



# Corporate Group Agreement



Grupo Energía Bogotá



## **CORPORATE GROUP AGREEMENT**

Framework Grupo Energía Bogotá Institutional Relations

### **TABLE OF CONTENTS**

- **CONSIDERATIONS**
- **CORPORATE GROUP'S INTERESTS**
  
- I. SYNERGIES**
  
- II. GEB CORPORATE GOVERNANCE DUTIES AND COMMITMENTS**
  
- III. REGARDING THE GEB GOVERNANCE SYSTEM**
  - a. GEB ORGANIZATION
  - b. THE CORPORATE INTERVENTION MODEL
  - c. MAIN ROLES OF THE GEB GOVERNING BODIES
  - d. COMMITMENTS OF GEB COMPANIES
  - e. INTERACTION OF GOVERNING BODIES
  
- IV. GENERAL PROVISIONS**
  
- V. ANNEXES**
  - a. ANNEX No. 1: GEB COMPANIES
  - b. ANNEX No. 2: DEFINITIONS

## CONSIDERATIONS

1 The Grupo Energía Bogotá, henceforth GEB, is made up of Grupo Energía Bogotá S.A. E.S.P. - GEB S.A. E.S.P. - Parent Company, and the GEB Companies, detailed in Annex 1. GEB is a leading multinational Latin American company in the energy and gas sector. As a Corporate Group, they create value for their shareholders and stakeholders, through the sustainable and profitable management of their business. These include shareholdings in energy chain companies ranging from the generation, transmission, distribution and sale of electricity, as well as the transport and distribution of natural gas.

2 GEB S.A. E.S.P. is a joint-stock company, listed on the Colombian Securities Exchange and a securities issuer who promotes respect for minority shareholders and the search for genuine, timely and permanent relationships with their interest groups, particularly with the communities where they operate.

3 GEB S.A. E.S.P. is committed to exercising the unit of purpose and respectful management. Additionally, it has registered the control or corporate group status in the Commercial Register of the Chamber of Commerce of Bogotá. In this regard, GEB consolidates its financial statements and submits a special report to its General Meeting of Shareholders which provides information on the most important operations between the parent company, their affiliates or subsidiaries.

4 GEB has guidelines and policies based on the unity of purpose and management, to take advantage of synergies and comply with their corporate strategy.

5 GEB S.A. E.S.P. and the GEB Companies have decided to sign this Corporate Group Agreement which establishes the guidelines for the development of GEB and its Companies' administration, management and control processes, and is based on the recommendations of the Code of Best Corporate Practices, Country Code (included in Circular Letter 028 / 2014 of the Financial Superintendence of Colombia), the Guidelines for a Latin American Code of Corporate Governance of CAF (Development Bank of Latin America) and the recommendations of the Organization for Economic Co-operation and Development (OECD) regarding good corporate governance practices.

6 This Agreement is the instrument that supports the Group's governance structure and from which the Corporate Governance Policy, Corporate Policies and Intervention Model are taken along with the GEB S.A. E.S.P. and GEB Companies' Corporate Governance Code and other company documents. Likewise, it establishes the rules and principles that must be observed by the managers and employees of the companies who are part of the same. It is binding and of

mandatory compliance for each GEB Company.

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

## **CORPORATE GROUP'S INTERESTS**

Grupo Energía Bogotá's main purpose is the creation of value through the development of leading companies by means of the low emissions energy chain in high consumption regional areas, that connect sophisticated operators and in-depth regulatory knowledge from the highest standards of corporate governance. This strategy includes the strengthening of relationships with current partners, as well as the search for new global operating partners that allows for the maximization of the value of assets and the development of the markets in which the Group participates.

In the development of their corporate strategy, a new Group corporate configuration emerges which explicitly states the way in which the Group attends its businesses and organizes its issues. As such, this configuration becomes a basic unit of corporate governance over which the current companies are integrated along with future opportunities for growth and the different regulatory and environmental issues that have a direct effect on the ability to generate value for shareholders.

This Agreement regulates the interaction model and general framework for action for the relationship between the Parent Company and the subsidiaries in order to facilitate fulfillment of the corporate strategy and the achievement of GEB objectives, in the framework of unity of purpose and management. It also intends for GEB companies to work under the same parameters and principles, achieving the consolidation of the organizational identity, the unification of criteria and the preservation of the organization's reputation, as indicated below:



## I. SYNERGIES

GEB acknowledges that a good part of the advantages and efficiencies sought through the Corporate Group stem from the relationships between their Companies, in order to take advantage of common interest business opportunities or exploit synergies related to the competitive advantages of each company. The development of GEB Companies' businesses is framed in terms of the respect, protection and promotion of the rights of their minority shareholders.

GEB promotes the capture and exploitation of synergies that add value to the GEB Companies' businesses and operations through the establishment of high international standards of corporate governance, best financial, environmental, corporate, information technology, human resources, procurement of goods and services and the standardization of processes practices, among others, to the benefit of GEB and their stakeholders.

The services<sup>1</sup> provided by GEB S.A. E.S.P. to the GEB Companies and those that are provided between both parties, must be part of the provisions of the Policy on Transactions with Related Parties, where their particular rules shall prevail, amongst other quantities, bodies and decision validity periods, provided that the following principles govern:

- 1 Respect for Commitments GEB shall take its decisions and develop its activities respecting the commitments acquired by each of the companies that make up the Group, to their shareholders, investors, employees, creditors, suppliers, users, customers, the community, the environment and other stakeholders, under the framework of current regulations.
- 2 Authorization The Boards of Directors of the participating companies are responsible for approving those operations under the terms and conditions that are usually used with unrelated third parties; in other words, under competitive, market-price conditions. In exceptional circumstances, the General Meeting of Shareholders shall approve relevant operations that are not carried out under market conditions or that are not part of the company's ordinary business.
- 3 Transparency Transactions between related parties must be disclosed in the notes of the financial statements and the special report submitted annually to the General Meeting of Shareholders.

<sup>1</sup> The common services provided by GEB S.A. E.S.P. and their subsidiaries or third parties can consist, among others, of: direct or indirect counseling, especially in the implementation of Corporate Policies, strategy and growth; training and knowledge transfer, through the establishment of best corporate governance practices, strategic supply, sustainable development, risk and insurance administration, corporate communications, information technology and finances; required financial operations; technical assistance in the development of engineering, operations, maintenance and commercial management processes; procurement of goods and services; agreements for the joint acquisition of necessary goods and services, directly or indirectly, for the development of their business activities; organizational development and human resources; lease, bailment and mandates.



4 Conflicts of Interest When potential conflicts of interest arise in the assignment of business opportunities to different affiliates, the GEB S.A. E.S.P.'s Board of Directors is the body responsible for solving the situation, considering that the business opportunities must be assigned according to GEB's strategy and so that they are carried out in the most efficient way to obtain benefits for the entire Group.

## II. GEB CORPORATE GOVERNANCE DUTIES AND COMMITMENTS

GEB shall promote the exercise of the unity of purpose and respectful management, consistent with the interests of minority shareholders, and for the search for genuine, timely and permanent relationships with their stakeholders, particularly with the communities where they operate.

In line with corporate governance standards, GEB has provided the following:

1 Regarding Boards of Directors, GEB undertakes to adopt and permanently update good practices, and ensures that these are applied harmoniously throughout all of the Group's Companies. In this regard:

- When required, joint meetings of Boards of Directors or Board Committees of GEB Companies can be held without this implying the transfer of responsibilities.
- It is proposed that the Board of Directors of GEB S.A. E.S.P. meets on a monthly basis after the meeting of those of the GEB Companies, in order for them to have consolidated and updated information that allows it to execute the Group's strategic management effectively.
- Efforts will be made to ensure that most of the peoples that GEB S.A. E.S.P. has the right to nominate to be members of the Boards of Directors of GEB companies are GEB S.A. E.S.P. employees. The boards shall be made up of people with high professional and personal qualities, and shall fulfill the following general criteria: (i) experience in the fields of finance, law and similar fields, and/or in activities related to the public utilities sector, and/or in the businesses in which GEB companies are involved, and (ii) candidates' profiles, including their background, recognition, prestige, availability, leadership and good name in connection with their professional qualifications and integrity. Likewise, it is proposed that the Chairpersons of the Boards of Directors of Affiliates are headed by the President of GEB S.A. E.S.P. and/or the Vice President of the respective SBG.



- The Boards of Directors of the GEB Companies must have at least one independent members' seat notwithstanding the fact that the GEB S.A. E.S.P. Board of Directors has to be made up of at least four independent members' seats in order to guarantee respect for the rights of minority shareholders. The definition of the independence Affiliates' Board members shall be as indicated in applicable regulations for each country, notwithstanding the general guidelines recommended by the Parent Company's Board of Directors. Moreover, the profiles required for the integration of these collegiate bodies are defined by the Board of Directors of GEB S.A. E.S.P. as a Parent Company and shall be reflected in the corresponding corporate documents.

2 On Control Architecture GEB's commitment to its stakeholders is to offer an adequate environment of control. The GEB S.A. E.S.P. Control Architecture Model is based on three lines of defense, which have the following characteristics: (i) the first line of defense, exercised by employees, enables the identification and management of risks (control/self-control) and the implementation of corrective actions to address any shortcomings of the processes and controls; (ii) the second line of defense consists of supervising and monitoring the efficiency of the first-line controls, as well as counseling, assistance, prevention, institutionalization, detection (investigation) and reaction, and execution of the corporate defense program, performed through the Compliance Department of GEB S.A. E.S.P. and each of the GEB companies; and, (iii) the third line of defense involves independent assurance through internal and external audits, as well as the design, assurance and implementation of audit plans for key organizational processes (Group Auditor + specialized auditors). For this, from the Group's perspective, the following is provided:

- The Group's Companies must ensure prudent risk management, as an integral component of the development of their activities and honor the provisions of the Risk Management Policy under the guidelines indicated by the GEB S.A. E.S.P. Risk Management Department, under the principle of self-control.
- The Group's General Auditor, in the development of their functions and following the guidelines of the GEB S.A. E.S.P. Board of Directors, must promote an ethical culture based on the highest standards that generates trust in the market and stakeholders. They exercise their functions independently, carrying out a material control under the framework of the third line of defense and report hierarchically to the Audit and Risk Committee of GEB S.A. E.S.P.'s Board of Directors. The GEB Companies' internal audit areas must provide independent and objective assurance services (audit), that add value



and improve operations. These report on their activities to the Audit and Risk Committee of GEB Companies' Board of Directors and to the Group's General Auditor, who in turn reports to the GEB S.A. E.S.P. Audit and Risk Committee on the relevant events of the GEB Companies. The detailed provisions on the matter that must be applied by the GEB Companies are included in the GEB S.A. E.S.P. Internal Audit Statute.

- A Compliance Department is responsible for working on the detection, investigation, second-line-of-defense reaction and mitigation of risks of corruption and fraud in data management, money laundering and competition, among others. This Office falls under the responsibility of the Legal and Compliance Vice President of GEB S.A. E.S.P., reports to the Audit and Risk Committee of the Parent Company's Board of Directors, receives reports from Compliance Officers at GEB Companies and strengthens the Corporate Group's lines of defense.
- All companies must have a Statutory Auditor or External Auditor who certifies the financial information. For this purpose, the Policy on the Appointment of the Statutory Auditor and External Auditor establishes the guidelines that the Group's Companies must comply with in this regard.

**3** On Conflicts of Interest In the event that conflicts of interest different from those indicated in No. 1 of this Agreement occur within GEB, the solution of the same shall strictly comply with the provisions of the Code of Ethics, the Corporate Governance Code and the Policy on Managing Conflicts of Interest of GEB S.A. E.S.P. and their Affiliates.

**4** On Ethics For GEB Companies ethical behavior standards constitute a fundamental element for the creation of lasting value. For this purpose, a Code of Ethics has been provided for all the Group's Companies, establishing and developing the behavior principles and rules of action of their managers, employees, suppliers, contractors, customers and in general with their stakeholders in terms of ethics and conflicts of interest.

**5** On Transparency and Information Disclosure Information disclosure is the main mechanism through which GEB ensures transparency, ethics, accountability and respect for shareholder rights, and creates relationships based on trust with all its stakeholders. GEB has a Policy on Disclosure of Information which recognizes that GEB S.A. E.S.P. is a local and international issuer of securities and therefore establishes the self-regulatory guidelines for GEB Companies on the disclosure of financial and non-financial information.



### III. REGARDING THE GEB GOVERNANCE SYSTEM

#### A. GEB ORGANIZATION

GEB is made up of the Parent Company, which is organized into Strategic Business Groups (SBGs), and the GEB Companies.

As Parent Company, GEB has the role of strategic controller and establishes guidelines and policies on significant matters to strategically manage their companies and to ensure the Group's unity of purpose and management.

The companies are independent legal persons with separate management and governance structures which are interrelated with the Parent Company and the Strategic Business Groups in accordance with the model established in this Agreement.

The Strategic Business Groups assemble the GEB Companies according to their activity and corporate purpose as follows: (i). Strategic Urban Solutions or Distribution SBG - SUB -; (ii.) Interconnection for Market Development or Transmission and Transport SBG - IMD -; and (iii). Generation or Low Emission Generation SBG - LEG -. Each SBG has a specialist liaison officer who understands the dynamics of the industry and the business, and who has the capabilities to support the deployment of strategies at the companies and acts as the point of contact between the parent company and the subsidiaries. The title of this officer is SBG Vice President (SBG VP).

SBG vice presidents are responsible for the management of the business lines aimed at the growth of companies, based on the general guidelines established in this Agreement, the Corporate Intervention Model, other instruments that develop the Group's corporate governance and tend to:

- Ensure the deployment of the competitive strategy, the operational strengthening, risk mitigation inherent to each of the SBG's companies, accountability and production feedback.
- Monitor the business and profitable growth options portfolio of each company and the generation of growing dividends.
- Deepen, assist and be guarantor for the GEB Companies' growth agenda.

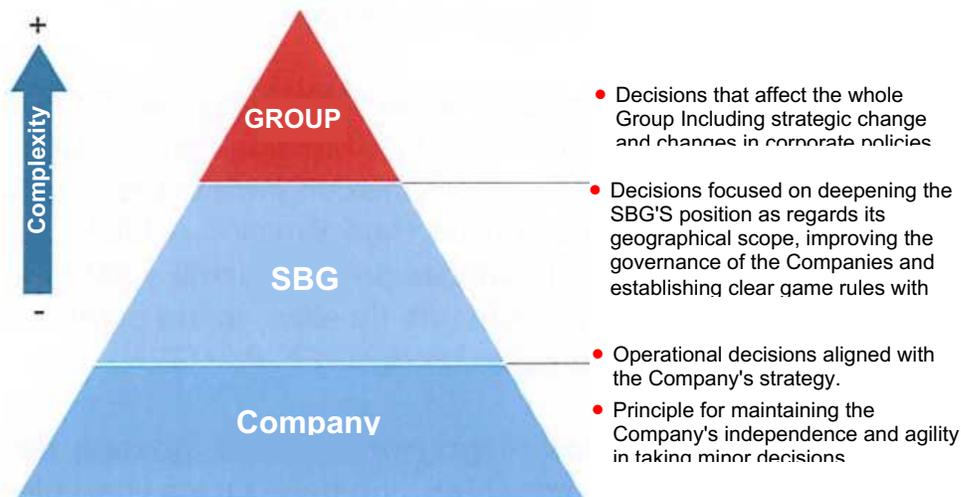


- Have a comprehensive vision of the geographies and dynamics of the SBG's industry.
- Uphold the corporate governance standards of each of the Strategic Business Groups.

## B. THE CORPORATE INTERVENTION MODEL

The Corporate Intervention Model establishes authority levels for decision-making between the Parent Company, the SBGs and the GEB and intends for operating decisions to be made by the latter (distributed control), where the best information is usually available. Consequently, only material decisions or decisions of a corporate nature are made at the Group level.

The GEB decision-making process is structured as follows:



Source: Corporate Intervention Model

The Corporate Intervention Model is the tool that instrumentalizes the decision-making procedure regarding strategy and investment within the Group, whose purpose is to guarantee that decisions are made in their best interest, with the best agility, assertiveness



and adequate controls.

The proposed structure differentiates clearly between the corporate and operational levels, as a natural evolution of multinational Latin American groups, as it leverages consolidation as Grupo Energía Bogotá and its corporate governance, the strategic alignment of its units, decision-making and accountability. In addition, it enables the definition of guidelines, management models, synergies and scale economies.

### **C. MAIN ROLES OF THE GEB GOVERNING BODIES**

GEB and its companies have their own and autonomous governing bodies and stakeholders, organized in separate management and government structures. In this regard, there are different responsibility levels within GEB, which are determined by the nature of the government body and the corresponding company structure.

The strategic orientation, supervision, control and management of GEB is exercised by the following corporate bodies: GEB S.A. E.S.P.'s General Meeting of Shareholders, Board of Directors Board of Directors Committees, President, the Group's General Auditor, SBG Vice Presidents, GEB Companies' General Meeting of Shareholders, Boards of Directors, Board of Directors Committees, Presidents of GEB Companies and the Statutory Auditor.

The actions of GEB's and its companies' main corporate governing bodies and stakeholders must fall under the following principles:

- 1** GEB's corporate strategy is led by the GEB S.A. E.S.P. Board of Directors with the support of its Senior Management team and all employees who report directly to the GEB's President or any GEB Companies' President. The role of the Boards of Directors of GEB Companies is to develop and deepen the strategic aspects related to each of its business fronts, based on the realities of each industry and the geography in which they operate, and in line with GEB's overall corporate strategy.
- 2** The supervision and monitoring of the development of business is led by the Board of Directors of each of the GEB Companies with the support of their respective chairperson. In this respect, the Boards of Directors and the Presidents of the GEB Companies are responsible for communicating to the Parent Company through the corresponding SBG vice president on the progress of business. They shall also orientate the profitability and growth portfolio and ensure the deployment of the competitive strategy of each of the SBG companies.

3 The corporate elements of the control architecture are led by the Group's General Auditor and executed at GEB companies through their internal audit and compliance areas. These areas must report and inform, periodically, on their activities to the GEB Boards of Directors through the Audit and Risk Committees notwithstanding the functions attributed to the Statutory Auditors.

4 The corporate governance is led by the GEB S.A. E.S.P. Board of Directors in coordination with the Legal and Compliance Vice President's Office and includes the Corporate Governance Policy, other corporate policies, the GEB S.A. E.S.P. Corporate Governance Code, as well as the compliance and ethics elements. The GEB Companies' Boards of Directors develop the corporate governance provisions defined for the Group, adapting them to the internal regulations of the country in which they operate.

## D. COMMITMENTS OF GEB COMPANIES

From the point of view of GEB's corporate governance and in order to strengthen the creation of value for shareholders and their stakeholders, GEB S.A. E.S.P. and the GEB Companies commit to the following:

- 1 GEB S.A. E.S.P., in their capacity as Parent Company through the SBGs and their corporate areas provides a shared vision and leads the growth of their companies as follows:
  - a. The identification and materialization of the capture of synergies between GEB Companies, through the exchange of practices, knowledge and technology.
  - b. The exercise of GEB management and control in accordance with the guidelines issued by the GEB S.A. E.S.P. Board of Directors and General Meeting of Shareholders.
  - c. The definition and promotion of the adoption of best governance practices at GEB.
  - d. The supervision and effective application of a control architecture with a consolidated scope, including policies and guidelines that allow an effective risk management.
  - e. The effective allocation of resources to maximize them.

- f. The maximization of long-term dividends for shareholders.
- g. The increase each GEB Company's potentials.

## 2 GEB Companies:

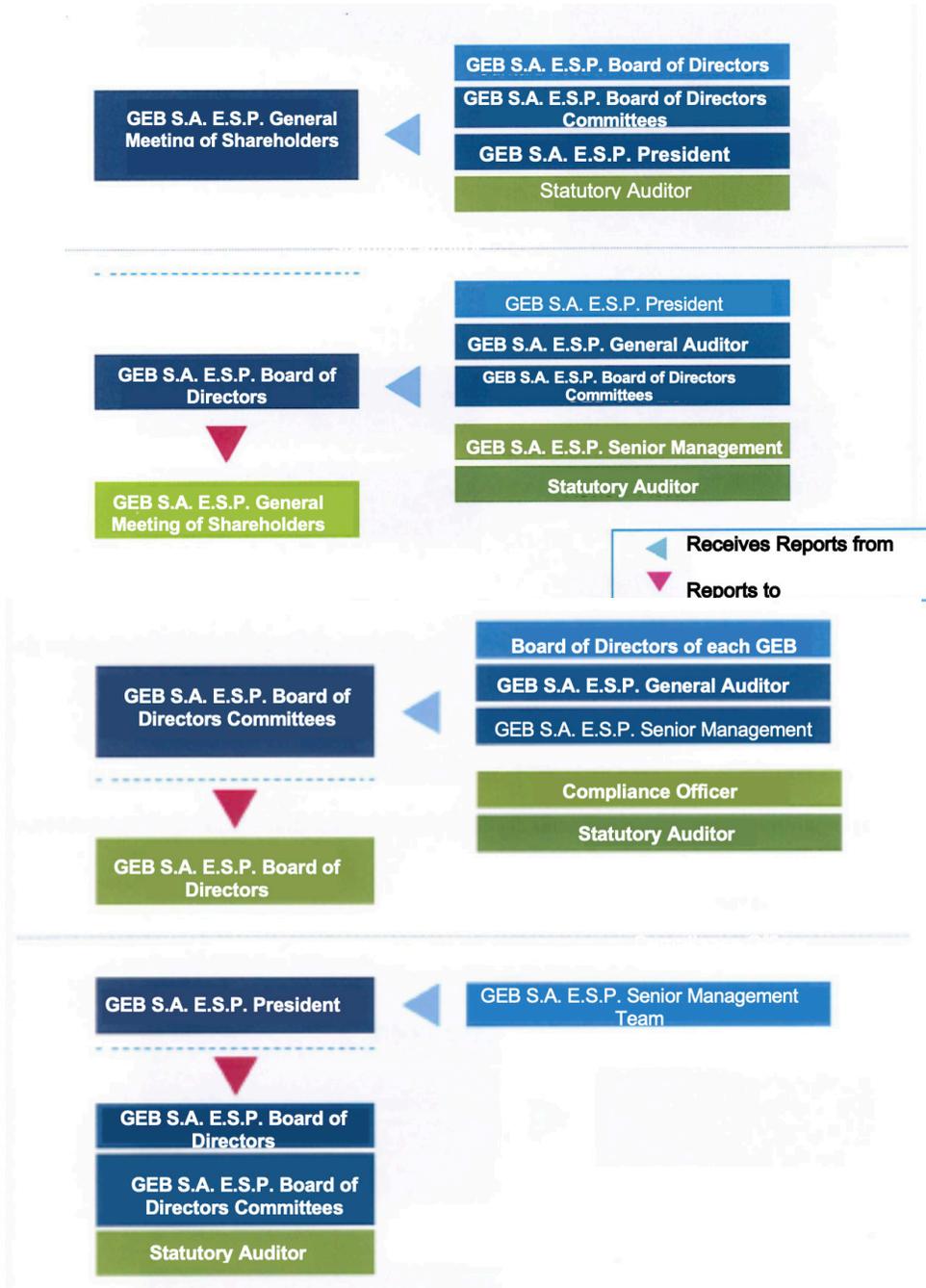
- a. Create long-term profitability in their operations and fulfill the objectives and indicators established by the Boards of Directors of their companies in line with the Parent Company strategy.
- b. Act in line with the unity of purpose and management and the strategy defined for GEB by GEB S.A. E.S.P. as its Parent Company.
- c. Apply the corporate policies, interaction mechanisms and practices provided in this document.
- d. Create growing and long-term dividends from the cost-effective growth of each company.
- e. Report to SBGs.

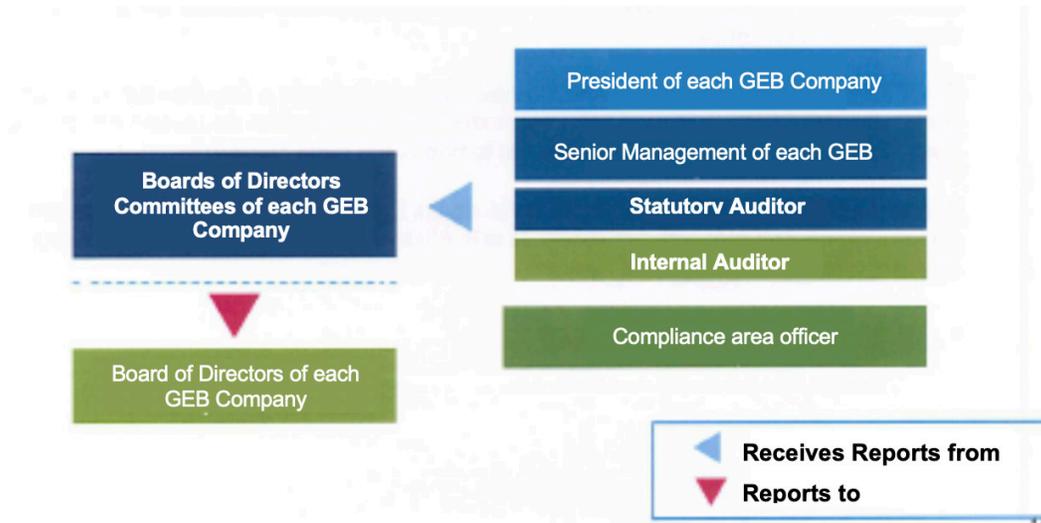
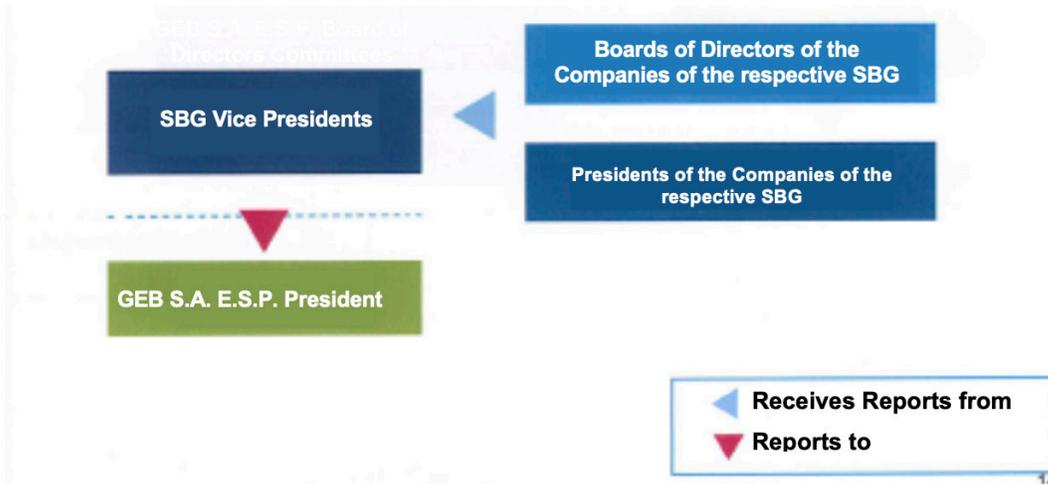
## **E. INTERACTION OF GOVERNING BODIES**

The GEB governing bodies and entities have the following communication and reporting flows:



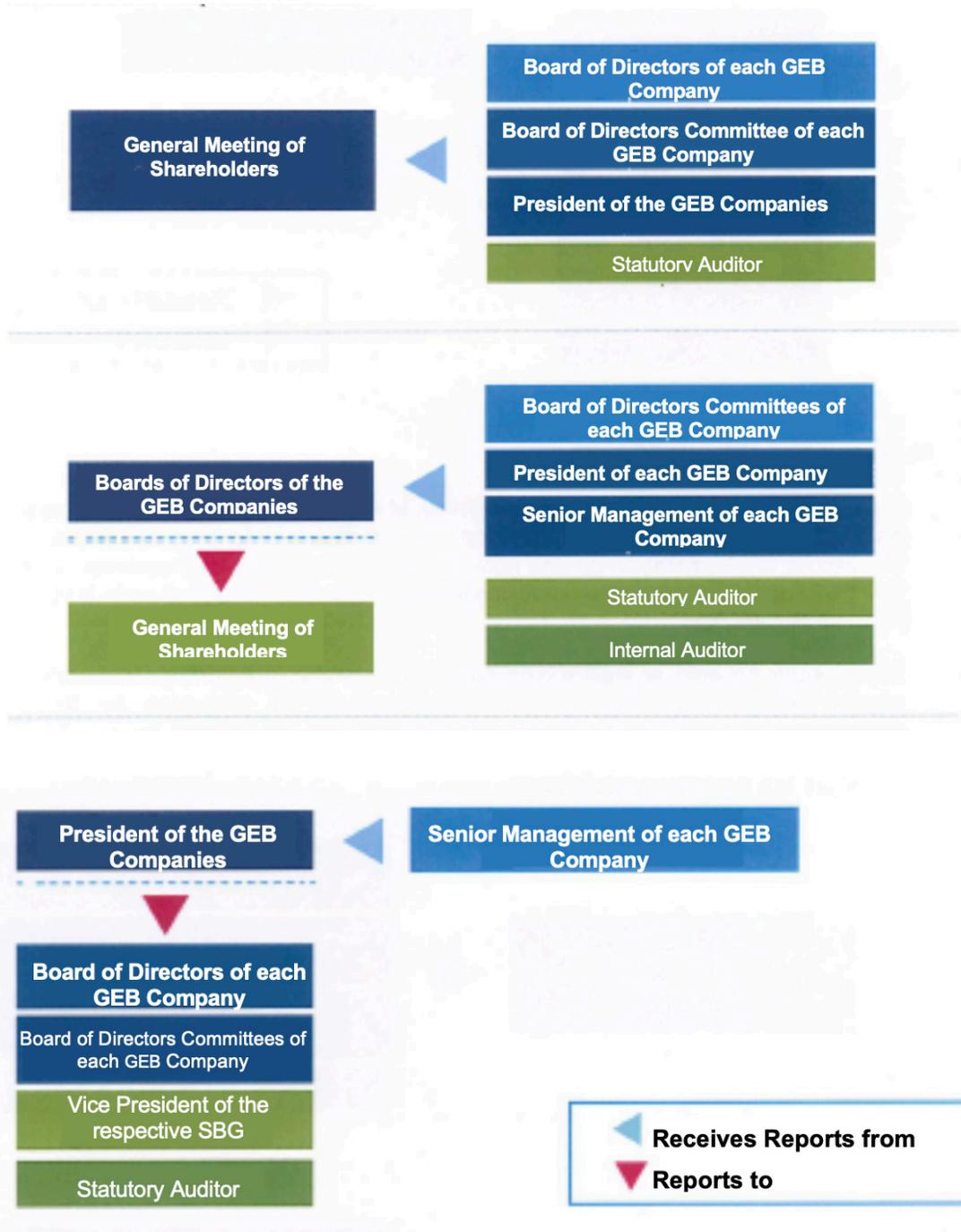
## Parent Company:







**GEB Companies:**





#### IV. GENERAL PROVISIONS

1 This document is valid indefinitely. The Agreement shall be effective regarding the GEB Companies from its approval by their respective Boards of Directors. For the incorporation of a new GEB subsidiary, the GEB S.A. E.S.P. President must sign an agreement with the new company that shall be an integral part of the present document.

2 The present Agreement does not imply the unity of a company or the existence of a working relationship between the Parent Company and the workers of the GEB Companies. As a result, there is no unity between the companies during the working relationships of the same.

3 Joint sessions of Boards of Directors or Boards of Director Committees of GEB Companies shall never imply the transfer of responsibilities nor give rise to unity through the decisions made by each body.

4 The agreements signed by GEB Companies must be under the terms of the present Agreement and Policy on Transactions with Related Parties once it enters into force.

5 The prospects indicated in the present Agreement related to the GEB Control Architecture must be adopted once the organizational structure for this purpose has been implemented.

6 This Agreement must be published on the GEB S.A. E.S.P. web page and that of each GEB Company.

In witness whereof, this Agreement is signed with prior approval from the Board of Directors of GEB S.A. E.S.P., during meeting No. 1607 held on February 21, 2019, and meeting No. 1611 held on May 30, 2019, and the Board of Directors of TGI S.A. E.S.P. during meeting No. 173 held on April 23, 2019 and meeting No. 174 held on May 29, 2019, as stated in the respective minutes.

Original signed  
**Grupo Energía Bogotá S.A. E.S.P.**  
Astrid Álvarez Hernández  
President

Original signed  
**Transportadora de Gas Internacional S.A. E.S.P.**  
Mauricio Vera Maldonado  
President



## ANNEX 1 COMPANIES TO WHOM THIS CORPORATE GROUP AGREEMENT APPLIES



For the purposes of the Corporate Group Agreement, the Grupo Energía de Bogotá Foundation is understood to be a GEB company. However, this is not registered as a Corporate Group with the Chamber of Commerce of Bogotá.



## ANNEX 2 DEFINITIONS

The terms included herein, or those that are defined in other sections of this document and that appear with the initial capital letter or in lower case in the present document, shall have the meaning given below. Terms that denote the singular also include the plural and vice-versa, according to the context. Terms that are not expressly defined shall be understood in the sense given to them by the corresponding technical language or, otherwise, in their natural and obvious sense, according to their general use.

**Senior Management:** This refers to the President of GEB S.A. E.S.P. who is the top executive and head of GEB and the vice presidents. For TGI S.A. E.S.P. this corresponds to the President and vice presidents.

**General Meeting of Shareholders:** This is the highest governing body of each of the Companies that make up GEB. It is responsible for setting guidelines, orientating and assessing manager performance. This includes the General Meetings of Shareholders, Boards of Partners and the Council of Founders of the Grupo Energía de Bogotá Foundation.

**Responsibility Centers:** A specialized and strategic structure that guarantees greater depth in each line of business. The critical skills and responsibility centers for each SBG correspond to those established in the Corporate Intervention Model.

**Board of Directors Committees:** Study and support bodies to the Boards of Directors (Management Councils, Directorates, and the Management Council of the Grupo Energía de Bogotá Foundation), which issue recommendations on specific matters, regarding: (i) Corporate Governance, (i) Audit and Risks, (iii) Compensation, and (iv) Funding and Investments. They are made up by minimum three members of the respective Board of Directors, whose chairperson is an independent member.

External Circular Letter 028/2014 from the Financial Superintendence of Colombia “Country Code.” Document from the Financial Superintendence of Colombia presenting the New Country Code and Adoption of the Report on the Implementation of Best Corporate Practices. The “Country Code” consists of 33 measures and 148 recommendations for voluntary adoption, the best Corporate Governance practices for issuers from the real and financial sector.

Measure No. 6 of the County Code “Contributions from Companies made up of Conglomerates”

brings together recommendations for the management of possible conflicts of interest that arise between the companies of a conglomerate and describes the importance of having a frame of reference for institutional relations by means of a public agreement that allows for the strategic orientation, supervision, control and effective management of the Conglomerate.

**Grupo Energía Bogotá S.A. E.S.P. - GEB S.A. E.S.P.:** GEB Parent Company. Public utility company, incorporated as a joint stock company, pursuant to the provisions of Law 142 / 1944. Listed in the Colombian Securities Exchange since 2008 and as an issuer of securities the company must comply with the duties and obligations established in Decree 2555 of July 15, 2010 and the provisions of the Financial Superintendence of Colombia on the matter.

**GEB Companies:** Companies in which GEB S.A. E.S.P. directly or indirectly possesses more than 50% of the shareholdings and has control over them. These are subject of the Corporate Group Agreement, according to the provisions of Annex No.1.

**Affiliate:** Company controlled directly by GEB S.A. E.S.P.

**Group/GEB:** Grupo Energía Bogotá A collection of legally independent companies under the control or subordination of GEB S.A. E.S.P. as parent company or controller. GEB is a leading multinational Latin American company in the electric power and natural gas industry, with presence in Colombia, Peru, Guatemala and Brazil. As a Corporate Group, they create value for their shareholders and stakeholders, through the sustainable and profitable management of their business. These include shareholdings in energy chain companies ranging from the generation, transmission, distribution and sale of electricity, as well as the transport and distribution of natural gas.

**Ordinary Course of Business:** Collection of decisions made and executed operations that are necessary to implement the company's strategy and reach their business objectives<sup>1</sup>.

**Strategic Business Groups (SBGs):** As the GEB Parent Company, GEB S.A. E.S.P. is organized by Strategic Business Groups (SBGs): Organizational structures that group the GEB S.A. E.S.P. Subsidiaries by line of business, according to the GEB corporate strategy, in line with their activity and corporate purpose, as follows: (i). Strategic Urban Solutions or Distribution SBG - Urban Energy Solutions -; (ii.) Interconnection for Market Development or Transmission and Transport SBG - IMD -; and (iii). Generation or Low Emission Generation SBG - LEG -. Each SBG has a specialist liaison officer who understands the dynamics of the industry and the business, and who has the capabilities to support the deployment of strategies at the companies and acts as the point of contact between the Parent Company and the subsidiaries. The title of this officer is SBG Vice President (SBG VP).

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1 Definition taken from Circular Letter 028 / 2014 from the Financial Superintendence of Colombia "Country Code."



**Low Emission Generation (LEG) or Generation SBG:** Strategic Business Group which seeks new renewable energy opportunities in countries where the energy matrix is being transferred to this type of sustainable and low-emission generation source. Its strategy is focused on the incorporation of leading operations in each type of low-emission energy achieving high profitability, through deep regulatory knowledge and the engagement of alternative energy.

**Interconnection for Market Development (IDM) or Transmission and Transport SBG:** Strategic Business Group responsible for connecting energy generation sources with large consumption centers and large-scale users. Its purpose is to consolidate itself in the electric energy transmission business as a leading multinational Latin American company and to strengthen the growth of the gas transport business. Its regional scope is Central America and Southeastern Brazil in electric transmission and South America's northern Pacific region in gas.

**Board of Directors:** Collegiate body responsible for the management of each GEB company. It defines the strategy, establishment of corporate policies and the supervision of short, medium and long-term financial and non-financial performance. It includes the Directorates, Management Councils and Governing Board of the Grupo Energía de Bogotá Foundation.

**Corporación Andina de Fomento (CAF):** The Development Bank of Latin America founded in 1970, made up of 19 countries; 17 from Latin America and the Caribbean, Spain and Portugal, and 13 private banks from the region. The bank promotes a sustainable development model through credit operations, non-refundable resources and support in the financial and technical structure of projects in public and private sectors of Latin America.

Through the Guidelines for a Latin American Code of Corporate Governance, the CAF puts at the consideration of companies in the region, capital market operators and public policy supervisors, a set of basic regulations that are bases for the development of good Corporate Governance.

In a chapter named "Shareholders' equal treatment and rights" for the protection of minority shareholders of subsidiaries and a mechanism for the management of conflicts of interest between the companies of a conglomerate, they recommend the definition of a reference framework between the parent company and subordinate company, which establishes: (i) the respective activity areas and eventual business relationships between them, as well as with the group's other companies, (ii) the mechanisms given to resolve eventual conflicts of interest that can occur and, (iii) the expectation that when there are or are forecasted to be joint operations between a listed subsidiary and its parent company, whether or not listed, the Policy on Managing Conflicts of Interest applies with special sensitivity and strictness.

The update to the 2012 Publication included as Annex 1 the Chapter referring to “Corporate Governance for Business Groups” which incorporates as a guideline and recommendation the importance of having a public, clear and transparent organizational structure that allows for the designation of clear lines of responsibility within the business groups, facilitating the control and effective supervision of both the business group together, as well as the individual companies that make it up.

**Parent Company:** Refers to GEB S.A. E.S.P., which exercises control over the GEB Companies and establishes the parameters for unity of purpose and management.

**Corporate Intervention Model:** Independent internal tool that defines the horizons, procedures, steps and guidelines of decision taking situations regarding strategy and investment within the Corporate Group. It is of mandatory compliance for GEB Companies.

**Organization for Economic Co-operation and Development (OECD):** Institution founded in 1961 that brings together 35 member countries. Their mission is to promote policies that improve the economic and social well-being of people around the world. They fix international standards within a wide range of public policy matters.

By means of the Corporate Governance Policies, the OECD provides a reference framework to enable the creation of an atmosphere of trust, transparency and accountability necessary to favor long-term investment, helping policymakers to assess and improve the legislative, regulatory and institutional framework of corporate governance in order to favor economic efficiency, financial stability and sustainable economic growth.

**Relevant Transactions:** According to the indications of the Policy on Transactions with Related Parties adopted by each company of the Corporate Group.

**Related Parties:** Those identified in International Accounting Standard No. 24 (IAS 24) .

**Chairperson:** Responsible for the execution of guidelines given by the Board of Directors and General Meeting of Shareholders. This includes the General Managers, General Directors and Presidents of the GEB Companies.

**Statutory Auditor:** Statutory Auditor / External Auditor

**Synergy:** Understood, in the business group, as all actions and decisions taken to create economic, social and reputational value, product of the collaboration and interaction of companies,



according to their membership to GEB.

**Urban Energy Solutions (SEU) or Distribution SBG:** Strategic Business Group responsible for developing and operating the necessary infrastructure to meet the electric energy and gas demands of big cities, with high energy consumption and their areas of influence, through deep regulatory knowledge, the understanding of markets and the need to expand smart cities.

**Subordinate or Controlled Company:** Company whose decision-making power is directly or indirectly subject to the will of GEB S.A. E.S.P. as Parent Company.

**Subsidiary:** A company that is controlled indirectly by GEB S.A. E.S.P. with contest or through an affiliate.

**Transactions or Operations between Related Parties:** Any transfer of resources, services or obligations between related parties, regardless of whether or not a price is charged.

Vice Presidents of Strategic Business Groups (VP SBGs) Persons responsible for the management of the business lines and the growth of companies, based on the general guidelines established in this Agreement, the Corporate Intervention Model and other instruments that develop the Group's corporate governance.