

6.

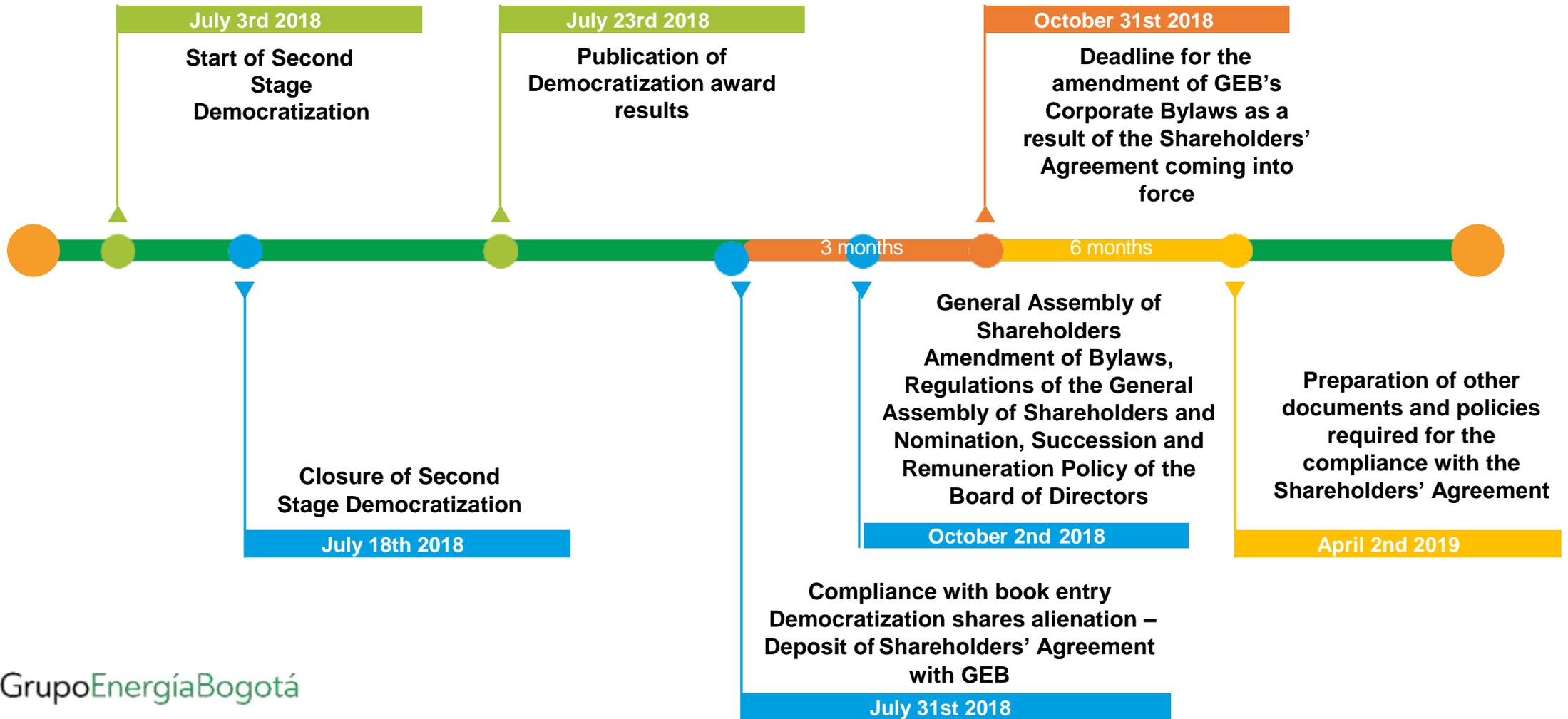
Consideration of Amendment to the Corporate Bylaws



Grupo Energía Bogotá

6 Timeline

Second Stage of Democratization process





6. Consideration of Amendment to the Corporate Bylaws

1. **Bylaws Reform for the adoption of the provisions established in the Shareholders' Agreement derived from the Democratization process.**
2. **Bylaws Reform for the adoption of self-regulatory measures in terms of Corporate Governance.**

6.1 Bylaws Reform – Article 19



Original version	Proposed version	Justification
<p>Article 19. Placement of shares:</p> <p>Except in the case of issue of shares with preferential dividend without voting rights, the Company's Board of Directors shall submit subscription regulations for the issue and placement of shares held in reserve, as well as for those subsequently issued by the Company.</p>	<p>Article 19. Placement of shares:</p> <p>The Company's Board of Directors shall submit subscription regulations for the issue and placement of shares held in reserve as well as for those subsequently issued by the Company. <u>The price established in the share subscription regulations shall be the result of a study performed by an independent investment bank and in accordance with technically recognized procedures, as set forth in Article 41, Act 964 of 2005.</u></p>	<p>The article is hereby amended subject to the provisions established in Section 4.01(a) of the Shareholders' Agreement, including the reference to the fact that the price is established based upon a study performed in accordance with technically recognized procedures.</p> <p>The text of the regulation included in the Shareholders' Agreement reads as follows:</p> <p>Article IV. Decisions of the General Assembly requiring a special majority.</p> <p>Section 4.01- The District may vote in favor or against any of the decisions listed below in the Company's Shareholders' Assembly, but it may only vote in favor if, including its vote, the total number of favorable votes for said decision is equal to or higher than seventy percent (70%) of GEB's share capital:</p> <p>(a) Amendments to the Company's capital, including the issue of any kind of shares (including stock dividends), as well as the issue of securities convertible into shares, except capital increases as provided in Article 19.4, Act 142 of 1994.</p> <p><u>For purposes of the above, the price to be established in the respective share subscription regulations shall result from a study performed by an independent investment bank and in accordance with technically recognized procedures, as set forth in Article 41, Act 964 of 2005.</u></p> <p>(...)</p>

6.1 Bylaws Reform – Article 24

Original version

Article 24. Capitalization:

The Company may increase the authorized capital and/or capitalize the special reserves it has established pursuant to the Law and these Bylaws; it may also capitalize net profits, as well as the premium resulting from the sale of subscribed and paid-in shares, converting them into new shares or otherwise increasing the value of the shares already issued; it may also release shares held in reserve.

In order to increase the authorized capital, instruct the issue of bonds or approve any reserve capitalization plan in the Company, the approval of a majority of shares representing seventy percent (70%) of the subscribed and paid-in shares shall be required, in full compliance with the corresponding formalities.

Proposed version

Article 24. Capitalization:

The Company may increase the authorized capital and/or capitalize the special reserves it has established pursuant to the Law and these Bylaws; it may also capitalize net profits, as well as the premium resulting from the sale of subscribed and paid-in shares, converting them into new shares or otherwise increasing the value of the shares already issued; it may also release shares held in reserve.

In order to increase the authorized capital, instruct the issue of bonds or approve any reserve capitalization plan in the Company, the approval of a majority of shares representing seventy percent (70%) of the subscribed and paid-in shares shall be required, in full compliance with the corresponding formalities.

For purposes of the above, the price to be established in the respective share subscription regulations shall result from a study performed by an independent investment bank and in accordance with technically recognized procedures, as set forth in Article 41, Act 964 of 2005.

Justification

The article is hereby amended subject to the provisions established in Section 4.01(a) of the Shareholders' Agreement, including the reference to the fact that the price is established based upon a study performed in accordance with technically recognized procedures.

The text of the regulation included in the Shareholders' Agreement reads as follows:

Article IV. Decisions of the General Assembly requiring a special majority.

Section 4.01- The District may vote in favor or against any of the decisions listed below in the Company's Shareholders' Assembly, but it may only vote in favor if, including its vote, the total number of favorable votes for said decision is equal to or higher than seventy percent (70%) of GEB's share capital:

(a) Amendments to the Company's capital, including the issue of any kind of shares (including stock dividends), as well as the issue of securities convertible into shares, except capital increases as provided in Article 19.4, Act 142 of 1994.

For purposes of the above, the price to be established in the respective share subscription regulations shall result from a study performed by an independent investment bank and in accordance with technically recognized procedures, as set forth in Article 41, Act 964 of 2005.

(...)

6.1 Bylaws Reform – Article 45



Original version	Proposed version	Justification
<p>Article 45. Types of meetings:</p> <p>(...)</p> <p>Extraordinary meetings shall be verified through notice of the Company’s Board of Directors, President or Statutory Auditor. In addition, any of the aforementioned bodies shall convene the General Assembly of Shareholders when requested by a number of shareholders representing at least one fourth of the capital subscribed.</p> <p>(...)</p>	<p>Article 45. Types of meetings:</p> <p>(...)</p> <p>Extraordinary meetings shall be verified through notice of the Company’s Board of Directors, President or Statutory Auditor. In addition, any of the aforementioned bodies shall convene the General Assembly of Shareholders when requested by a <u>plural</u> number of shareholders representing at least <u>ten percent (10%)</u> of the capital subscribed.</p> <p>(...)</p>	<p>The second paragraph of Article 45 is hereby amended, to the extent that the Shareholders’ Agreement sets forth the power of direct notice of the General Assembly of Shareholders by a plural number of shareholders representing as a minimum 10% of GEB’s subscribed capital, which constitutes an additional guarantee for minority shareholders by reducing the threshold from 25% to 10%.</p> <p>The text of the regulation included in the Shareholders’ Agreement reads as follows:</p> <p>Article III. Notice of the GEB General Assembly of Shareholders by Minority Shareholders</p> <p>Section 3.01- The Capital District is obliged to propose to the Shareholders’ Assembly and to vote in favor of an amendment to the Corporate Bylaws, so as to enable a <u>plural</u> number of shareholders representing at least <u>ten percent (10%)</u> of GEB’s total shares subscribed, to request the Company’s Board of Directors, President or Statutory Auditor, to convene extraordinary meetings of the Shareholders’ Assembly. In this regard, the text to be submitted for consideration of the Shareholders’ Assembly for the amendment of the second paragraph of Article 45 of the Corporate Bylaws shall be the following:</p> <p>“Extraordinary meetings shall be held upon notice of the Company’s Board of Directors, President or Statutory Auditor. In addition, any of the aforementioned bodies shall convene the Shareholders’ Assembly when so requested by a plural number of shareholders representing at least ten percent (10%) of the capital subscribed”.</p>

6.1 Bylaws Reform – New Article 55

Original version

New article. The numbering of the entire document is modified accordingly.

Proposed version

Article 55. Withdrawal right:

In the event of exercising the right of withdrawal as set forth in Articles 12 et seq., Act 222 of 1995, or the rule that modifies them, adds to them, clarifies them or repeals them, by a number of shareholders representing as a minimum five percent (5%) of the Company's outstanding shares, and when an agreement regarding the price of the shares of the shareholders exercising the withdrawal right under the terms of law cannot be reached, the corresponding value of acquisition or reimbursement of the shares shall be determined as follows, notwithstanding that the shareholder exercising his/her withdrawal right selects the procedure established by the law for such purpose: by an investment banking institution with recognized experience in the national and international market, appointed by the Chamber of Commerce of the Company's main corporate address. The valuation of the investment banking firm shall be final and mandatory for the parties, and the costs thereof shall be covered by the Company.

Justification

A new article is included in order to regulate the provisions established in the Shareholders' Agreement regarding the mechanism for the valuation of the price of acquisition or reimbursement in cases of withdrawal right, performed pursuant to the commercial law by an investment banking firm with broad experience at a national and international level, selected by the Chamber of Commerce of GEB's main corporate address, unless the shareholder exercising his/her right of withdrawal prefers the valuation method as established in the law.

It is necessary and recommended to include this provision in the bylaws, to the extent that the Company is obliged to perform the repurchase of shares in case of exercise of the withdrawal right, as well as to respect the valuation according to the methodology agreed in the Shareholders' Agreement.

The text of the regulation included in the Shareholders' Agreement reads as follows:

Article VII. Withdrawal Right.

Section 7.01 - In the event of exercising the withdrawal right as set forth in Articles 12 et seq., Act 222 of 1995, by a number of shareholders representing as a minimum five percent (5%) of the outstanding shares, and in case an agreement regarding the price of said shares cannot be reached, the Capital District shall propose to the Company's Assembly of Shareholders and shall vote so that the corresponding value of acquisition or reimbursement of the shares is determined as follows, notwithstanding that the shareholder selects the procedure established in the law for such purpose: by an investment banking firm with recognized experience in the national and international market, appointed by the Chamber of Commerce of GEB's main corporate address. The valuation performed by the investment banking firm shall be final and mandatory for the parties. The costs of said valuation shall be covered by GEB. The withdrawal right shall apply in the terms established by the law.

6.1 Bylaws Reform – Article 59

Original version	Proposed version	Justification
<p>Article 58. Roles of the General Assembly:</p> <p>The General Assembly of Shareholders shall fulfill the following roles:</p> <p>(...)</p> <p>2. Freely appoint and remove the members of the Board of Directors, the Statutory Auditor, assign their respective tasks prior recommendation of the Board of Directors and the study performed by the respective Committee, and approve the Succession and Nomination Policy of the Board of Directors.</p> <p>(...)</p>	<p>Article 59. Roles of the General Assembly:</p> <p>The General Assembly of Shareholders shall fulfill the following roles:</p> <p>(...)</p> <p>2. Freely appoint and remove the members of the Board of Directors, the Statutory Auditor, assign their respective tasks prior recommendation of the Board of Directors and the study performed by the respective Committee, and approve the Nomination, Succession and Remuneration Policy of the Board of Directors.</p> <p>(...)</p>	<p>The Nomination, Succession and Remuneration Policy of the Board of Directors is included in accordance with the provisions established in Sections 5.03 and 10.01 of the Shareholders' Agreement.</p> <p>Numeral 2: The term "remuneration" is included pursuant to the conditions of Measure 23.1, SFC's Circular Letter 028 of 2014 that reads as follows: "The Company has a Remuneration Policy of the Board of Directors, as approved by the General Assembly of Shareholders" (corresponds to numeral 2).</p>

6.1 Bylaws Reform – Article 59

Original version	Proposed version	Justification
<p>7. Stipulate the increase of the share capital, notwithstanding the power of the Board to increase the authorized capital in the cases established in Act 142 of 1994, Article 19, Numeral 19.4.</p> <p>13. Approve the regulations for the issue and placement of shares with preferential dividend and without voting rights, the form to register said shares, order the issue of bonds convertible into shares and the exemptions to the preemptive right in the placement of shares.</p> <p>New numeral 21.</p>	<p>7. <u>Amendments in the share capital, including the issue of any kind of share, as well as the payment of stock dividends and the issue of securities convertible into shares, and</u> stipulate the increase of the share capital, notwithstanding the power of the Board <u>of Directors</u> increase the authorized capital in the cases established in Act 142 of 1994, Article 19, Numeral 19.4.</p> <p>13. Approve the regulations for the issue and placement of <u>preferential</u> shares, the form to register said shares, order the issue of bonds convertible into shares and the exemptions to the preemptive right in the placement of shares.</p> <p>21. <u>Approve the sale in any capacity, prior approval of the Board of Directors, in one or several related transactions, of Company's assets equal to or higher than fifteen percent (15%) of the Company's market capitalization (understood as the result of multiplying the number of the Company's ordinary shares outstanding by the average value of said shares in the Colombian Stock Exchange in the last ten (10) trading days prior to the adoption of the decision), except the transfer or contribution of assets to stand-alone trusts or other vehicles in order to structure the implementation of projects in which its control is not lost.</u></p>	<p>The text included in the regulation of the Shareholders' Agreement reads as follows: Article IV. Decisions of the General Assembly requiring a Special Majority.</p> <p>Section 4.01 - The District may vote in favor or against any of the decisions listed below in the Company's Shareholders' Assembly, but it may only vote in favor if, including its vote, the total number of favorable votes for said decision is equal to or higher than seventy percent (70%) of GEB's share capital:</p> <p>(a) Amendments to the Company's capital, including the issue of any kind of shares (including stock dividends), as well as the issue of securities convertible into shares, except capital increases as provided in Article 19.4, Act 142 of 1994. For purposes of the above, the price to be established in the respective share subscription regulations shall result from a study performed by an independent investment bank and in accordance with technically recognized procedures, as set forth in Article 41, Act 964 of 2005 (corresponds to numeral 7).</p> <p>(a) The sale, in any capacity, in one or several related transactions, of Company's assets higher than fifteen percent (15%) of its Market Capitalization, except the transfer or contribution of assets to stand-alone trusts or other vehicles in order to structure the implementation of projects in which its control is not lost (corresponds to numeral 21).</p> <p>Article 1. Definitions: "Market Capitalization" refers to the result of multiplying the number of GEB's ordinary shares outstanding by the average value of said shares in the Colombian Stock Exchange S.A. in the last ten (10) trading days prior to the adoption of a decision by the Shareholders' Assembly or the Board of Directors (corresponds to numeral 21).</p>

6.1 Bylaws Reform – Article 59

Original version	Proposed version	Justification
<p>New numeral 22.</p> <p>First Paragraph: The following roles are to be exclusively fulfilled by the General Assembly of Shareholders and shall not be subject to delegation.</p> <p>1. Those included in numerals 2 and 18 hereof.</p> <p>2. The acquisition, sale or encumbrance of strategic assets which, in the Board of Directors' judgment, are essential for the development of the Company's activities, or when the respective transactions or operations may derive in an effective modification of the corporate purpose.</p>	<p><u>22. Approve, prior favorable decision of the Board of Directors, the proposals of investment, redefinition of existing investments, mergers, creation and/or modification of investment vehicles, acquisition of strategic partners and allies, and structured financing for new businesses for an amount exceeding fifteen percent (15%) of the Company's market capitalization.</u></p> <p>First Paragraph: The following roles are to be exclusively fulfilled by the General Assembly of Shareholders and shall not be subject to delegation.</p> <p>1. Those included in numerals 2, <u>7</u>, 18, <u>21</u> and <u>22</u> hereof.</p> <p>2. The acquisition, sale or encumbrance of strategic assets which, in the Board of Directors' judgment, are essential for the development of the Company's activities, or when the respective transactions or operations may derive in an effective modification of the corporate purpose.</p>	<p>Annex 2 A - Second Stage Program Regulations, indicates the following:</p> <p>4.1. In the development of Article V "Board of Directors", section 5.06, paragraph (c) of the Bid, the District shall propose to the Shareholders' Assembly the adoption of an amendment to Article 66 "Roles" and Article 67 "Quorum and special majorities" of the GEB Bylaws, reflecting the following:</p> <p>4.1.1. The proposals of investment, redefinition of existing investments, mergers, creation and/or modification of investment vehicles, acquisition of strategic partners and allies, and structured financing for new businesses, shall be approved by the following company's bodies, according to their amount: (...)</p> <p>d. Board of Directors with a qualified majority (quorum of 7 members and decision making with the favorable vote of at least 6 members in attendance) and Shareholders' Assembly: when the amount of the operation exceeds fifteen percent (15%) of GEB's market capitalization (corresponds to numeral 22).</p> <p>(c) The Bylaws reforms related to (i) a change in the Company's main corporate purpose, understanding said purpose in the terms of the first paragraph of Article 5 of the Company's Bylaws as "the generation, transmission, distribution and marketing of energy, including gas and liquid fuels in any form. It may also participate as partner or shareholder in other public service companies, either directly or by way of association with other persons. In addition, it may develop and participate, either directly or indirectly, in engineering and infrastructure projects, and make investments in this field, including the provision of related services and activities"; (ii) early dissolution; and (iii) modification of the aspects included in the Company's Bylaws as a result of the provisions established in this Shareholders' Agreement (not included to the extent that the bylaws reforms and the early dissolution are included in numerals 1 and 18, Article 58 of the current bylaws).</p>

6.1 Bylaws Reform – Article 60

Original version	Proposed version	Justification
<p>Article 59. Composition:</p> <p>The Company shall have a Board of Directors integrated by nine (9) main members and their respective personal alternate members, elected by the General Assembly of Shareholders through the electoral quotient system, out of which 25% shall be independent in the terms established by law and the Company's Corporate Governance Code.</p> <p>(...)</p>	<p>Article 60. Composition:</p> <p>The Company shall have a Board of Directors integrated by nine (9) members, elected by the General Assembly of Shareholders through the electoral quotient system, out of which <u>four (4) members</u> shall be independent in the terms established by law and the Company's Corporate Governance Code.</p> <p>(...)</p>	<p>The text of the regulation included in the Shareholders' Agreement reads as follows:</p> <p>Article V. Board of Directors</p> <p>Section 5.01 - The Company shall have a Board of Directors integrated by nine (9) main members and their respective personal alternates, elected by the General Assembly of Shareholders through the electoral quotient system, out of which four (4) members shall be independent.</p>

6.1 Bylaws Reform – Article 61

Original version

Article ~~60~~. Liability of the members of the Board of Directors:

The members of the Board of Directors, by accepting their appointment, expressly state their expertise in the development of the corporate management entrusted to them, thus committing their unlimited joint and several liability for actions and omissions causing damages to the Company, the shareholders and third parties even due to minor negligence.

Proposed version

Article 61. Liability of the members of the Board of Directors:

The members of the Board of Directors, by accepting their appointment, expressly state their expertise in the development of the corporate management entrusted to them, thus committing their unlimited joint and several liability for actions and omissions causing damages to the Company, the shareholders and third parties even due to minor negligence. The failure to comply with their fiduciary duties to the Company, including the unjustified absence in meetings of the Board of Directors with the effect of preventing or blocking deliberation and decision-making, shall give rise to the exercise of the corporate action for liability in the terms of the law.

Justification

The Shareholders' Agreement seeks to avoid the systematic and unjustified blocking of Board decisions, by virtue of which the Board members' failure to comply with their fiduciary duties, including the unjustified absence in Board meetings with the effect of preventing or blocking deliberation and decision-making, shall give rise to the exercise of the corporate action for liability in the terms of the law against the Board member incurring in said behavior.

The text of the regulation included in the Shareholders' Agreement reads as follows:

Article V. Board of Directors.

(...)

Section 5.07 - The noncompliance by the members of the Board of Directors with their fiduciary duties to the Company, including the unjustified absence in meetings of the Board of Directors with the effect of preventing or blocking deliberation and decision-making, shall give rise to the exercise of the corporate action for liability in the terms of the law against the members of the Board of Directors incurring in said behavior.

6.1 Bylaws Reform – Article 64



Original version	Proposed version	Justification
<p>Article 63. President and Vice-President:</p> <p>The Board of Directors shall appoint from among its members a President and a Vice-President.</p> <p>(...)</p>	<p>Article <u>64</u>. President and Vice-President:</p> <p>The Board of Directors shall appoint from among its members a President and a Vice-President. <u>The President of the Board of Directors shall be one of the independent members and the election thereof shall require at least three (3) votes from independent members and one (1) vote from a member nominated by the Capital District, out of those in attendance to the meeting; this procedure shall be included in the Board of Directors Regulations.</u></p> <p>(...)</p>	<p>The Shareholders' Agreement stipulates that the President shall be an independent member elected from among the independent members, which would make GEB a pioneer in matters of Corporate Governance with regard to similar companies in the region. The election of the Board President shall require at least 3 votes from the independent members.</p> <p>The text of the regulation included in the Shareholders' Agreement reads as follows:</p> <p>Article V. Board of Directors.</p> <p>(...)</p> <p>Section 5.02 - The President of the Board of Directors shall be one of the independent members proposed by any of the shareholders, and his/her election shall require at least three (3) votes from independent members and one (1) vote from a member nominated by the District, out of those in attendance to the meeting. Independent shall be understood as any member of the Board of Directors in compliance with the requirements set forth in Article 44, Act 964 of 2005 and Section 5.01 of the Shareholders' Agreement.</p>

6.1 Bylaws Reform – Article 67



Original version	Proposed version	Justification
<p>Article 66. Roles: The Board of Directors shall fulfill the following roles and responsibilities:</p> <ol style="list-style-type: none">1. Create its regulations.2. Freely appoint and remove the Company's President, the alternates thereof, as well as assign their remuneration and approve the Top Management Succession Policy.3. Convene the General Assembly when considered appropriate or when requested by a number of shareholders representing one-fourth of the shares subscribed.4. Establish the management policies of corporate businesses such as Grupo Energía Bogotá S.A ESP., including the approval of investments, divestments or any kind of operation that may be qualified as strategic or within the amount stipulated in Article 71 hereof, or that affects the Company's strategic assets or liabilities, as well as the management policies of corporate businesses, as the parent company of its Business Group.	<p>Article 67. Roles: The Board of Directors shall fulfill the following roles and responsibilities:</p> <ol style="list-style-type: none">1. Create its regulations <u>and amend them</u>.2. Freely appoint and remove the Company's President, <u>according to the election process established herein and in the Board of Directors Regulations</u>, and the alternates thereof, as well as assign their remuneration and approve the Top Management Succession Policy, <u>which shall include the President and the Vice-Presidents</u>.3. Convene the General Assembly when considered appropriate or when requested by a <u>plural</u> number of shareholders representing <u>ten percent (10%) of the shares subscribed</u>.4. Establish the management policies of corporate businesses such as Grupo Energía Bogotá S.A ESP., as well as the management policies of corporate businesses, as the parent company of its Business Group.	<p>The article stating the roles of the Board of Directors is hereby amended in order to include new powers and adjust some of the existing ones.</p> <p>The text of the regulation included in the Shareholders' Agreement reads as follows:</p> <p>Section 10.01 - GEB shall have established, at all times, a Succession Policy in order to ensure that the persons appointed as members of the Board of Directors, including the alternates, the President and the Vice-Presidents, are the most adequate for said roles based upon the analysis performed on their profiles, skills and experience (corresponds to numeral 2).</p> <p>Section 3.01 - The District is hereby obliged to propose to the Shareholders' Assembly and to vote in favor of an amendment of the Corporate Bylaws, so that a plural number of shareholders representing at least ten percent (10%) of GEB's total shares subscribed, is allowed to request to the Company's Board of Directors, President or Statutory Auditor, to convene extraordinary meetings of the Shareholders' Assembly (corresponds to numeral 3).</p> <p>Section 5.05 (...) (e) Approval or amendment of the internal regulations of the Board of Directors (corresponds to numeral 1).</p>

6.1 Bylaws Reform – Article 67

Original version	Proposed version	Justification
<p>6. Approve the regulations for the issue, subscription and placement of shares and adopt them.</p> <p>11. Approve and follow-up the Company's strategic plan, business plan, management objectives and the guidelines for the implementation thereof.</p> <p>12. Approve the Company's annual budget and its investment, maintenance and expenses programs, and in general, approve the Company's financial and investment guidelines and policies, as well as review the Company's financial projections.</p>	<p>6. Approve the regulations for the issue, subscription and placement of shares and adopt them, <u>except in the case of issuing preferential shares.</u></p> <p>11. Approve, <u>amend</u> and follow-up the Company's strategic plan, business plan, management objectives and the guidelines for the implementation thereof.</p> <p>12. <u>Approve the Company's investment policy prior recommendation of the Company's Financial and Investment Committee,</u> approve the Company's annual budget and its investment, maintenance and expenses programs, and in general, approve the Company's financial and investment guidelines and policies, as well as review the Company's financial projections.</p>	<p>In accordance with numeral 13, Article 59 of the Corporate Bylaws (corresponds to numeral 6).</p> <p>Section 5.05</p> <p>(...)</p> <p>(d) Amendment of any of the Company's strategic plans approved by the Board of Directors, as well as the business plans, management objectives and the guidelines for the implementation thereof.</p> <p>Annex 2 A - Second Stage Program Regulations reads as follows: 2.1. In development of the provisions established in Article V "Board of Directors", section 5.06, paragraph (d) of the Bid, the District shall propose to the Assembly the amendment of Article 66 "Roles", numeral 11, of the GEB Bylaws, in the sense that the Board of Directors has the power to modify and approve GEB's strategic plan as well as the business plans, management objectives and the guidelines for the implementation thereof, pursuant to the majorities established in the aforementioned section 5.06 of the Bid (corresponds to numeral 11).</p> <p>Section 11.02 - The Financial and Investment Committee of GEB's Board of Directors shall be in charge of recommending to the Board of Directors the investment policy adopted by the Board of Directors for the adoption or update thereof, and shall monitor the compliance therewith through the annual reports submitted thereto (corresponds to numeral 12).</p>

6.1 Bylaws Reform – Article 67

Original version	Proposed version	Justification
<p>32. Propose to the General Assembly of Shareholders the Board of Directors' Remuneration, Succession and Nomination Policy for its approval.</p> <p>34. Know about and approve the operations carried out by the Company with related shareholders or people related thereto, as well as to companies of the group to which it belongs (according to the definition of related parties adopted in the Corporate Governance Code).</p> <p>35. Authorize the President to enter into contracts, legal acts and businesses the amount of which exceeds a sum equivalent to seventy thousand (70,000) legal monthly minimum wages in the national currency.</p>	<p>32. Propose to the General Assembly of Shareholders the Board of Directors' <u>Nomination, Succession and Remuneration</u> Policy for its approval.</p> <p>34. Know about and approve <u>the operations carried out by the Company with the related parties defined in the International Accounting Standards – IAS, exceeding the amount established in the Board of Directors Regulations. The operation shall require the additional approval of the Shareholders' Assembly when the circumstances stated in numeral 17, Article 59 of the Corporate Bylaws take place, in the conditions set forth in the Board of Directors Regulations, when the operation is relevant and the following circumstances do not occur: a) the operation is carried out at a market price generally fixed by those acting as suppliers of the goods or services in question; or b) the operation is carried out in the Company's ordinary course of business.</u></p> <p><u>35. Notwithstanding the competences herein assigned to the General Assembly of Shareholders,</u> authorize the President to enter into contracts, legal acts and businesses the amount of which exceeds a sum equivalent to seventy thousand (70,000) legal monthly minimum wages in the national currency.</p>	<p>The Board of Directors' Nomination, Succession and Remuneration Policy is herein included pursuant to the provisions established in Sections 5.03 and 10.01 of the Shareholders' Agreement.</p> <p>The name of the Policy is adjusted as set out in Measures 8.1 and 23.1 of SFC's Circular Letter 028 of 2014 (corresponds to numeral 32).</p> <p>Annex 2 A - Second Stage Program Regulations states the following: 1. Pursuant to the definition of "Affiliates" included in the Bid, the proposal to be submitted by the District to the Assembly in order to amend Article 66 "Roles", numeral 34, and Article 67 "Quorum and Special Majorities" of GEB's Bylaws, so as to reflect the provisions set forth in Article V "Board of Directors", section 5.06, paragraph (b) of the Bid, shall include the following:</p> <ul style="list-style-type: none"> • Above the amount expected in the Board of Directors Regulations: <ul style="list-style-type: none"> ✓ If the circumstances mentioned in Article 58, numeral 17 of GEB's Bylaws do not take place: approval of the Board of Directors with a qualified majority (favorable vote of 6 Board members in attendance to the meeting, which shall have a quorum of 7 members) and subsequent approval of the Shareholders' Assembly. ✓ If the circumstances mentioned in Article 58, numeral 17 of GEB's Bylaws do take place: approval of the Board of Directors with a qualified majority (favorable vote of 6 Board members in attendance to the meeting, which shall have a quorum of 7 members). • Under the amount expected in the Board of Directors Regulations: <ul style="list-style-type: none"> ✓ If the circumstances mentioned in Article 58, numeral 17 of GEB's Bylaws do not take place: approval of the Shareholders' Assembly. ✓ If the circumstances mentioned in Article 58, numeral 17 of GEB's Bylaws do take place: <ul style="list-style-type: none"> ❖ Above 70,000 LMMW: approval of the Board of Directors with simple majority. ❖ Under 70,000 LMMW: at the management's discretion (corresponds to numeral 34).

6.1 Bylaws Reform – Article 67

Original version	Proposed version	Justification
New numeral 41.	<p><u>41. Approve the proposals of investment, redefinition of the existing investments, mergers, creation and/or modification of investment vehicles, acquisition of strategic partners and allies, and structured financing of new businesses the amount of which exceeds seventy thousand (70,000) legal monthly minimum wages.</u></p>	<p>Section 5.06. Majorities. Board of Directors. (a) Notwithstanding the statutory powers of the Board of Directors as set out in Article 66, numeral 35 of the Corporate Bylaws, the sale, transfer or disposal in any capacity, in one or several related transactions, of Company's assets the amount of which is higher than five percent (5%) and lower than fifteen percent (15%) of its Market Capitalization, except for the transfer of assets to stand-alone trusts or other vehicles in order to structure the implementation of projects on which its power is not lost; (corresponds to numeral 42).</p>
New numeral 42.	<p><u>42. Approve the sale, transfer or disposal in any capacity, in one or several related transactions, of Company's assets the amount of which is higher than five percent (5%) and lower than fifteen percent (15%) of its market capitalization, and present to the General Assembly of Shareholders, the sale in any capacity, prior approval of the Board of Directors, in one or several related transactions, of Company's assets equal to or higher than fifteen percent (15%) of its market capitalization.</u></p>	<p>(b) The performance of transactions with affiliates exceeding the amount established in the internal regulations of the Board of Directors (corresponds to numeral 34).</p> <p>(c) The proposals of investment, redefinition of the existing investments, mergers, creation and/or modification of investment vehicles, acquisition of strategic partners and allies, and structured financing of new businesses the amount of which is higher than five percent (5%) and lower than fifteen percent (15%) of the Company's Market Capitalization (corresponds to numeral 41).</p> <p>Annex 2 A - Second Stage Program Regulations reads as follows:</p> <p>Approval of proposal of investment and divestment (corresponds to numeral 41). 4.1.1. The proposals of investment, redefinition of the existing investments, mergers, creation and/or modification of investment vehicles, acquisition of strategic partners and allies, and structured financing of new businesses shall be approved through the following corporate bodies, according to their amount:</p> <ol style="list-style-type: none"> GEB Management without need for authorization: when the amount of the operation does not exceed the sum equivalent to seventy thousand (70,000) LMMW. Board of Directors with a simple majority: when the amount of the operation is within a sum equivalent to seventy thousand (70,000) LMMW and five percent (5%) of GEB's market capitalization. Board of Directors with a qualified majority (quorum of 7 members and decision-making with the favorable vote of at least 6 members in attendance): when the amount of the operation exceeds five percent (5%) of GEB's market capitalization. Board of Directors with a qualified majority (quorum of 7 members and decision-making with the favorable vote of at least 6 members in attendance) and Shareholders' Assembly: when the amount of the operation exceeds fifteen percent (15%) of GEB's market capitalization.

6.1 Bylaws Reform – Article 67



Original version	Proposed version	Justification
<p>First Paragraph: Notwithstanding that for its compliance it may rely upon the work of the Committees, the Board of Directors may not delegate to the Management the roles established in the following numerals hereof: 1, 2, 4, 6, 8, 9, 10, 11, 12, 22, 25, 29, 30, 31, 32, 34, 35, 36, 37, 38, 39 and 40.</p>	<p>First Paragraph: Notwithstanding that for its compliance it may rely upon the work of the Committees, the Board of Directors may not delegate to the Management the roles established in the following numerals hereof: 1, 2, 4, 6, 8, 9, 10, 11, 12, 22, 25, 29, 30, 31, 32, 34, 35, 36, 37, 38, 39, 40, <u>41 and 42.</u></p>	

6.1 Bylaws Reform – Article 68

Original version	Proposed version	Justification
<p>Article 67. Decision-making quorum:</p> <p>The Board shall deliberate in the presence of five (5) of its members and shall decide with the vote of the majority of those in attendance to the respective session.</p>	<p>Article 68. <u>Quorum and special majorities:</u></p> <p>The Board shall deliberate in the presence of five (5) of its members and shall decide with the vote of the majority of those in attendance to the respective session.</p> <p><u>The following decisions may only be adopted in meetings of the Board of Directors with the attendance of at least seven (7) members, and their approval shall require the favorable vote of at least six (6) of the members in attendance:</u></p> <p><u>1. The sale, transfer or disposal in any capacity, in one or several related transactions, of Company's assets the amount of which is higher than five percent (5%) and lower than fifteen percent (15%) of its market capitalization, except for the transfer of assets to stand-alone trusts and other vehicles in order to structure the implementation of projects in which its control is not lost.</u></p> <p><u>2. The operations carried out by the Company with related parties in accordance with the definition established in the International Accounting Standards - IAS, exceeding the amount set out in the Board of Directors Regulations.</u></p>	<p>The Shareholders' Agreement sets forth certain decisions of the Board of Directors which, due to their relevance for the Company, require a deliberation quorum of 7 members, and are approved with the vote of at least 6 directors.</p> <p>Section 5.06 - The District, according to its shareholding in GEB, shall propose to the Shareholders' Assembly and shall vote in favor of an amendment to the Bylaws, so that with regard to the decisions listed below, the GEB Board of Directors shall deliberate with at least seven (7) members, and decide with the favorable vote of at least six (6) of the members in attendance:</p> <ul style="list-style-type: none">(a) Notwithstanding the statutory powers of the Board of Directors established in Article 66, numeral 35 of the Corporate Bylaws, the sale, transfer or disposal in any capacity, in one or several related transactions, of Company's assets the amount of which is higher than five percent (5%) and lower than fifteen percent (15%) of its market capitalization, except for the transfer of assets to stand-alone trusts and other vehicles in order to structure the implementation of projects in which it does not lose control; (corresponds to numeral 1).(b) The performance of transactions with affiliates exceeding the amount established in the internal regulations of the Board of Directors (corresponds to numeral 2).

6.1 Bylaws Reform – Article 68

Original version	Proposed version	Justification
	<p><u>3. The proposals of investment, redefinition of the existing investments, mergers, creation and/or modification of investment vehicles, acquisition of strategic partners and allies, and structured financing of new businesses the amount of which exceeds five percent (5%) of the Company's market capitalization.</u></p> <p><u>4. The approval and modification of the Company's Strategic Plan, business plan, management objectives and the guidelines for the implementation thereof.</u></p> <p><u>5. The approval or modification of the Board of Directors Regulations.</u></p>	<p>(c) The proposals of investment, redefinition of the existing investments, mergers, creation and/or modification of investment vehicles, acquisition of strategic partners and allies, and structured financing of new businesses the amount of which is higher than five percent (5%) and lower than fifteen percent (15%) of the Company's Market Capitalization (corresponds to numeral 3).</p> <p>d) The modification of any of the Company's strategic plans approved by the Board of Directors, as well as the business plans, management objectives and the guidelines for the implementation thereof (corresponds to numeral 4).</p> <p>(e) The approval or modification of the internal regulations of the Board of Directors (corresponds to numeral 6).</p>

6.1 Bylaws Reform – Article 70

Original version

Article 69. Appointment and term:

~~The term of the President shall be of two (2) years counted from his/her election, but he/she may be reelected indefinitely or freely removed from the position prior to the end of the term. When the Board does not elect the President at the corresponding times to do so, the previous President shall continue in office until a new appointment has been made. The election of the President shall be done according to competence, knowledge, experience and leadership criteria.~~

(...)

Proposed version

Article 70. Appointment and removal:

The Company's Management and Legal Representation Department shall be in charge of the Company's President, who shall be elected by the Board of Directors.

(...)

Fourth Paragraph: the Company's President shall be elected through the following selection and appointment process:

1. In any case in which the position is vacant or the Board of Directors decides to replace the President, and ad hoc committee of the Board of Directors integrated by three (3) independent members shall be created, and shall work with an internationally recognized headhunting firm with experience in the selection of executives for companies listed in the stock exchange, which shall submit to the ad hoc committee a list including at least seven (7) candidates fulfilling the requirements and conditions regarding years of experience, relevant sector, similar positions and academic profile, to be defined by the ad hoc committee;

Justification

The Shareholders' Agreement provides a process for the election of the Company's President that involves independent members of the Board of Directors, which shall hire a headhunting firm that will propose a list including at least 7 candidates fulfilling the requirements and conditions of experience; subsequently, the ad hoc committee shall select at least 3 candidates out of those proposed, who shall be submitted for the consideration of the Board of Directors, and finally 1 of them shall be elected.

The text included in the regulation of the Shareholders' Agreement reads as follows:

Article IX. Appointment of GEB's President

Section 9.01 - GEB's President shall be elected by the simple majority of the members in attendance to the session through the following selection and appointment process divided into three (3) stages: (corresponds to paragraph 4)

(a) An ad hoc committee of the Board of Directors integrated by three (3) independent members shall be created and shall work with an internationally recognized headhunting firm with experience in the selection of executives for companies listed in the stock exchange, which shall submit to the ad hoc committee a list including at least seven (7) (corresponds to numeral 1)

6.1 Bylaws Reform – Article 70



Original version	Proposed version	Justification
	<p><u>2. The ad hoc committee shall elect with the favorable vote of the simple majority of its members, out of the candidates proposed by the headhunting firm, at least three (3) candidates who shall be submitted for the consideration of the Board of Directors; and</u></p> <p><u>3. The Company's President shall be elected out of the candidates proposed by the ad hoc committee and according to the procedure and terms established in the Board of Directors Regulations.</u></p>	<p>candidates fulfilling the requirements and conditions regarding years of experience, relevant sector, similar positions and academic profile, to be defined by the ad hoc committee;</p> <p>(b) The ad hoc committee shall select out of the candidates proposed by the headhunting firm, at least three (3) candidates who shall be submitted for the consideration of the Board of Directors; and</p> <p>(c) The President of GEB shall be elected by the Board of Directors out of the candidates proposed by the ad hoc committee.</p>

6.1 Request to the General Assembly of Shareholders



In accordance with the request submitted by the Capital District through formal communication on July 31st 2018, by means of which the Shareholders' Agreement was deposited with GEB, the recommendation made by the Corporate Governance Committee, the Board of Directors and the provisions established in numeral 1, Article 58 of the Corporate Bylaws, the General Assembly of Shareholders is hereby requested to:

- ✓ Approve the amendment of Articles 19, 24, 45, 59, 60, 61, 64, 67, 68 and 70 of the Corporate Bylaws in accordance with the arguments exposed above.
- ✓ Approve the inclusion of the new Article 55 on the Corporate Bylaws in accordance with the arguments exposed above.
- ✓ Authorize the Company's Legal Representative to record in a notarial instrument the corresponding amendment and to combine in a single notarial instrument all the Articles of the Bylaws currently in force.



6. Consideration of Amendment to the Corporate Bylaws

1. Bylaws Reform for the adoption of the provisions set out in the Shareholders' Agreement derived from the Democratization process.
2. **Bylaws Reform for the adoption of self-regulatory measures in terms of Corporate Governance.**

6.2 Bylaws Reform – Article 60

Original version	Proposed version	Justification
<p>Article 59. Composition:</p> <p>The Company shall have a Board of Directors integrated by nine (9) main members with their respective personal alternates, as elected by the General Assembly of Shareholders through the electoral quotient system, out of which 25% shall be independent in the terms of the law and the Company's Corporate Governance Code.</p> <p>(...)</p> <p>Second Paragraph: in any case, a number of persons employed by the Company who, when meeting in session and in exercise of their faculties as members of this body, may form a decision-making majority among them, shall not be appointed as main or alternate members of the Board of Directors.</p>	<p>Article 60. Composition:</p> <p>The Company shall have a Board of Directors integrated by nine (9) members, elected by the General Assembly of Shareholders through the electoral quotient system, out of which four <u>(4) of its members</u> shall be independent in the terms of the law and the Company's Corporate Governance Code.</p> <p>(...)</p> <p>Second Paragraph: in any case, a number of persons employed by the Company who, when meeting in session and in exercise of their faculties as members of this body, may form a decision-making majority among them, shall not be appointed as members of the Board of Directors.</p> <p>Third Paragraph: the members of the Board of Directors shall fulfill the competence criteria as established in the Board of Directors' Nomination, Succession and Remuneration Policy.</p>	<p>Measure 15.1: "Under the Bylaws, the Company has chosen not to appoint alternate members of the Board of Directors" of SFC's External Circular Letter 028 of 2014 is hereby applied; therefore, any mention of alternate members is hereby suppressed.</p> <p>Additionally, paragraph 1, Article 44, Act 964 of 2005 states that "security issuers may stipulate in their bylaws that there shall be no alternates in the Boards of Directors".</p> <p>The observance of the competence criteria as established in the Board of Directors' Nomination, Succession and Remuneration Policy is expressly included.</p> <p>Mechanism of stability of the Board of Directors in order to guarantee that in the event of renewal thereof, the memory and stability of the strategy shall be preserved.</p>

6.2 Bylaws Reform – Article 63



Original version	Proposed version	Justification
<p>Article 62. Term:</p> <p>The appointment of members of the Board of Directors shall be for two (2)-year periods, with the possibility of being reelected and without prejudice to the power of the Shareholder’s Assembly of free removal at any time.</p>	<p>Article 63. Term:</p> <p>The appointment of members of the Board of Directors shall be for two (2)-year periods, with the possibility of being reelected and without prejudice to the power of the Shareholder’s Assembly of free removal at any time, in compliance with the provisions established in Article 105 (Transitory) hereof.</p>	<p>Mechanism of stability of the Board of Directors in order to guarantee that in the event of renewal thereof, the memory and stability of the strategy shall be preserved.</p>

6.2 Bylaws Reform – Article 64 in force

Original version	Proposed version	Justification
<p>Article 64. Call to alternates:</p> <p>-</p> <p>The alternate members of the Board of Directors shall be called upon to cover the temporary or permanent absence of the respective main members.</p>	<p>The Article is hereby suppressed.</p>	<p>Paragraph 1, Article 44, Act 964 of 2005 states that “security issuers may stipulate in their bylaws that there shall be no alternates in the Boards of Directors”.</p> <p>Measure 15.1: “Under the Bylaws, the Company has chosen not to appoint alternate members of the Board of Directors” of SFC’s External Circular Letter 028 of 2014 is hereby applied; therefore, any mention of alternate members is hereby suppressed.</p>

6.2 Bylaws Reform – Article 67



Original version	Proposed version	Justification
<p>Article 68. Decision-making quorum:</p> <p>The Board shall deliberate in the presence of five (5) of its members and shall decide with the vote of the majority of those in attendance to the respective session.</p>	<p>Article 67. <u>Quorum and special majorities:</u></p> <p>The Board shall deliberate in the presence of five (5) of its members and shall decide with the vote of the majority of those in attendance to the respective session.</p> <p><u>The following decisions may only be adopted in meetings of the Board of Directors with the attendance of at least seven (7) members, and their approval shall require the favorable vote of at least six (6) of the members in attendance:</u></p> <p><u>(...)</u></p> <p><u>5. Appointment of the Company's President</u></p> <p><u>(...)</u></p>	<p>Mechanisms aimed at the continuity and stability of the Company's strategy and the strengthening of the Company's Corporate Governance - appointment of the President.</p>

6.2 Bylaws Reform – Article 69



Original version	Proposed version	Justification
<p>Article 70. Appointment and term:</p> <p>The term of the President shall be of two (2) years counted from his/her election, but he/she may be reelected indefinitely or freely removed from the position prior to the end of the term. When the Board does not elect the President at the corresponding times to do so, the previous President shall continue in office until a new appointment has been made. The election of the President shall be done according to competence, knowledge, experience and leadership criteria.</p> <p>(...)</p>	<p>Article 69. Appointment</p> <p><u>Fourth Paragraph:</u> the Company's President shall be elected through the following selection and appointment process:</p> <p><u>(...)</u></p> <p>3. Out of the candidates proposed by the <u>ad hoc committee and according to the procedure and terms established in the Board of Directors Regulations, the Company's President shall be elected in a meeting of the Board of Directors with the attendance of at least seven (7) of its members and the approval shall require the favorable vote of at least six (6) members.</u></p> <p><u>Fifth Paragraph:</u> the removal of the Company's President shall require a quorum of at least seven (7) of the nine (9) members of the Board of Directors.</p>	<p>Mechanisms aimed at the continuity and stability of the Company's strategy and the strengthening of the Company's Corporate Governance - appointment of the President.</p>

6.2 Bylaws Reform – Article 105 (transitory)



Original version	Proposed version	Justification
<p><u>New article</u></p>	<p><u>CHAPTER XVII TRANSITORY</u></p> <p><u>Article 105</u></p> <p><u>Only for purposes of the Ordinary Assembly of Shareholders to be held in 2019, the members of the Board of Directors shall be divided into three (3) classes: (i) non-independent members: members of the Board of Directors not compliant with the independence criteria established by law, the corporate bylaws and other corporate documents; (ii) independent members: members of the Board of Directors compliant with the requirements established by law, the corporate bylaws and other corporate documents to be considered as independent; (iii) independent member appointed according to the provisions established in Sections 5.04 and 5.05 of the Shareholders' Agreement, while it is in force.</u></p> <p><u>- In line with this transitory article, non-independent members shall be elected for a two (2)-year term from the date of their appointment. Independent members shall be elected for a three (3)-year term from the date of their appointment, and the independent member appointed as set out in Sections 5.04 and 5.05 of the Shareholders' Agreement shall be elected for a one (1)-year term from the date of his/her appointment.</u></p> <p><u>- The term referred to above shall be counted only from the date of the Ordinary Assembly of Shareholders in 2019. In the Assemblies of Shareholders to be held after March 2019, in which members of the Board of Directors shall be elected, the directors shall be appointed in order to succeed those whose term has expired, as mentioned above, for two-year terms.</u></p> <p>The foregoing does not preclude the eventual need to remove one, several or all the members of the Board of Directors, in accordance with the provisions set forth in numeral 4, Article 420 of the Code of Commerce.</p>	<p>The members of the Board of Directors shall be divided into 3 classes: (i) non-independent members, in the terms established in the law, the bylaws and other corporate documents; (ii) independent members in the terms of the law, the bylaws and other corporate documents; and (iii) independent member appointed according to the procedure established in Articles 5.4 and 5.5 of the Shareholders' Agreement.</p> <p>Considering that according to Section 5.04 of the Shareholders' Agreement, an independent section of the group shall be appointed by mutual agreement of the 10 minority shareholders with the greater shareholding or, in case an agreement cannot be reached, by the 4 minority shareholders with the greater shareholding, and said minority shareholders may change year after year, it would be appropriate that the term of one year for the first election after the Shareholders' Agreement corresponds to this class.</p> <p>Considering that to strengthen the Company's Corporate Governance, ideally the changes in the Board of Directors should not be affected by changes in the management of the controlling shareholder, it would be appropriate that the initial term of 2 years after the Shareholders' Agreement corresponds to the non-independent members.</p> <p>Considering the capacities of the independent members, these shall be the ones who stay longer in their position; their initial term shall be of 3 years.</p>

6.2 Request to the General Assembly of Shareholders



In accordance with the recommendation made by the Corporate Governance Committee, the Board of Directors and the provisions set forth in numeral 1, Article 59 of the Corporate Bylaws, the General Assembly of Shareholders is hereby requested to:

- ✓ Approve the amendment of Articles 60, 63, 67 and 69 of the Corporate Bylaws, in accordance with arguments exposed above.
- ✓ Approve the suppression of Article 64 of the Corporate Bylaws in force, in accordance with the arguments exposed above.
- ✓ Approve the inclusion of the new Article 105 (transitory) in the Corporate Bylaws, in accordance with the arguments exposed above.
- ✓ Authorize the Company's Legal Representative to record in a notarial instrument the corresponding amendment and combine in a single notarial instrument all the Articles of the Bylaws currently in force.