

# Bylaw Reform



General Meeting  
of Shareholders | 2024  
Ordinary Meeting

# 10



## Modification of Corporate Documents

### Rationale for the amendments

1

Essential reforms stemming from the adoption of the Comprehensive Sustainability Governance Framework.

2

Incorporation of novel roles for the Board Chairperson and bespoke remuneration.

3

Modifications to the form and updates on procedural matters (website, reference to Strategic Business Units, committee name adjustments, ballot protocol).



## Amendments to the Board and GEB Committee Regulations. Timeline for GEB approvals.

Documents	Date	Status
Board of Directors Regulations	November 2023	●
Regulations of the Support Committees.	November 2023	●
Guidelines for the Business Group	November 2023	●
Bylaw Reform	February 2024	●
Corporate Governance Code	March 2024	●
Corporate Governance Policies	June 2024	●
Subsidiary Corporate Documents.	2024	●



# Modification of Corporate Documents

## Company Bylaws

- Adjustments to the **voting procedure** for Board of Directors' nominations (ballot reference)
- Introduction of new roles for the Chairperson of the Board and specialized compensation
- Adjustment of the Board's responsibilities to mirror updates in the Governance of Sustainability Regulations
- Adjustment to the Audit and Risk Committee's composition to align with Committee Regulations and removing its duties from the Bylaws

## Regulations of the General Meeting

- Adjustments to the voting procedure for Board of Directors' nominations (ballot reference)
- Specialized compensation for the Chairperson of the Board
- Process for validating Board of Directors candidates' qualifications as revised in November (Committees)

## Policy on Appointment, Succession and Compensation of the Board of Directors

- Minimum number of women who must make up the Board of Directors
- Redefinition of “comparable companies,” excluding Strategic Business Groups mention
- Recommendation for profiles knowledgeable in innovation, digitization, and cyber trends
- Procedure for candidate qualifications validation for Board membership following November revisions (Committees)

# Bylaw Reform Proposal

## Chapter V. General Meeting of Shareholders

Justification	Original version	Adjusted
Textual Adjustment	<p><b>Article 44. Members:</b> The members of the General Meeting of Shareholders are all the shareholders registered in the shareholder registry, or their representatives or proxies, assembled in a meeting <b>with the quorum required</b> by the Bylaws and by the Law, <b>and in the conditions set forth in said provisions.</b></p>	<p><b>Article 44. Members:</b> The members of the General Meeting of Shareholders are all the shareholders registered in the shareholder registry, or their representatives or proxies, assembled in a meeting <u>with the quorum required</u> by the Bylaws and by the Law</p>

# Bylaw Reform Proposal

## Chapter V. General Meeting of Shareholders

### Justification

Update to the methods used for electing Board of Directors members.

### Original version

**Article 56. Elections and electoral quotient system:** The following rules shall apply to elections and votes of the General Meeting:

(...)

~~2. The secretary shall provide each voter a voting ticket, authorized with his/her signature, indicating the number of shares the voter represents, and the number of votes the voter will cast.~~

~~3. The tally clerks shall count the total votes cast based on the voting tickets issued in the manner indicated herein.~~

4. The electoral quotient system shall apply whenever the vote involves electing two (2) or more persons to a Board of Directors, special commission or collegiate body, to which effect the number of votes validly cast shall be divided into the positions to be elected.

### Adjusted version

**Article 56. Elections and electoral quotient system:** The following rules shall apply to elections and votes of the General Meeting:

(...)

2. The Company will employ a voting system reflecting the number of shares each shareholder or proxy represents, allowing them to vote on each proposal.

3. The secretary is responsible for verifying and reporting the total vote outcome

4. The electoral quotient system shall apply whenever the vote involves electing two (2) or more persons to the Board of Directors, special commission or collegiate body, to which effect the number of votes validly cast shall be divided into the positions to be elected.

■ Eliminated ■ Additions/amendments

# Bylaw Reform Proposal

## Chapter V. General Meeting of Shareholders

Justification	Original version	Adjusted version
<p>Differential compensation for the Chairperson of the Board due to distinct roles</p>	<p><b>Article 59. Duties of the General Meeting of Shareholders:</b></p> <p>(...)</p> <p><b>Paragraph Two:</b> The members of the Board of Directors of Grupo Energía Bogotá S.A. ESP shall receive as professional fees an amount equivalent to five (5) monthly minimum wages for their participation in each session, for a maximum of two Board sessions within the same month. The Board of Directors Committee members shall receive, for their participation in each meeting, professional fees equivalent to 75% of the current fees for meetings of the Board of Directors, with a maximum of two Committee meetings within the same month.</p>	<p><b>Article 59. Duties of the General Meeting of Shareholders:</b></p> <p>(...)</p> <p><b>Paragraph Two:</b> The members of the Board of Directors of Grupo Energía Bogotá S.A. ESP shall receive as professional fees an amount equivalent to five (5) monthly minimum wages for their participation in each session, for a maximum of two Board sessions within the same month. <u>The Chairperson of the Board shall receive fees for performing the duties assigned to such position equivalent to one (1) monthly minimum wage in addition to the fees in effect for Board meetings.</u> The Board of Directors Committee members shall receive, for their participation in each meeting, professional fees equivalent to 75% of the current fees for meetings of the Board of Directors, with a maximum of two Committee meetings within the same month.</p>

■ Eliminated ■ Additions/amendments



The General Meeting of Shareholders of Ecopetrol has established the fees for directors attending Board of Directors and/or auxiliary committee meetings... The fees were set at **six (6) current legal monthly minimum wages**.

“Under Decree 1165, dated August 12, 2009, the Mayor of Medellín, representing the community and owner of EPM, stipulated the Board of Directors members' compensation at EPM **to be three legal minimum monthly wages current in Colombia for each board and committee meeting attended.**”



“Remuneration for our Board of Directors members is a specified sum equivalent to 141 UVT (UVT 2021: COP 36,308) COP 5,119,428 per meeting attended. Acknowledging the critical role and duties of the Board Chairperson, the General Meeting of Shareholders endorsed a distinct compensation scheme (not cumulative with the former) set at a specified amount equivalent to 169 UVT (UVT 2021: COP 36,308) COP 6,136,052 per meeting attended”



# MERCER

## Included organizations in the study



### Pr Compensation Practices

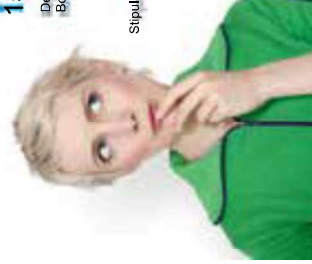
14 of 17 companies

It was reported that the Board of Directors' fees are determined by the *General Meeting*

15 of 17 companies

Details on the timing of fees payments to the Board of Directors were shared: *Junta directiva*

27% Stipulated (monthly)



5 of 17 companies disclosed the following details:

80% indicated that board members **ARE** content with their fees *80% de los directivos con las honorarias que reciben*

80% conveyed that Board of Directors' fees are **NOT** disbursed tax-free *80% de la Junta Directiva*

100% reported that **NO** differential payments are made based on the **tenure** of Board members *100% de la Junta Directiva*

100% reported that there is **NO** distinction in payments for **in-person** versus **virtual meetings** *100% de las reuniones*

6 of 17 companies

It was noted that there is **NO** variance in payments between ordinary and extraordinary meetings.

7 of 17 companies

Inquiry into whether differential payments to Board members are practiced yielded

Companies that **employ** differential payments do so based on:

- The Chairperson's **performance**
- **Executive** and non-executive members



# Bylaw Reform Proposal

## Chapter VI. Board of Directors

Justification	Original version	Adjusted version
<p>Enhancement of the Board Chairperson's duties following the Country Code's recommendations.</p>	<p><b>Article 64. Chairman and Vice Chairman</b></p> <p>(...)</p> <p>iii. Plan the operations of the Board of Directors by establishing an annual work plan.</p> <p>(...)</p> <p><del>vi.</del> Oversee the active participation of the members of the Board of Directors.</p>	<p><b>Article 64. Chairman and Vice Chairman</b></p> <p>(...)</p> <p>iii. Orchestrate the Board's operations by crafting an annual work agenda <u>rooted in assigned duties, drawing from the proposal by Management, and scheduling annual meetings accordingly.</u></p> <p>(...)</p> <p><u>vi.</u> Spearhead the <u>yearly evaluation of the Board and its Committees, excluding self-assessment.</u></p> <p>vii. Oversee the active participation of the members of the Board of Directors.</p> <p>viii. <u>Authorize the presence of Company employees or special guests at the sessions to discuss specific matters.</u></p>

■ Eliminated ■ Additions/amendments

# Bylaw Reform Proposal

## Chapter VI. Board of Directors

Justification	Original version	Adjusted version
<p>Enhancement of the Board Chairperson's duties following the Country Code's recommendations.</p>	<p><b>Article 64. Chairman and Vice Chairman</b> (...)</p>	<p><b>Article 64. Chairman and Vice Chairman</b> ix. <u>Ensure ongoing dialogue with the company's Chair to oversee the fulfillment of commitments and agreements.</u> <u>Harmonize the duties of the Board Chairperson with the Board's Regulations.</u> x. <u>Ensure that the information sent to Board members regarding the matters to be discussed at the respective meeting is sufficient and relevant.</u> xi. <u>Ensure that the proposed agenda for each meeting is aligned with the Board of Directors' Annual Work Plan, with the commitments acquired by Management and the strategic priorities defined. Provision has been made to coordinate in advance with Management and the Committee Chairs on additional subjects that might be incorporated.</u></p>

■ Eliminated ■ Additions/amendments

# Bylaw Reform Proposal

## Chapter VI. Board of Directors

Justification	Original version	Adjusted version
<p>Enhancement of the Board Chairperson's duties following the Country Code's recommendations.</p>	<p><b>Article 64. Chairman and Vice Chairman</b> (...)</p>	<p><b>Article 64. Chairman and Vice Chairman</b> xii. <u>Carry out the induction program for new Board members, and regularly update various topics of relevance to the Board of Directors, as well as the necessary training programs.</u> xiii. <u>The delegation of specific duties to other Board members and the formation of task forces to deliberate on particular topics have been endorsed.</u></p>

# Bylaw Reform Proposal

## Chapter VI. Board of Directors

### Justification

Adjustments for reflecting modifications to the Board of Directors' Regulations

### Original version

#### Article 66. Functions

(...)

5. Submit to the General Meeting of Shareholders, along with the annual financial statements, a reasoned report on the economic and financial position of the Company, with the contents required by law, by these bylaws and by the Corporate Governance Code, and a proposal for profit distribution.

(...)

### Adjusted version

#### Article 66. Functions

(...)

5. Submit to the General Meeting of Shareholders, along with the annual financial statements, a reasoned report on the economic and financial position of the Company, with the contents required by law, by these bylaws and by the Corporate Governance Code, and a proposal for profit distribution. The Board of Directors will make the comments it considers necessary with respect to qualified or unfavorable opinion and/or emphasis of matter paragraphs in the Statutory Auditor's report, which will be included in the Management Report that will be presented to the General Meeting of Shareholders.

(...)

# Bylaw Reform Proposal

## Chapter VI. Board of Directors

### Justification

Amendments have been made to reflect changes to the Rules of the Board of Directors, including the removal of Section 17 due to redundancy.

### Original version

#### Article 66. Functions

(...)

~~17. Oversee strict compliance with the bylaws and the law.~~

~~18.~~ Authorize the CEO to delegate certain responsibilities, in accordance with the Corporate bylaws.

~~19.~~ Approve in-kind contributions received by the Company in accordance with Article 19:7 of Law 142/1994.

~~20.~~ Approve personnel policies, the company's organization chart up to the third level, the parameters for remuneration proposed for the CEO and the annual budget for the Company's payroll.

~~21.~~ Perform any duties delegated to it by the General Meeting of Shareholders.

(...)

### Adjusted version

#### Article 66. Functions

(...)

17. Authorize the CEO to delegate certain responsibilities, in accordance with the Corporate bylaws.

18. Approve in-kind contributions received by the Company in accordance with Article 19:7 of Law 142/1994.

19. Approve personnel policies, the company's organization chart up to the third level, the parameters for remuneration proposed for the CEO and the annual budget for the Company's payroll.

20. Perform any duties delegated to it by the General Meeting of Shareholders.

(...)

■ Eliminated ■ Additions/amendments

# Bylaw Reform Proposal

## Chapter VI. Board of Directors

### Justification

Adjustments for reflecting modifications to the Board of Directors' Regulations

### Original version

#### Article 66. Functions

(...)

~~22.-Approve the governance model of Grupo Energía Bogotá S.A. E.S.P., the Corporate Governance Policy and specific measures on Company governance, conduct and information; and consequently, supervise the efficiency of the corporate governance practices implemented and the level of compliance of the ethical and conduct standards adopted by the Company, in order to ensure that the rights of those who invest in its shares or any other securities are protected, that their matters are adequately managed, and that their performance is publicly known, and submit to the General Meeting of Shareholders, jointly with the CEO, a report on the above matters:~~

(...)

### Adjusted version

#### Article 66. Functions

(...)

21. Approve the Company and Business Group's corporate governance structure, Corporate Governance Code, and related policies. This also involves tracking compliance and presenting the Annual Corporate Governance Report, in conjunction with the Chairperson, to the General Shareholders' Meeting.

22. Approve the Ethics Code and the Company's policies related to compliance, internal control, and audit.

(...)

# Bylaw Reform Proposal

## Chapter VI. Board of Directors

Justification	Original version	Adjusted version
Adjustments for reflecting modifications to the Board of Directors' Regulations	<p><b>Article 66. Functions</b></p> <p>(...)</p>	<p><b>Article 66. Functions</b></p> <p>(...)</p> <p><u>23. Approve the Company and Business Group's sustainability strategy, as well as policies and guidelines based on best practices, international standards, and stakeholder requirements. This includes monitoring their execution and adherence. Setting sustainability targets within Grupo Energía Bogotá's annual management objectives.</u></p> <p>(...)</p>



# Bylaw Reform Proposal

## Chapter VI. Board of Directors

Justification	Original version	Adjusted
Adjustments for reflecting modifications to the Board of Directors' Regulations	<p><b>Article 66. Functions</b></p> <p>(...)</p> <p><del>23.</del> Ensure effective compliance with the requirements established by securities market regulators.</p> <p><del>24.</del> Ensure that the rights of its shareholders and other investors are respected, in accordance with parameters set by securities market regulators.</p> <p><del>25. Approve, amend and update the Corporate Governance Code submitted by the CEO, which shall compile all the rules and systems required by current regulations, and ensure effective compliance.</del></p> <p>(...)</p>	<p><b>Article 66. Functions</b></p> <p>(...)</p> <p><u>24.</u> Ensure effective compliance with the requirements established by securities market regulators.</p> <p><u>25.</u> Ensure that the rights of its shareholders and other investors are respected, in accordance with parameters set by securities market regulators.</p> <p>(...)</p>

# Bylaw Reform Proposal

## Chapter VI. Board of Directors

### Justification

Adjustments for reflecting modifications to the Board of Directors' Regulations

### Original version

#### Article 66. Functions

(...)

42. Approve the sale, transfer or disposal, by any means, in one or several related transactions, of Company assets in ~~amounts greater than five percent (5%) and lower than fifteen percent (15%) of stock market capitalization~~, and present to the General Meeting of Shareholders, after having been approved by the Board of Directors, sales by any means, in one or several related transactions, of Company assets equivalent to more than fifteen percent (15%) of stock market capitalization.

(...)

### Adjusted version

#### Article 66. Functions

(...)

42. Approve the sale, transfer or disposal, by any means, in one or several related transactions, of the Company's assets exceeding seventy thousand (70,000) legal monthly minimum wages, and present to the General Meeting of Shareholders, after having been approved by the Board of Directors, sales by any means, in one or several related transactions, of Company assets equivalent to more than fifteen percent (15%) of the Company's market capitalization.

# Bylaw Reform Proposal

## Chapter VI. Board of Directors

Justification	Original version	Adjusted version
Adjustments for reflecting modifications to the Board of Directors' Regulations	<p><b>Article 66. Functions</b> (...)</p> <p><b>First Paragraph:</b> Notwithstanding that the Board may receive support from the Committees to perform its duties, the Board of Directors shall not delegate to management the functions listed in the following subsections of this article: 1, 2, 4, 6, 8, 9, 10, 11, 12, 22, 25, 29, 30, 31, 32, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44 and 45.</p> <p>(...)</p>	<p><b>Article 66. Functions</b> (...)</p> <p><u>46. Approve the financial operations of the Company, including options for sustainable financing when required conditions are met, and the debt restructuring proposals exceeding seventy thousand (70,000) legal minimum monthly wages, while also overseeing the debt levels of the Company and the Business Group.</u></p> <p><b>First Paragraph:</b> Notwithstanding that the Board may receive support from the Committees to perform its duties, the Board of Directors shall not delegate to management the functions listed in the following subsections of this article: 1, 2, 4, 6, 8, 9, 10, 11, 12, <u>21</u>, 22, <u>23</u>, 25, 29, 30, 31, 32, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, <u>and 46.</u></p> <p>(...)</p>

■ Eliminated ■ Additions/amendments

# Bylaw Reform Proposal

## Chapter XIV. Audit and Risk Committee

### Justification

Renaming of the Committee and revision of its makeup to reflect the amendments ratified in the Committee's Regulations.

### Original version

#### Chapter XIV. Audit Committee

**Article 90. Members:** The Company shall have an Audit Committee ~~appointed by the Board of Directors, which shall include all independent Board members.~~ The CEO of the Company shall attend meetings in the capacity of guest.

At least one of the independent members of the Board of Directors must be an expert on financial matters.

The Statutory Auditor of the Company shall attend the meetings with speaking but no voting rights.

The Chairperson of the Committee shall be an independent member, and its secretary shall be the Secretary of the Board of Directors of the ~~Company~~, who shall prepare minutes documenting the Committee's decisions, as required by law.

### Adjusted version

#### Chapter XIV. Audit and Risk Committee

**Article 90. Members:** The Company will form an Audit and Risk Committee predominantly made up of members who satisfy the Company's independence criteria. The CEO of the Company shall attend meetings in the capacity of guest.

At least one of the independent members of the Board of Directors must be an expert on financial matters.

The Statutory Auditor of the Company shall attend the meetings with speaking but no voting rights.

The Chair of this committee will be an independent member, with the role of secretary falling to the Secretary of the Board of Directors of the Company, tasked with compiling minutes that detail the Committee's resolutions, in line with statutory obligations.

# Bylaw Reform Proposal

## Chapter XIV. Audit and Risk Committee

### Justification

Textual Adjustment

### Original version

#### Chapter XIV. Audit and Risk Committee

**Article 91. Meetings:** The Audit Committee shall meet at least once every three (3) months, or as required by the ~~Company's~~ interests, upon summons of the Committee Chairman.

The decisions of the Committee shall be made by simple majority and shall be documented in minutes.

The members of this Committee shall receive professional fees for each meeting they attend, equivalent to seventy five percent (75%) of the professional fees currently in effect for meetings of the Board of Directors.

### Adjusted version

#### Chapter XIV. Audit and Risk Committee

**Article 91. Meetings:** The Audit and Risk Committee shall meet at least once every three (3) months, or as required by the Company's interests, upon summons of the Committee Chairperson.

The decisions of the Committee shall be made by simple majority and shall be documented in minutes.

The members of this Committee shall receive professional fees for each meeting they attend, equivalent to seventy five percent (75%) of the professional fees currently in effect for meetings of the Board of Directors.

# Bylaw Reform Proposal

## Chapter XIV. Audit and Risk Committee

### Justification

The proposal includes eliminating committee functions detailed in the Bylaws, centralizing them within the Committee Regulations document exclusively.

### Original version

#### Chapter XIV. Audit and Risk Committee

**Article 92. Duties:** The Audit and Risk Committee shall have the following ~~duties:~~

~~Supervise fulfillment of the internal auditing program, which must take into consideration the business's risks and fully evaluate all Company areas.~~

~~1. Ensure that the financial information is prepared, presented and disclosed in accordance with legal requirements.~~

~~2. Review the end-of-year financial statements before submitting them to the consideration of the Board of Directors and the General Meeting of Shareholders.~~

~~3. Retain independent specialists for special cases in which it deems them necessary, in accordance with the Company's Contracting Statute.~~

### Adjusted version

#### Chapter XIV. Audit and Risk Committee

**Article 92. Duties:** The Audit and Risk Committee will have the [functions established in its Regulations.](#)

# Bylaw Reform Proposal

## Chapter XIV. Audit and Risk Committee

Justification	Original version	Adjusted version
<p>The proposal includes eliminating committee functions detailed in the Bylaws, centralizing them within the Committee Regulations document exclusively.</p>	<p><del>4. Issue an opinion, by means of a written report, on planned transactions to be undertaken with the related parties, to ensure they are made on an arm's length basis and that they respect the precept of equal treatment for all shareholders.</del></p> <p><del>5. Define mechanisms to consolidate the information of the Company's governance bodies, for its presentation to the Board of Directors.</del></p> <p><del>6. Others as assigned by the Board of Directors and as established in its rules.</del></p>	