



Policy on

Appointment Of Board Members
At Geb Companies, Non-Controlled
Companies And Investment Vehicle



Grupo Energía Bogotá



POLICY ON APPOINTMENT OF BOARD MEMBERS AT GEB COMPANIES, NON-CONTROLLED COMPANIES AND INVESTMENT VEHICLES

Background

Grupo Energía Bogotá (hereinafter “GEB”) is committed to the implementation and fulfillment of best corporate governance practices as one of the pillars of its corporate strategy, to support value creation, stakeholder trust and risk control at GEB and its companies.

GEB, in its capacity of parent company and controller of the Business Group, has the duty of ensuring execution and fulfillment of unity of purpose and direction, aimed at taking advantage of synergies and the fulfillment of its corporate strategy.

Based on best corporate governance practices, the make-up of the Boards of Directors must be aligned with the interests of each company, seeking a balance between the competencies, training and experience of Board members, to enable them to contribute to the corporate strategy and to achieve the unity of purpose and direction of the Business Group.

In order to ensure the unity of purpose and direction and the fulfillment of the strategy, it is necessary to adopt a policy establishing clear principles and parameters on Board make-up and procedures to appoint members to their decision-making and ratification bodies.

This policy is adopted pursuant to the bylaws and the functions and competencies attributed to the Board of Directors of GEB.

1. Definitions:

Boards of Directors: Collegiate body responsible for the management of each GEB company. They define the strategy, establish business management and direction policies, and supervise financial and non-financial performance over the short, medium and long term. They include Boards of Directors, Management Councils and the Council of Directors of Fundación Grupo Energía Bogotá.

GEB Companies: Companies in which GEB directly or indirectly holds 50% or more of shareholdings and exercises control.

Non-Controlled Companies: Companies in which GEB holds equity interests but does not exercise control.

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Investment Vehicles: Companies created by GEB or its affiliates with the purpose of serving as investment vehicles, and over which they hold equity control.

Members of the Boards of Directors or Directorates: Individuals appointed by General Meetings or Boards of Shareholders to become members of the Board of Directors of a GEB company, of a Non-Controlled Company or of an Investment Vehicle.

Vice Presidents of Strategic Business Groups (VP SBG): They are responsible for managing the business lines and the growth of the companies, based on general guidelines set out in the group's competitive strategy, the Business Group Agreement, the Corporate Intervention Model and other instruments that define the Group's corporate governance.

2. Purpose:

The purpose of this policy is to contribute to the coordination of the Business Group in decision-making processes and achieving unity of purpose and direction, by establishing general guidelines for the selection of the Boards of Directors of GEB Companies, Investment Vehicles and Non-Controlled Companies of Grupo Energía Bogotá and the appointment of their respective members, pursuant to corporate governance policies.

3. Scope:

This policy establishes the principles and procedures for the appointment of Boards of Directors of GEB Companies, Non-Controlled Companies and Investment Vehicles.

4. Characteristics and Make-up of the Boards of Directors:

The Boards of Directors of GEB Companies, Investment Vehicles and Non-Controlled Companies shall have the characteristics and make-up defined in their respective Bylaws.

5. Rules for the Appointment of Board Members

The decision on the appointments to the Boards of Directors of GEB Companies, Non-Controlled Companies and Investment Vehicles, as the case may be, as well as on the appointment of the persons to become board members, shall be in accordance with the corporate governance policies and rules of GEB, the Business Group Agreements signed between GEB and its Affiliates, this policy and other corporate documents adopted by GEB.

5.1. General Policy

GEB's CEO will appoint the candidates to become Board members of GEB Companies and Investment Vehicles. Before formalizing the appointment to be submitted for election by a general meeting of shareholders or equivalent body, each candidate must be submitted and expressly ratified by the Board of Directors of GEB, following validation of the requirements set forth in the bylaws of each Company or Investment Vehicle.

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The CEO or the Board of Directors of GEB will appoint the candidates to become Board members of Non-Controlled Companies, pursuant to the provisions of section 5.5 (iii) of this Policy. The appointed candidates must meet the requirements defined in the bylaws of the Non-Controlled Company.

5.2. Participation by GEB employees

The majority of the persons that GEB is entitled to appoint to become members of the Boards of Directors of GEB Companies and of Investment Vehicles will be GEB employees.

5.3. Participation by independent members

The list of nominees to the Boards of Directors of GEB Companies and Investment Vehicles should include at least one independent member.

The persons appointed by GEB's CEO as independent members must fulfill the following criteria: (i) the requirements or criteria of independence established in the legislation of the respective country and in the bylaws of each GEB company; (ii) the requirements for a person to qualify as an independent member of the Board of Directors of GEB; and (iii) at least one of the nominees on the list must be from the country of domicile of the respective company.

Those appointed and elected as independent members must meet the requirements for such status throughout the term during which they are members of the respective Board of Directors.

5.4. Participation by other external members

GEB may also appoint external members, even if they do not qualify as independent members, in cases when it is considered that the person's profile, experience and education can contribute to the strategic development of the GEB Companies or to GEB relations.

5.5. No participation by members of the Board of Directors of GEB in the Boards of Directors of the Companies

(i) Given its status as a holding company that is the parent company of a Business Group, GEB has the role of manager and administrator of GEB Companies and Investment Vehicles, and of manager of the investments in the Non-Controlled Companies, in performance of which it must ensure unity of purpose and direction in execution of the strategy and management.

(ii) Given such status, the participation by members of the Board of Directors of GEB in the boards or management bodies of GEB Companies and Investment Vehicles may represent a conflict of interests, given the incompatibility of functions and interests between the obligations of GEB Board members and those of their roles as members of the Board of Directors of a Company, as well as in terms of the instructions they must receive from GEB's CEO, who in turn reports to the Board of Directors of GEB.

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(iii) Based on the above considerations, GEB Board members should not be appointed to be elected as Board members of GEB Companies and Investment Vehicles. In the case of Non-Controlled Companies, the Board members may be appointed either by GEB's CEO or by the Board of Directors of GEB, including the possibility of appointing GEB Board members, primarily in exceptional situations arising from ongoing issues or strategic matters. In such cases, the actions of the Board members must be aligned with the strategy to be implemented and the management, direction and control policies defined by GEB.

5.6. Experience and Qualifications Criteria

The Boards of Directors of GEB Companies, Investment Vehicles and those who represent GEB in the Boards of Directors of Non-Controlled Companies, must be persons with the highest professional and personal qualifications, which shall be determined based on the relevant provisions of the Policy on Appointment, Succession and Remuneration of the Board of Directors of GEB, the bylaws of each Company, and the following general criteria: (i) experience in the fields of finance, law, similar fields or activities related to the public services industry and/or of the activities performed by the Companies; and (ii) a suitable profile, including track record, prestige, availability, leadership, good name and recognition for his/her professional qualifications and integrity.

5.7. Other Criteria

The following may be additional criteria for the appointments to the Boards of Directors: (i) the results of annual performance evaluations of the Boards of Directors, (ii) the percentage of called meetings attended, and (iii) a matrix of competencies for each Board of Directors.

5.8. Chairperson of the Boards of Directors

GEB's intention is that the Boards of Directors of GEB Companies should be chaired by GEB's CEO and/or the Vice President of the respective SBG.

6. Procedure for selecting and appointing Board members - GEB's CEO:

Identification and selection of candidates to be appointed as members of the Boards of Directors of GEB Companies, and if required, identification and selection of candidates to be appointed to the Investment Vehicles.

CEO and Board of Directors of GEB

Identification and selection of candidates to be included in the lists that GEB is entitled to appoint at Non-Controlled Companies.

Corporate Affairs Department:

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- a) Review fulfillment of the requirements stated in the Bylaws of each company, as well as review the requirements set out in the respective rules of the Board of Directors.
- b) Coordinate with the Compliance Department the review in OFAC lists, other mandatory lists and criminal and disciplinary background checks.
- c) Interview with the candidate focusing on the following matters:
 - Potential conflicts of interest, disabilities and incompatibilities
 - Time availability
 - Explanation of the Business Group intervention model
 - Acceptability of the remuneration to be received as Board member
 - Rating of the member in terms of skills and qualifications to become a member of the different committees
 - Review of personal skills and qualifications to act as a Board member
 - Prepare the respective report
 - Report to GEB's CEO on fulfillment of the requirements, results of the reviews in applicable lists, conflicts of interest and requirements.

GEB's CEO:

Based on the report submitted by the Corporate Affairs Department and subject to fulfillment of all requirements and procedures, GEB's CEO will appoint the candidates to become Board members of GEB Companies and Investment Vehicles, and will submit their appointment to ratification by the Board of Directors of GEB, as a minimum 30 calendar days before the date of the general meeting at which the corresponding election is to be made, to enable the Board of Directors to study the CEO's proposal.

Board of Directors of GEB:

The Board of Directors of GEB has the power to ratify the candidates appointed by the CEO to become members of the Boards of Directors of GEB Companies and Investment Vehicles.

In the event the Board of Directors of GEB does not ratify any of the candidates appointed by the CEO, with substantiated justification, the CEO must replace them, and following fulfillment of the procedures and requirements, must submit new candidates to the Board of Directors of GEB.

Once the appointed candidates are ratified by the Board of Directors of GEB, they may be submitted

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for election by the respective general meeting of shareholders or equivalent governance body, pursuant to the bylaw provisions of each Company or Investment Vehicle, subject to fulfillment of the requirements and procedures set out in their respective corporate governance instruments.

In the case of Non-Controlled Companies, once the decision is approved on the candidates to be postulated as candidates to the Boards of Directors, GEB's CEO will submit them for election at the general meeting of shareholders or equivalent governance body.

7 Vacancies and reelection

As a general rule, in the event of resignations or vacancies of members of the Board of Directors of GEB Companies, Investment Vehicles and Non-Controlled Companies, GEB's CEO will request a call to an Extraordinary General Meeting of Shareholders to perform a new election, and the same procedure for submission and ratification shall apply.

In the event of reelection of the Board members of GEB Companies, Investment Vehicles and Non-Controlled Companies, the Corporate Affairs Department must additionally review:

- a) The results of the self-assessment of the Board of Directors in the previous period.
- b) That average attendance to Board meetings was equal to or greater than 80% of all called meetings.
- c) That the member of the Board continues to fulfill the requirements and qualifications for his/her election.