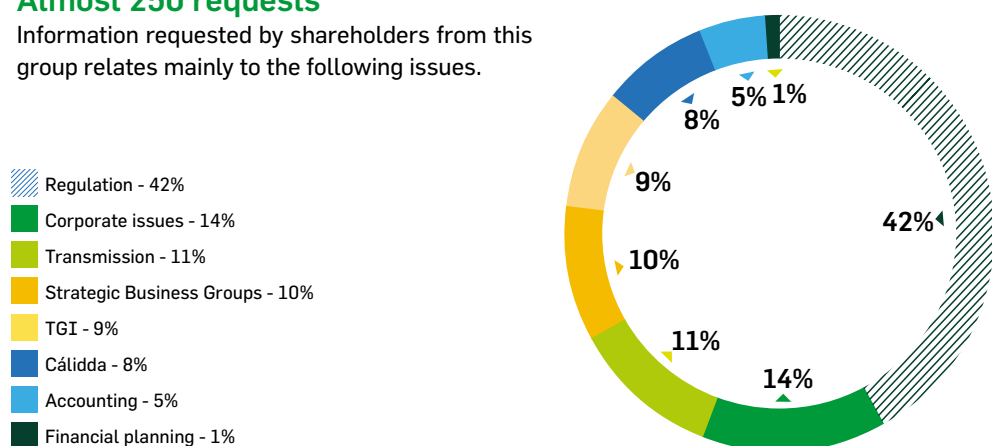
Relevant information reported by GEB in 2019

Topic	Number
SHAREHOLDER AGREEMENT	1
Notices published by the Company	35
Issuer rating	2
Securities ratings	2
Changes in the Board of Directors	1
Summon for General Meeting	1
Corporate Governance code	3
Decisions by the General Meeting	1
Board decisions	2
Issue of securities	1
End of period report	4
Investments in other companies	1
News stories in the mass media on issuers of securities	5
Public acquisition bids	2
Profit or loss project presented to the General Meeting	1
Profit or loss project approved by the General Meeting of Shareholders	1
Bylaw reforms	2
Shareholder representations (Resolution 116 of February 27, 2002)	1
Total	66

Information requested by shareholders

Group 1 Almost 250 requests

Information requested by shareholders from this group relates mainly to the following issues.





Transmission line maintenance at Guavio-Circo

Number of requests and issues shareholders have asked information from the company

In order to provide more clarity, requests for information were divided into two groups. Group 1 corresponds to requests made by investors, analysts and other qualified interest groups, and group 2 refers to individuals and entities that do not fall under group 1.

In addition, the Group attended nine conferences in the United States, United Kingdom and Chile organized by recognized investment banks, where one-on-one meetings were held with nearly 100 investors. Finally, more than 50 meetings, teleconferences and videoconferences were held with investors, analysts and other qualified stakeholders (banks, rating agencies, regulators, bvc, among others).

Group 2 Almost 150 requests

Information requested by shareholders from this group relates mainly to the following issues.

- Request for earnings record (individual - stock broker).
- Information about its quality as a shareholder (individual)
- Payment dates of dividends (individuals)
- Information about the tax withholding return payment (broker)

The 98% of the requirements were addressed in zero to three business days: the remaining 2% were addressed in three to five business days.

Summary of main agreements made

In 2019, one General Meeting of Shareholders was held on March 28, 2019. Various decisions were made, including:

Minutes No. 083 (March 28, 2019) Discussion of the Financial Statements at December 31, 2018 and their attachments.

- Discussion of the profit distribution and dividend payment proposal.
- Consideration corporate collateral EEBIS GUATEMALA.
- Reform to By-laws.
- Election of the members of the Board of Directors del Grupo Energía Bogotá S.A. E.S.P.

One of GEB's commitments to its shareholders is to maintain an adequate control environment.

General meeting of shareholders attendance data

Minutes No. 083 (March 28, 2019)

Total shares represented/registered:	8,521,267,339	92.8123%
Total shares present:	8,520,978,068	92.8092%
Total subscribed and paid-in shares:	9,181,177,017	100%

Board of Directors 2020

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

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

ACHIEVEMENTS

Our constant changes and endeavors were reflected in the following accomplishments in 2019:

- For the first time in GEB's history, on March 26, 2019, a Board member was appointed by the four largest minority shareholders^{6,7}, 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 by the AFP; 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 CEOs 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.

⁶ Refers to shareholders who do not have the capacity, individually or as part of a group, to appoint a Board member by their own right either directly or by means of their parent company or subsidiaries, and are part of the Shareholder Agreement filed at the company on July 31, 2018.

⁷ Minority Shareholders Agreement

- In May 2019, GEB 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 players who share their experience and knowledge on best practices in this field.
- 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 ICGC. 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.
- During the year 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.
- The GEB Academy seeks to turn knowledge into a key asset of the Group in order to contribute to the fulfillment of the strategic objectives and the strengthening of the organizational culture. Through the GEB Academy we offered a series of events to continuously provide training to our employees and GEB affiliates on relevant topics for our business, as well as specific required organizational competencies.
- In 2019, as one of the programs offered by the GEB Academy, a virtual course on Corporate Governance was held, with the purpose of illustrating the importance of Corporate Governance as one of the main

pillars of the growth of the GEB, the operation of the different control bodies, their formation, among other aspects. The course is available to all our employees and close to 90% have completed it.

- 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. By virtue of the above, the following activities were carried out in 2019, in addition to the inductions of the new members of the Board of Directors:
 - 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 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 members of the Board of Directors of GEB, discussed topics such as operating risks in the energy industry, Change Management, direct current, tool for leaders, Digital Transformation, Corporate Governance, Orange Economy, among other topics of current interest.
 - GEB, along with the Bogotá Mayor's Office, participated in a DEV Talks in November, organized by the OECD through its development center. At the talk, they shared their experience around the practices promoted by the GEB in matters of Corporate Governance from the Process of Democratization of a number of shares held by the Capital District of Bogotá. This event was held in Paris, and it enabled GEB, represented by its President and three Board members,

to share with the OECD Development Center⁸² and DEV Talk participants the processes and achievements of what we call the Plan for the Re-institutionalization of Corporate Governance. (since 2016).

- 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 for the Group and its affiliates, to create value for all its stakeholders.
- In June, GEB 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 "*El papel del directorio en momentos de crisis* (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 in the social media. The agenda covered four key moments in responding to possible crises: anticipate, experience, learn and personal reflection.

- In November, the GEB President participated in the 19th edition of ForoMET: Woman, Company 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. 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



Transmission tower in Filandia municipality, part of the Armenia project in the departments of Quindío and Risaralda.

⁸ It seeks to help developing countries and emerging economies find innovative solutions and policies to promote sustainable growth, reduce poverty and inequality and improve people's lives.

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 2019, 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.
- GEB was invited to participate as a panel member 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.
- GEB 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 Cooperation 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 "*Desempeño e integridad de las juntas directivas en las empresas estatales* (Performance and Integrity of the Boards of Directors of Government-owned Companies)".
- Being included in the Dow Jones Sustainability Index helped place us as a leader since 2012 in emerging markets within the "gas utilities" industry. In 2019, the Group was ranked among the top 6% in terms of performance from among all companies in the same



Photograph by our employee Luis Ardila Cárdenas. Photography contest

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, it was included among the top one hundred companies with best reputation in Colombia, in the ranking of the Corporate Reputation Monitor (MERCOR, for the original in Spanish).
- 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.
- We currently fulfill 137 of the 148 recommendations defined in Annex 1 of External Circular Letter 028 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 communicate both internally and externally the progress made in terms of corporate governance, and position the Company as a leader in this field.
- To consolidate corporate governance measures at the Group.*
- Verify compliance of the adopted measures at Group companies.



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