



INTERNAL AUDITING STATUTE

Approved by the Audit and Risk Committee
May 22, 2018



GrupoEnergíaBogotá

I. OBJECT

This Statute is aimed at establishing the purpose, authority and responsibility of the internal auditing position, so that the Internal auditing area of Grupo Energía Bogotá S.A. E.S.P., hereinafter referred to as GEB, fulfills the goals that may be set and, through their independent and objective assurance (audit) and consultation activities, adds value and contributes to the timely and proper risk prevention and compliance with the strategic goals of the Company.

To fully comply with this Statute, the following should be guaranteed:

- Independence with respect to the Audited Parties in the exercise of the function of the Internal auditing area;
- Availability of audit staff with the required competence, (knowledge, skills, attitudes and experience);
- Confidentiality of the audited information;
- Reliability of the results of the audits performed;
- Support by the top management in the implementation of the required improvement measures.

II. MISSION

The mission of GEB Internal auditing area is to assist in the improvement and protection of GEB value through the assurance and consultancy activities based on risk analyses, proposing improvements when applicable.

III. SCOPE

Provide independent and objective assurance (audit) and consultancy services, conceived to add value and improve the Company's operations.

Contribute to the fulfillment of the objectives of GEB, providing a systematic and disciplined approach so as to assess and improve efficiency and effectiveness of the risk management and control processes and corporate governance, as well as strengthening the Internal Control System of GEB.

Taking into account that all the activities, operations and processes may be submitted to an internal auditing, the scope, from the third line of defense in its independent assurance perspective, will be to determine whether the processes of risk management, control and corporate government of GEB are suitable and effective, bearing in mind that:

- The Comprehensive Risk System of GEB is applied;
- There is a proper interaction among the different management groups, as corresponds;

- The significant financial, managerial and operational information is accurate, reliable and opportune;
- Employees abide by policies, standards, principles, procedures, laws and regulations applicable to GEB;
- The resources are acquired reasonably from the financial viewpoint, are used efficiently and are properly protected;
- Programs, plans and goals of GEB are fulfilled;
- Laws or regulations affecting or that may affect GEB materially are known and properly applied;
- Policies, principles, models and methodologies in relation to the internal control function are established, accepted and complied with, taking into account the guidelines established at the GEB level.

During the development of the audits, aspects susceptible of improvement in relation to the Internal Control System are identified; the findings are reported to the people responsible for processes and, in the significant cases, to the Presidential Committee and/or the Audit and Risk Committee, as applicable.

The services provided by the Internal auditing area are classified into:

- Assurance Services, which comprise the objective assessment of evidence in order to express an independent opinion regarding the systems of corporate governance, risk management and internal control of GEB. The nature and scope of the work will be independently determined by Internal auditing and/or upon request by the Audit and Risk Committee.
- Consultancy Services, which include those activities developed at the initiative of the Administration, with the aim of providing the latter with recommendations on a specific subject. The nature and scope of work are agreed upon with the Administration. The Audit area fulfills a consultative function, without assuming responsibilities of design, implementation, supervision or approval of operations and processes.

Internal auditing is responsible for monitoring and supervising the contractors that carry out assurance and consultancy activities.

IV. FUNDAMENTAL PRINCIPLES

The effectiveness of the Internal auditing requires the fulfillment of the following fundamental principles, which should be fully adopted by the internal auditors:

1. Show integrity and act accordingly;
2. Demonstrate competence and due professional care;
3. Be objective and independent of the Audited Parties;
4. Be aligned with the strategy, objectives and risks of GEB;
5. Be properly positioned and have the adequate resources;

6. Pursue quality and desire continuous improvement;
7. Communicate effectively;
8. Provide assurance based on risks;
9. Provide exhaustive, in-depth and proactive analyses and be forward looking;
10. Promote organizational improvement

V. OFFICIALS RESPONSIBLE FOR THE INTERNAL CONTROL SYSTEM OF GEB

The responsibility of the proper functioning of the Internal Control Systems correspond to the administrators, collaborators at the managerial level, employees, shareholders, internal control entities of the companies making up the Group, as well as contractors and customers, as the case may be.

To guarantee compliance with and preserve the integrity of the Internal Control System at GEB, the Group will apply the Three Lines of Defense model, according to the standard promoted by the *European Confederation of Institutes of Internal Auditing* (ECIIA), which defines the responsibilities related to the Internal Control System as follows:

- The first line of defense consists of the owners of processes, who, as part of their functions and daily tasks, set out their own control activities to mitigate their risks and maintain an effective internal control.
- The second line of defense refers to the different compliance, supervision and monitoring functions fulfilled by the areas carrying out control activities regarding financial report, legal and regulatory compliance, quality management systems, information security, supervision and inspection, and risk management, intended to facilitate and monitor the implementation of control activities to mitigate risks. This line guarantees that the first line of defense is operating as established and proposes and implements the corresponding corrective measures.

The third line of defense corresponds to independent assurance through the internal auditing activities. This line of defense provides the corporate governance entities and the top management with reasonable assurance regarding the effectiveness of corporate governance, risk management and control in the companies of the Group, through a professional, specialized, independent and objective audit.

VI. RESPONSIBILITIES OF THE AUDITOR GENERAL

The Auditor General shall be responsible for:

1. Preparing and submitting the Annual Audit Plan to the Audit and Risk Committee for its approval, together with any change that would have to be made to the Plan, based on the Risk Management System, as well as the human, technological and financial resources required for its implementation.

Said plan will be developed on an audit priority basis, considering the assessment independently performed by the auditor to the key risks and controls identified by the Administration and the Board of Directors.

2. Reporting the Audit and Risk Committee or the President, as corresponds, the relevant or material issues related to the procedures to control the activities of GEB, including the potential improvement of said procedures and solutions, according to the action plans designed by the different areas.
3. Promptly reporting the Audit and Risk Committee and/or the President any problem or restriction arising during the audit, including limitations in relation to the scope of activities and access to the information required.
4. Regularly submitting to the Audit and Risk Committee and/or the President information on the status, result and significant matters of the Annual Audit Plan.
5. Defining, analyzing, updating and recommending, as appropriate, the policies, principles, models and methodologies related to the internal auditing activity for GEB and affiliate companies, taking a systematic approach to the audit work.
6. Resolving in the first place with the process owners any differences that may occur regarding any comment and/or finding arising from audits that have been performed but not accepted; secondly with the Presidential Committee and finally, submitting them to the Audit and Risk Committee for their analysis and resolution.
7. Presenting, at least once a year, the Audit and Risk Committee with a report on the independence enjoyed by the Internal auditing area in the Company to develop and implement their Annual Audit Plan.
8. Presenting the Audit and Risk Committee with the results of the assessment of the Quality Assurance and Improvement Program (PAMC), implemented by the Internal Auditing area at least once a year, and of the external assessments performed at least every 5 years according to the Framework for the Professional Practice of Internal Auditing.
9. Managing the internal auditing activity so that the activity, as a whole, meets the standards and Code of Ethics.
10. Reviewing and submitting the yearly update, if necessary, of this Statute and the Regulations of the Audit and Risk Committee in relation to the Internal auditing activities.
11. Assessing whether the mechanisms employed to report key risks of the business are appropriate and verifying that they are being managed by the responsible areas.

12. Providing the consultancy service upon statement and approval by the Audit and Risk Committee.
13. Monitoring the implementation of the improvement actions resulting from the works developed by the Internal auditing area and external control entities, when the applicable rules and GEB conditions so require.
14. Implementing the Annual Audit Plan of GEB, as approved by the Audit and Risk Committee.
15. Promoting the coordination of the audit activities with external auditors, statutory auditors and other assurance areas that are considered relevant.
16. Reviewing and approving the final work report before its release and defining who will receive the report and how will it be distributed.

VII. INDEPENDENCE

To maintain Independence regarding Audited Parties, Internal auditing reports administratively to GEB president and functionally to the Audit and Risk Committee, as follows:

- I. Functionally, to the Board of Directors through the Audit and Risk Committee, which:
 - Approves the Internal auditing Statute.
 - Approves the Annual Internal auditing Plan and its modifications, based on risks.
 - Receives the internal auditing budget approved by the Board of Directors and which resources the Internal auditing area counts with.
 - Appoints, selects and dismisses the Auditor General of the Group or whoever is acting.
 - Sets and assesses compliance with the performance goal of the official responsible for the Internal auditing area.
 - Receives the report and communications from the Auditor General regarding progress and results of the activities performed, and other matters that may be considered necessary.
 - Makes questions to the official responsible for the internal auditing, intended to determine whether scopes are inadequate or resources are limited.
 - Receives regular reports on the results of the internal auditing activities and, when necessary, hold private meetings with the Auditor, without the presence of the Administration of GEB.
 - Presents the Board of Directors, if relevant, with recommendations on the modifications to the Audit budget requested by the Auditor General.
- II. Administratively, to GEB president

The administrative report includes the organization administrative structure that facilitates the day-to-day operations carried out by internal auditing. The administrative report:

- Includes the accounting management of the Internal auditing area.
- Provides assistance to the internal auditing activity, positioning it within GEB at the appropriate level.
- Generates proper information flows to keep abreast regarding the activities, plans and initiatives of the company.
- Manages human resources, including the methodological frameworks set by the Company for the evaluation of the personnel and their rewards.
- Manages policies and procedures related to internal auditing, based on the Methodological Framework provided by GEB.
- Provides the assistance and methodological framework to adjust policies, procedures and instructions of Internal auditing.

Considerations on independence:

- The Auditor General or the official responsible for the Internal auditing, when invited to participate in the meetings without voting rights, will play an advisory role, without assuming responsibilities related to the design, implementation, supervision and approval. The participation of the Auditor General will neither result in his/her assuming any responsibility for the decisions made at said meetings nor disqualify him/her to perform further audit processes or to make remarks or comments on said decisions.
- The Internal auditing area will not have any direct operational responsibility or authority regarding the operations it reviews; may not develop or install systems or procedures; prepare records; or participate in other activities that are normally audited.
- The members of the audit team should report to the official responsible for the Internal auditing area any situation which may potentially affect their independence or objectivity. In the event that the official responsible for Internal auditing determines, or infers, that there is any hindrance, said official will relocate the corresponding auditor.
- In the event that the same situation occurs to the Audit responsible official, said official will report first to the Auditor General for him/her to manage the inconvenience, and secondly to the Audit and Risk Committee for them to make the proper decision, if required. If such circumstances occur to the Auditor General, he/she should promptly report the case to the Audit and Risk Committee of the Board of Directors of GEB for its resolution.
- No auditor may accept money, gifts or entertainment from an employee or "customer" or personnel related to the audit, since this may affect their objectivity and independence or create the appearance of having lost them.
- When the official responsible for the Internal auditing area assumes or expects to assume roles and/or responsibilities outside the scope of the internal auditing, said official will notify and obtain authorization from the Audit and Risk Committee. To this effect, the official responsible for the Internal auditing will report to GEB

president and the Audit and Risk Committee, the functions and responsibilities said official would assume, as well as the risks related to said functions and the scope thereof.

- The Internal auditing area may provide assurance services at sites where they have previously provide consultancy services; provided the nature of said services does not undermine, jeopardize or questions their objectivity.

VIII. AUTHORITY

The Internal auditing area has full, free and unrestricted access to any record, assets and personnel of GEB regarding any function under review.

All collaborators should assist the Internal auditing area in the fulfillment of their functions. The Auditor General or the official responsible for the internal auditing area will also have free and unrestricted access to communicate with GEB president and/or the president and members of the Audit and Risk Committee.

The Auditor General, the official responsible for the Internal auditing area and the auditors are authorized to:

- Access the information and databases that may be required and are related to the audits included in the Annual Audit Plan.
- Allocate the personnel to develop the audits, set frequencies, select subjects, determine scopes of work, and apply the techniques required to meet the audit objects.
- Request the collaboration that may be required from the personnel in the GEB areas, at which audits are performed, as well as from other specialized services internal and external to GEB.

The Auditor General, the official responsible for the Internal auditing and auditors are not authorized to:

- Perform any operational or administrative tasks for the Company.
- Commence or approve accounting transactions not related to the Internal auditing area.
- Carry out any audit from which a conflict of interest may arise.
- Lead the activities of any employee of GEB who are not part of the Internal auditing area, with the exception of those who have been properly assigned to the audit teams or to provide any kind of collaboration for the internal auditors.

IX. AUDIT STANDARDS

The internal auditing area shall, in any event, meet the International Standards for the Professional Practice of Internal Auditing, the fundamental principles of the internal auditing, the mandatory guidelines and the Code of Ethics of the Institute of Internal Auditors – IIA.

X. CODE OF ETHICS OF THE INTERNAL AUDITING AREA

Together with this Statute, the Code of Ethics of the Internal Auditing area of GEB is also adopted. The aim of the Code of Ethics is to promote an ethical culture in the practice of internal auditing in the Company. This Code neither replaces nor modifies the Code of Ethics of GEB.

According to the International Framework for the Practice of Professional Auditing, having a Code of Ethics for the Internal Auditing area is necessary and appropriate, because the area is based on the confidence in its objective assurance in relation to risk management, control and governance. The Code of Ethics of the Institute of Internal Auditors should transcend the definition of internal auditing, by the inclusion of two essential components, namely:

1. Principles relevant to the profession and practice of internal auditing.
2. Rules of conduct describing the behavior standards to be met by internal auditors. These rules are useful to interpret the principles in practical applications; their intention is to guide the ethical conduct of internal auditors.

A. Application and Compliance

This Code of Ethics shall be applied to professionals providing services of internal auditing at GEB.

The potential or alleged noncompliance with the Code of Ethics will be investigated and evaluated as per the Corporate Bylaws, the Internal Work Regulations, and other administrative regulations of the Company.

The mere fact that a particular conduct is not expressly contained in the rules of conducts does not preclude this conduct from being considered unacceptable, improper or indecent and, in consequence, the person responsible for said conduct will be submitted to a disciplinary procedure, without ignoring or violating the right to defense and due process.

B. Principles

The internal auditors of GEB, in the exercise of their functions, shall observe and take into account the following principles:

a) Integrity

Integrity of internal auditors will lay the foundations to trust their judgment.

b) Objectivity

The internal audits will exhibit the highest level of professional objectivity when gathering, evaluating and communicating information on the activity or process to be examined. The internal auditors will make a balance assessment of all the relevant

circumstances and will make their judgments without the undue influence of their own or other people's interests.

c) Confidentiality

The internal auditors will support the value and property of the information they receive and refrain from totally or partially disclosing it, unless there is a legal or professional obligation to do so.

d) Competence

The internal auditors will apply the knowledge, abilities and experience required to perform the services of internal auditing.

C. Rules of Conduct

Integrity

The internal auditors of GEB will:

- a) Perform their work with honesty, diligence and accountability.
- b) Respect the law and disclose information in accordance with the law and professional standards.
- c) Not knowingly participate in an illegal activity or be involved in actions to the detriment of the internal auditing profession of the Company.
- d) Respect and contribute with the legitimate and ethical objectives of the Company.

Objectivity

The internal auditors of GEB will:

- a) Not participate in any activity that may jeopardize their impartial evaluation. This participation includes those activities or relations that may be in conflict with the interests of the Company.
- b) Not accept anything that may compromise, or seems to compromise, their professional judgment.
- c) Disclose all material facts that come to their knowledge and that, if are not disclosed, may distort the report of the activities subject to review.

Confidentiality

The internal auditors of GEB will:

- a) Be prudent in the use and protection of the information acquired during their work.
- b) Not use the information for their own or third parties' profit or benefit, or in any manner that may be contrary to the law or undermines the legitimate and ethical objectives of the Company.

Competence

The internal auditors of GEB will:

- a) Participate only in those works, which they have enough knowledge, suitability and experience for.

- b) Provide internal auditing services in accordance with the Standards for the Professional Practice of Internal Auditing.
- c) Continuously improve their skills and the effectiveness and quality of their services.

XII. APPROVAL

This Internal Auditing Statute was:

Reviewed and approved by the Audit Committee at its meeting of December 11, 2008.

Amended by the Audit Committee at its meeting of November 15, 2011.

Amended by the Audit Committee at its meeting of July 19, 2014.

Amended by the Audit and Risk Committee at its meeting of August 18, 2016.

Amended by the Audit and Risk Committee at its meeting of May 22, 2018.