

Rules of the Audit and Risk Committee



Grupo Energía Bogotá



INTERNAL RULES OF THE AUDIT AND RISK COMMITTEE OF THE BOARD OF DIRECTORS OF GEB S.A. E.S.P.

Article 1.- Purpose of the Audit and Risk Committee

The purpose of the Audit and Risk Committee of the Board of Directors (hereinafter the “Committee”) is to ensure that Management complies with the established accounting procedures, to review the recommendations of the Statutory Auditor regarding the financial statements, to review the Control Architecture of the Company and the member companies of Grupo Energía Bogotá. It also oversees and assesses the Company’s Internal Control System, including risk analysis, to recommend and issue opinions to the Board of Directors, and also performs other duties assigned by law, the By-Laws and these Rules.

Additionally, the Audit and Risk Committee supervises fulfillment of the internal auditing program, which must take into consideration the business’s risks and fully evaluate all GEB areas. It also ensures that financial information is prepared, presented and disclosed in accordance with legal requirements.

Article 2.- Scope

These rules shall apply and are mandatory for all Committee members.

Article 3.- Committee Members

The Committee will be made up of at least four (4) members of the Board of Directors, including all independent members. At least one member must be an expert on financial matters.

The President of the Company shall attend with speaking but no voting rights.

Article 4.- Appointment and Term

The Committee members shall be appointed by the Board of Directors to remain in office over the same term as they serve as members of the Board of Directors of the Company, and they may be removed at any time.

Article 5.- Chairman

The Committee shall be presided by an independent member of the Board of Directors.

The Committee shall elect one of its members as Chairman, who will represent them before the Board of Directors and will preside the meetings, both ordinary and extraordinary, for a one (1) year period, and he/she may be reelected for an equal term.

Article 6.- Duties of the Chairman

The following are the duties of the Chairman of the Committee:

- (i) Preside over the meetings and moderate debates.
- (ii) Oversee fulfillment of the commitments acquired by the Committee.
- (iii) Comply with and ensure compliance with these rules.
- (iv) Address inquiries and resolve doubts in connection with application of these rules.
- (v) Submit and communicate the Committee's reports and recommendations to the Board.
- (vi) Attend general meetings of shareholders to answer any inquiries by shareholders.
- (vii) Make a statement before the General Meeting of Shareholders regarding any reservations, unfavorable opinions and/or paragraphs of emphasis in the Statutory Auditor's report and issue a statement on its content and scope. If in agreement with such opinion, recommend actions to resolve the situation or, otherwise, evaluate and justify the reasons for disagreement.

(viii) Others as assigned by the Board of Directors.

Article 7.- Secretary

The Audit and Risk Committee shall also have a Secretary, who shall be the Secretary of the Board of Directors. The Committee may assign a different person as Secretary for certain sessions, at its convenience.

The following are the duties of the Secretary:

(i) Call meetings.

(ii) Duly provide the information to the members of the Committee, at least five (5) calendar days in advance from the session.

(iii) Conserve documentation and duly reflect the sessions' development in the minutes.

(iv) Ensure the formal and material legality of the acts of the Committee and ensure that its governance rules and procedures are respected and regularly reviewed.

(v) Prepare the minutes of Committee meetings.

(vi) Follow up on the commitments acquired during Committee meetings.

Article 8.- Persons Invited to Committee Meetings

The Group's General Auditor shall attend the Committee with speaking but no voting rights, and shall be responsible for organizing all activities and tasks carried out by the Committee, in coordination with the Secretary.

The Group's Compliance Officer, the Risk and Insurance Manager and the Statutory Auditor of the Company shall attend the meetings with speaking but no voting rights.

Likewise, the members of the Board of Directors may attend as guests or participants, as well as Company employees and independent advisors to whom the Committee has

assigned specific activities, to provide their respective reports and the clarifications the Committee considers necessary.

Article 9.- Duties of the Committee

The Committee shall have the following duties:

1. Establish its own rules.
2. Review and approve the internal auditing Annual Work Plan and activities report, which must take into consideration the business's risks and fully evaluate all Company areas, and the priorities to be assigned to the most significant risks.
3. Ensure that the financial information is prepared, presented and disclosed in accordance with legal requirements.
4. Review the end-of-year financial statements before submitting them to the consideration of the Board of Directors and the General Shareholders Assembly.
5. Review the financial information control and disclosure procedures and ensure that it is adequately presented, as submitted by Management or the General Auditor.
6. Review any significant shortcomings that may arise in the design and operation of internal controls that prevent the Company from recording, processing, summarizing and adequately presenting the financial information, as reported by Management, the General Auditor or the statutory auditor.
7. Review any cases of fraud that may have affected the quality of the financial information, as reported by Management, the General Auditor or third parties who use the appropriate channels to this end.
8. Review changes in the methodology for evaluating financial information, as submitted by Management.
9. Recommend auditing and Internal Control procedures and any required amendments or replacements.

- 10.** Recommend policies related to preventing and controlling asset laundering and terrorism financing, and review the semi-annual report submitted by the Compliance Officer on this matter.
- 11.** Review, prior to submitting them to the Board, proposals for the selection of the Statutory Auditor submitted by Management, prior to submitting a proposal for approval by the General Shareholders Assembly.
- 12.** Act as liaison between the Board of Directors and the Statutory Auditor and report any situations that may limit the auditor's access to information and put its independence at risk during performance of the financial audit, as well as evaluate the quality and effectiveness of its services.
- 13.** Oversee and ensure that accounting and financial procedures are in line with the policies recommended by Management and the Board of Directors.
- 14.** Submit to the Board of Directors the risk matrix of the Company and its subsidiaries.
- 15.** Oversee and periodically report to the Board of Directors on the affective application of the risk matrix at the Company and its subsidiaries, to ensure that the main financial and non-financial risks, both on- and off-balance sheet, are identified, managed and adequately communicated to the Board.
- 16.** Evaluate and report to the Board of Directors of the Company any potential conflicts of interest that may arise between the Company and its subsidiaries or between the subsidiaries, or with their Managers and related parties, and recommend actions to be taken to manage and handle them.
- 17.** Propose to the Board of Directors the structure, procedures and methodologies required for the operation of the Internal Control System of GEB S.A. ESP and the member companies of Grupo Energía Bogotá, and monitor its implementation in order to determine whether the designed procedures reasonably protect the assets and interests of the Company and the Group.
- 18.** Approve the Internal Auditing Statute.
- 19.** Consider and review jointly with Management, the Statutory Auditor and the General

Auditor of the Group, the following:

- a. Significant findings of the period, including the status of the recommendations made during the previous audit.
 - b. Any difficulties or restrictions found during performance of auditing work, including limits to the scope of the activities or access to the required information.
- 20.** Periodically monitor compliance with the Code of Ethics and the effectiveness of the system of anonymous reports received through the Ethical Channel, as well as verify the reports received, evaluating any unethical acts that were reported and the contents of the reports filed, and submit to the Board of Directors relevant recommendations.
- 21.** Ensure that Management has addressed the suggestions and recommendations made by the internal and external auditors, the Statutory Auditor and other internal and external control entities.
- 22.** During meetings of the General Shareholders Assembly, field any shareholder inquiries on matters within its area of responsibility.
- 23.** Propose to the Board of Directors the selection, appointment or removal of the General Auditor of the Group or the person performing such duties, as well as propose to the Board of Directors the appointment of the Compliance Officer
- 24.** Oversee the independence and effectiveness of the internal auditing and compliance area, receive periodic information on its activities, set performance objectives for the Compliance Officer and the General Auditor of the Group, and assess their performance and ensure that Senior Management takes into consideration the conclusions and recommendations of their reports.
- 25.** Prior to their authorization by the Board of Directors, examine and report on the transactions performed directly or indirectly by the Company with members of the Board of Directors, Shareholders, Controlling and Significant Parties, and members of Senior Management.
- 26.** Review the Statutory Auditor's report. In the event it contains reservations, unfavorable opinions and/or paragraphs of emphasis, issue a statement on its content and scope. If in agreement with such opinion, recommend actions to resolve the situation or, otherwise,

evaluate and justify the reasons for disagreement, which must be included in the Management Report to be presented before the General Meeting of Shareholders and published on the Company's website www.grupoenergiabogota.com.

27. Submit a report on the work carried out by the Corporate Audit and Risk Committee to the Board of Directors at the end of the fiscal year, so it, in turn, may submit it to be approved by the General Meeting of Shareholders. It must include but not be limited to a report on Grupo Energía Bogotá S.A. E.S.P.'s risk management systems.

28. Approve the Committee's Annual Work Plan, based on the assigned functions, and define the annual meetings' schedule.

29. Review and recommend to the Board of Directors the approval of the operations the Company plans to carry out with its related parties in accordance with that established in GEB's Policy on Transactions with Related Parties, to this effect, it must verify its nature, quantity and conditions and that they are performed on an arm's length basis and that they do not breach the right of equal treatment to all shareholders.

30. Others assigned to it by law and the Board of Directors.

First Paragraph: Notwithstanding the above, the Board of Directors may decide on and review the topics described in this Article without having been previously reviewed by the Committee, with the exception of the duties of the Audit Committee described in Law 964/2005 or any law the replaces, amends or repeals it.

Second Paragraph: While performing the Board of Directors' assessment and self-assessment annual process, a compliance assessment will be carried out regarding the committee's functions and its management, which results will be included in the report submitted to the General Meeting of Shareholders.

Article 10.- Committee Meetings

The Committee shall hold ordinary meetings each quarter, and may hold extraordinary meetings as many times as required at the request of Management, or of Committee members, at the Company's headquarters.

Paragraph: The Audit and Risk Committee may hold non-face-to-face meetings in the



same terms as established for the Board of Directors.

Article 11.- Calls to Committee Meetings

The same rules that apply to calls to Board meetings shall apply to calls to Committee meetings.

The above paragraph shall not apply in the case of calls to Committee meetings at the request of the Chairman to review reports filed through the Ethical Channel.

Article 12.- Quorum for Deliberation and Decision-making

The Committee shall validly deliberate and decide with the presence of at least two (2) of its members.

Article 13.- Minutes

The Committee Secretary will record the minutes of the session, which will describe the matters discussed and the adopted decisions. Access to it will be provided to all members of the Board of Directors.

First Paragraph.- The minutes of Committee meetings shall be prepared based on what is prescribed by the bylaws, the Rules of the Board of Directors and other applicable rules.

Second Paragraph.- The documents reviewed by the Committee and that form the basis for its decisions shall be attached to the minutes and shall be incorporated therein by reference. Said attachments shall be adequately identified and numbered and shall be preserved using adequate measures of conservation and custody.

Article 14.- Compensation of Committee Members

Committee members will receive the fees indicated in paragraph 2 of article 59 of the Corporate Bylaws and the Board of Directors' Appointment, Succession and Compensation

Policy or the regulations that modify, add to or repeal them.

Article 15.- Retaining Independent Consultants

In order to fulfill its duties, the Committee may request Management to engage independent specialists for specific cases, when deemed convenient to do so, in accordance with the Company's Contracting Manual.

Article 16.- Effective Date

These Rules shall become effective as of the date of their approval by the Audit and Risk Committee or the Board of Directors.

Article 17.- Provisional Article

The amendment made to article 3 of these Rules related to the number of members of the Audit and Risk Committee shall apply once the Board of Directors has been restructured by the 2019 ordinary General Meeting of Shareholders, in accordance with provisional article 105 of the Corporate Bylaws.