

Assessment

# Report

Board of Directors

January 30, 2020



Grupo **Energía** Bogotá





## On the methodology used for the assessment of the Board of Directors

### Sources used for the assessment

Self-assessment surveys filled out by **11 Board members**.



Assessment surveys filled out by **5 Senior Management members**.

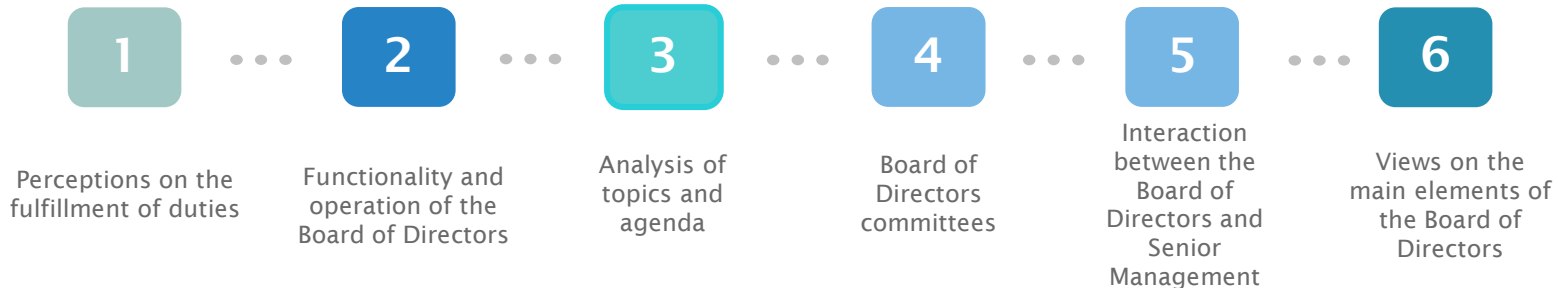


**Textual comments** by Board and Senior Management members.



Public information available on the **web page**.

### Components assessed





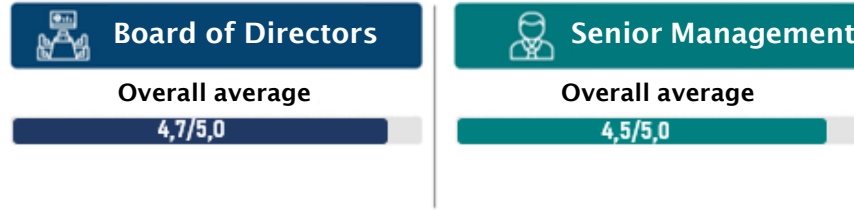
## Main considerations

- **The Board of Directors has achieved an adequate focus on the material topics of GEB**, which has led to a **positive perception of its contribution to the creation of value and the preservation of the long-term institutional vision of GEB**.
- **It is a collegiate body that has managed to consolidate good teamwork dynamics**, featuring a high level of professionalism, confidence to carry out discussions and open and articulated communications between its members and Senior Management.
- **Regarding the approach and the agenda, there are asymmetric views between the Board of Directors and Senior Management**. The latter believe that there are opportunities to improve both the quality of the agenda and the time devoted to each topic as regards its importance.
- **The results of the Board of Directors indicate that a challenge will be to continue to mature the operating model with the committees** (levels of delegation by the Board of Directors and their role in terms of interaction with Senior Management).
- **The interaction of the Board with Senior Management, and the latter's participation on Board meetings was assessed positively in terms of the collegiate body's contribution to achieving results**.





## Overall score



## Topics with lowest scores

The Board has achieved an adequate balance in terms of age ranges, professions, seniority and gender.

**4,2**

**4,0**

Meeting dynamics

Contributions of the Audit and Risk Committee

## Topics deemed to require more time on the agenda

Stakeholder relations

**3/9**

**3/5**

Innovation and growth opportunities

Regulation

## Committees with highest and lowest scores

**5,0** Audit and Risk Committee and Corporate Governance Committee

Financial and Investment Committee **4,8**

**4,9** Compensation Committee and Financial and Investment Committee

Audit and Risk Committee **4,0**



## On fulfillment of duties

4.6

**Value contribution** The decision-making processes of the Board of Directors focus on material aspects that add value to the Company and the Group.

4.4

4.9

**Teamwork** The Board members have managed to create an environment of trust during the meetings facilitating open communications for discussions, which fosters an effective process of direction and management at GEB.

4.4

4.8

**Strategic approach** The strategic and material topics reviewed by the Board of Directors are addressed with sufficient depth and produce clear guidelines that provide orientation to Management.

4.8

*"I believe significant progress has been made in recent years."*



4.8

**Risk approach** The approach of the Board of Directors takes into consideration the effective management of current and emerging risks, in terms of their identification, mitigation and monitoring.

4.4

*"I believe the Board of Directors has displayed positive performance and has achieved an effective balance between relevant discussions and decision-making on the important topics for GEB."*



*"Over the last 4 years, Management has witnessed the evolution and increasing maturity of the Board of Directors as a team and of its individual members."*



Board members



Senior Management members





## On the functionality and operation of the Board of Directors

4.6

**Balance of the agenda** The meeting dynamics foster an adequate balance for covering the material and strategic topics of the Company, and the matters related to exercising the functions and duties of the Board of Directors.

4.0

4.7

**Work with Management to pose topics for discussion** Board members have sufficient confidence to propose topics that are relevant for GEB and are not included in the ordinary process of the Board of Directors.

4.7

**Quality of the agenda** The agendas for Board meetings are of high quality and adequately conceived to enable the Board of Directors to make meaningful contributions.

4.4

4.7

**Quality of the discussions** The quality of the discussions and the decision-making process of the Board of Directors are adequate.

*"Meeting dynamics have evolved, and the meetings have become more productive and effective."*



*"Further elaboration on topics on the agenda and the organization of the committees. This is a critical aspect for the Board's good performance."*



	Board of Directors	Senior Management
Strategic	●●●●●●●●●●	●●●●●●●●●●
Operation	●●●●●●●●●●	●●●●●●●●●●
Financial	●●●●●●●●●●	●●●●●●●●●●
Audit and Control	●●●●●●●●●●	●●●●●●●●●●
Corporate Governance, Compensation and Human Resources Management	●●●●●●●●●●	●●●●●●●●●●
Business and Investment Management	●●●●●●●●●●	●●●●●●●●●●

Board members

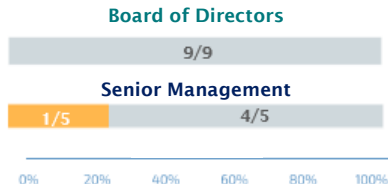
Senior Management members

● High ● Medium ● Low

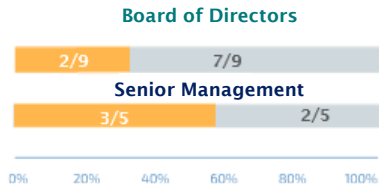


## Analysis of topics and agenda

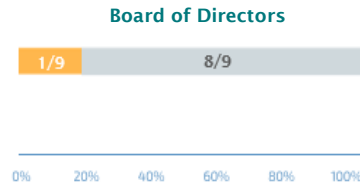
Development and progress of strategic projects



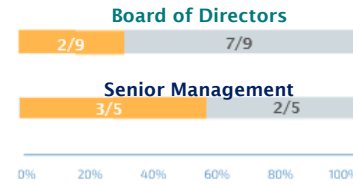
Innovation, growth opportunities and organizational development



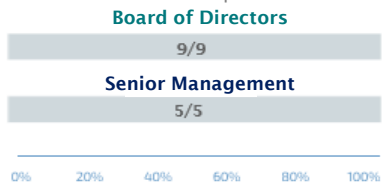
Policies to develop, retain and motivate Senior Management



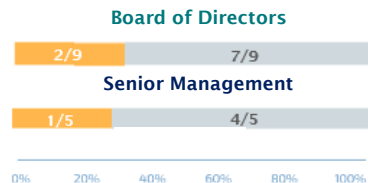
Regulation



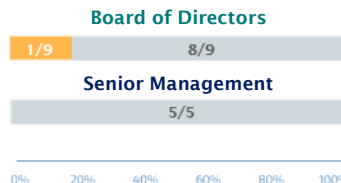
Financial perspective and achievement of corporate results



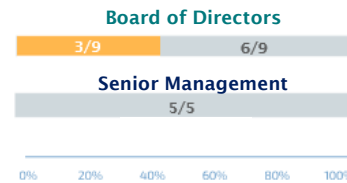
Monitor the financial, operating and strategic risks faced by GEB



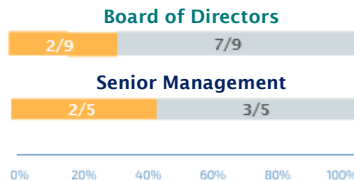
Legal, regulatory and compliance matters, as well as corporate governance



Stakeholder relations



Tax contingencies



■ ADEQUATE level of time and depth of discussion on the topic  
■ INSUFFICIENT time or depth considering the importance of the topic  
■ EXCESSIVE amount of time or depth considering the importance of the topic



## Roles of the Board of Directors

### Chairperson of the Board of Directors

4.9

**Leadership by chairperson** The chairperson of the Board of Directors provides effective leadership to the collegiate body.

4.9

**Moderator** The chairperson of the Board of Directors adequately moderates the meetings, to ensure that enough time is devoted to reviewing and discussing the topics and facilitates making specific decisions that provide orientation to Senior Management.

### Secretary of the Board of Directors

4.8

**Legal support** The Secretary of the Board of Directors effectively oversees compliance with regulations, good practices and internal rules that the Board of Directors is responsible for.

5.0

**Support for the Board of Directors in fulfilling its duties** The Secretary adequately fulfills the duty of ensuring compliance with the obligations of the Board of Directors.







## On the Board of Directors committees

4.9

**Overall contributions by the committees** The committees are considered an effective mechanism that facilitates and expedites decision-making by the Board of Directors.

4.4

**Coordination between the committees and the Board of Directors** The level of coordination and trust between the Board of Directors and the committees is adequate (the discussions are not duplicated) and internal clarity exists on the framework of action and the objectives of the committees.

4.4

*"A critical decision is the distribution of topics between the committees and the time devoted to each topic."*



Board of Directors

5.0

Corporate Governance Committee

5.0

Audit and Risk Committee

4.9

Compensation Committee

4.9

Financial and Investment Committee

Senior Management

4.2

4.0

4.2

4.8

The **89%** of Board members believe the current number of committees and the topics assigned to them are sufficient and adequate.

**All** Senior Management members believe the current number of committees and the topics assigned to them are sufficient and adequate.





## On the interaction between the Board of Directors and Senior Management

4.9

**Fulfillment of objectives** The objective and future plans established for the CEO have been developed and performed in a manner that satisfies the expectations of the Board of Directors.

4.9

**Participation by Senior Management in the meetings** The participation and contributions of Management in the dynamics of Board and/or Committee meetings contribute to making better decisions.

4.8

**Teamwork** The Board of Directors and Senior Management have the capacity to work as a team and have achieved a sufficient level of trust, which contributes to management decision-making.

4.6

*"An appropriate relationship between the Board and Management is framed by the quality of the corporate governance structure in place at GEB."*



*"There is a growing level of trust, to work in a respectful and harmonious manner."*



*"I believe sometimes not all Board members have the same level of knowledge of the information provided by Senior Management."*





## Views on the main elements of the Board of Directors

### Main lessons learned

*"The importance of discussing critical aspects considering the members' different professional experiences."*



*"The importance of identifying the critical topics and working on them in an orderly and methodological manner. In recent years, the main focus has been on strategy and corporate governance, which were identified as critical topics."*



*"The work on corporate governance has been very important to ensure that the decisions are aimed at the Group's profitability and citizen satisfaction with the services."*



*"The importance of efficient corporate governance for a Company that operates primarily as a holding company, and the need to act in a collegiate manner to defend its interests in controlled and non-controlled affiliates."*





## Views on the main elements of the Board of Directors

### Main contribution of the Board of Directors

*“Analysis of the different risks faced by the Company and making available all the professional experience of each member.”*



*“Clarity on the strategic focus and support for professional management of the Group.”*



*“Validation / development of strategy; decision-making criteria; adopting and maintaining best business practices in different aspects, including business, administrative and corporate governance.”*



*“Clear guidelines for Management and support in developing the corporate strategy.”*





## Views on the main elements of the Board of Directors

### Greatest challenges of the Board of Directors and opportunities for improvement

*"Maintaining the adjustments made to corporate governance; ensuring decisions aimed at the growth and stability of GEB and incorporate the challenges of the industry in an important regulatory transition."*



*"Market analysis and application of new technologies related to non-conventional renewable energy sources."*



*"Meetings prior to the sessions with the Chairperson of the Board of Directors were an important element that in 2019 made a difference in terms of the preparation and development of the meetings, because they enabled greater effectiveness, efficiency and coordination. And an aspect to continue improving upon is the preparation in advance of the meeting agendas by those responsible for presenting the different topics."*



*"The greatest challenge for the Board in the next years is to maintain its entrepreneurial spirit and independence."*



*"The committees are very important for the Board's operation. For this reason, the agendas of the committees, their chairpersons (dedication) and committed participation by Board members are indispensable. It has also been very useful to invite all Board members to Committee meetings at which an important matter is to be discussed, which facilitates its subsequent discussion within the Board."*



*"Better understanding of the results of each Group company."*





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