



# Rules of the Compensation Committee



GrupoEnergíaBogotá

## INTERNAL RULES OF GRUPO ENERGÍA BOGOTÁ S.A. E.S.P. BOARD OF DIRECTORS' COMPENSATION COMMITTEE

### Article 1.- Purpose of the Compensation Committee

The purpose of the Board's Compensation Committee (hereinafter the "Committee") is to review and discuss all matters related to employee compensation, such as fixed and variable compensation, incentives and benefits, employer-employee relations and industrial relations, in order to provide specialized advice on such matters to the Board of Directors, as well as to support the Board of Directors in its decision-making or advisory role related to the appointment and compensation of the members of the Board of Directors and Senior Management.

### Article 2.- Scope

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

### Article 3.- Committee Members

The Committee shall consist of a minimum of three (3) Board members, a majority of whom must be independent members.

The President of the Company shall attend with voice but no vote.

### Article 4.- Appointment and Term

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

### Article 5.- Chairman

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.

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

## 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) Others as assigned by the Board of Directors.

## Article 7.- Secretary

The Compensation Committee shall also have a Secretary, who shall be the Secretary of the Board of Directors.

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) Preserve the documentation, properly document the meeting proceedings 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 Human Resources Director shall attend the Committee meetings with voice but no vote, and shall be responsible for organizing all activities and tasks carried out by the Committee, in coordination with the Secretary.

Other Company employees and independent consultants may be invited as guests or participants when they have been assigned performance of specific tasks by the Committee, in order to submit their respective reports and to provide any required clarifications to the Committee.

## Article 9.- Duties of the Committee

The Committee shall have the following duties:

1. Establish its own rules.
2. Propose, review and make recommendations on personnel policies, including the Human Resources Policy, and compensation parameters.
3. Periodically review the organizational structure to ensure its suitability for internal needs and its alignment with the corporate strategy.
4. Periodically review the scope of development programs and the results achieved in human management processes.
5. Review and make recommendations on the performance management process.
6. Perform annual reviews of the organizational development process.
7. Review and make recommendations for the organizational climate management process and the well-being program.

8. Propose the Company's compensation and benefits policy. This function involves:
  - a) Assessing and recommending compensation policies, plans and programs, either fixed or variable, incentives and benefits, including performance bonuses, presented by Management to submit to the consideration of the Board of Directors.
  - b) Continuously follow up on compensation policies, plans and programs to assess their effectiveness.
  - c) Recommend, as required, amendments or substitutions of compensation policies, plans and programs.
  - d) Recommend the type, form, mechanism, amount and other terms and conditions of incentives by position level.
9. Recommend to the Board of Directors criteria, profiles and the competencies required by its members, which shall be included in the Board of Directors Appointment, Succession and Compensation Policy, which is approved by the General Meeting of Shareholders.
10. Verify compliance with the requirements and procedures of candidates to become Board members, pursuant to the Rules of the General Meeting of Shareholders and the Board's Appointment, Succession and Compensation Policy.
11. Provide support to the Chairperson of the Board to carry out an annual performance evaluation and self-evaluation of the Board of Directors and its committees, review the results of the process, and suggest ways to improve.
12. Prepare and submit to the Board of Directors the periodic and extraordinary reports it is requested.
13. Report its activities to the General Meeting of Shareholders, and address questions made by shareholders on topics within its area of responsibility.
14. Inform, when applicable, the independent assessment of the candidates to the Board members, to be proposed by the Board of Directors, or directly by the shareholders, to the General Meeting of Shareholders.

15. In the event of reelection or confirmation of Board members, submit a report containing the evaluation of the work performed by the proposed member, and his/her effective dedication to the position during the latest period.
16. Report to the Board of Directors any cases of members that could negatively affect the operation of the Board or the Company's reputation, and in particular when they have incurred in any of the causes for incompatibility, disability or legal prohibition.
17. Propose to the Board of Directors its Appointment, Succession and Compensation Policy and the Senior Management Succession Policy.
18. Propose the objective criteria according to which the Company recruits and compensates the Senior Management of GEB S.A. ESP.
19. Propose to the Board of Directors, in the framework of the Appointment, Succession and Compensation Policy of the Board of Directors approved by the General Meeting of Shareholders, the individual compensation amounts for the Board members, including the Chairman of the Board.
20. Ensure compliance with the Board's Appointment, Succession and Compensation Policy and the Senior Management Succession Policy.
21. Periodically review the compensation of the members of the Board of Directors and Senior Management and make relevant recommendations in this regard to the Board of Directors.
22. Prepare the annual report on the Board's Appointment, Succession and Compensation Policy and the Senior Management Succession Policy, once these have been adopted.
23. Approve the Committee's Annual Work Plan, based on the assigned functions, and define the annual meetings' schedule.
24. Support the Board of Directors in performing the annual assessment of the Management's performance.
25. Others assigned by law, the Corporate bylaws of GEB S.A. ESP, the Corporate Governance Code and by the Board of Directors.

**First Paragraph:** Notwithstanding the above, the Board of Directors may decide on and review the topics described above without having been previously reviewed by the Committee.

**Second Paragraph:** The review of the qualifications of candidates to the Board of Directors and fulfillment of applicable conditions must be performed before the election, under the terms set forth in the Rules of the General Meeting of Shareholders and the Board's Appointment, Succession and Compensation Policy.

**Third Paragraph:** Pursuant to Article 379 section 1 of the Commercial Code, the first, second and third paragraphs of Article 16 and Article 18 of the Rules of the General Meeting of Shareholders, in order to facilitate their legal right to appoint, shareholders must submit their candidates to the Board of Directors to verification of requirements by the Board's Compensation and Corporate Governance committees, which will report to shareholders on the candidates' fulfillment of the conditions and requirements.

**Fourth 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 twice (2 times) per year, and may hold extraordinary meetings as many times as required by Management, or Committee members, at the Company's headquarters.

Paragraph. The Compensation Committee may hold teleconference meetings as per the same terms established for said Board meetings.

## **Article 11.- Calls to Committee Meetings**

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

## **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 Secretary of the Committee shall prepare the minutes of the meetings, documenting the proceedings and decisions made, and shall make them available to all Board members.

**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 that form the basis for its decisions shall be attached to the minutes and shall be incorporated therein by reference. Such attachments shall be adequately identified and numbered and shall be preserved under adequate measures of conservation and custody.

## Article 14.- Compensation of Committee Members

Committee members shall receive the professional fees defined in paragraph 2 of Article 59 of the Corporate bylaws, and in the Board's Appointment, Succession and Compensation Policy or any rules that amend, supplement or repeal them.

## Article 15.- Recruitment of Independent Consultants

In order to fulfill its duties, the Committee may request the Company to recruit independent advisors for specific cases, when deemed convenient to do so.

## Article 16.- Effective Date

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