



Bogotá D.C.,

DISTRICT FINANCE DEPARTMENT 07-31-2018 04:37:19

When responding quote this NR: 2018EE141134 or page: 1 Annex:10

**ORIGEN:** Sd:805 - OFFICE OF THE DISTRICT FINANCE DEPARTMENT  
**DESTINACION:** EMPRESA DE ENERGÍA DE BOGOTÁ S.A./ASTRID ÁLVAREZ  
**SUBJECT:** REQUEST FOR PUBLICATION OF RELEVANT INFORMATION  
**OBS:** LAURA TATIANA RAMÍREZ

GRUPO ENERGÍA BOGOTÁ

0120-LEGAL AND REGULATORY VICE PRESIDENT'S OFFICE

REQUEST FOR RELEVANT INFORMATION

0120—FRONT PAGE—OOC.PAPER

07/31/2016 17:38:81

QEB-0120-09337-2016-E

Doctor  
ASTRID ÁLVAREZ HERNÁNDEZ  
CEO Grupo Energía Bogotá S.A. E.S.P.  
Carrera 9a # 73 - 44  
TIN 899.999.082-3  
City



**Ref.:** Request for publication of relevant information - Kronos Project

Dear Doctor Astrid,

BEATRIZ ELENA ARBELÁEZ MARTÍNEZ, of legal age, resident of Bogotá D.C., identified with ID No. 51.600.485 issued in Bogotá, in my capacity as District Finance Secretary, acting in the name and representation of the District Finance Department based on the powers awarded by Article 38 of Decree 216 / 2017, and during the public offer held according to the Democratization Process approved by means of Decree 706 of December 20, 2017 of the Bogotá D.C.'s Mayor's office from their shareholdings in Grupo Energía Bogotá S.A. E.S.P. - GEB ("Democratization Process"), hereby write to you in accordance with the Offer for a Shareholder Agreement dated December 20, 2017, issued by the Mayor of Bogotá D.C. (the "Offer"), in order to inform you that the shareholder agreement contained in the Offer (the "Shareholder Agreement") has come into force.

In fact, on Tuesday, July thirty-first (31) of two thousand eighteen (2018) the Capital District informed the market as relevant information by means of the Comprehensive Stock Market Information System (SIMEV, for the Spanish original), that by virtue of the end of the second stage of the Democratization Process, and in particular, the record of more than twenty-five percent (25%) of shares subject to the Democratization Process being present in the count, the Shareholder Agreement's condition precedent had been fulfilled.

Therefore, the following is requested:

1. Publish the effective date of the Shareholder Agreement as relevant GEB information on the website [www.superfinanciera.gov.co](http://www.superfinanciera.gov.co).
2. Submit the Shareholder Agreement at GEB management offices, a copy of which is issued as Annex 1 to the present communication letter.
3. In accordance with the provisions of Article VIII of the Shareholder Agreement, proceed to call the GEB General Meeting of Shareholders to an extraordinary meeting before October thirty-first (31) two thousand eighteen (2018). The agenda of this meeting shall include the following matters:
  - 3.1 Propose and approve the statutory reform in which, as necessary, the provisions of the Shareholder Agreement are included in the GEB Corporate bylaws; and
  - 3.2 Instruct GEB management so that within six (6) months of said meeting, the policies and





documents required to comply with the Shareholder Agreement are created and updated.

We thank you in advance for your time and cooperation with this request.

Sincerely,

BEATRIZ ELENA ARBELÁEZ MARTÍNEZ  
District Finance Department  
barbelaez@shd.gov.co

Annex: Authenticated copy of the Shareholder Agreement in 10 pages

Copy: Néstor Camilo Callejas Rivera- District Public Credit Director

Reviewed by:	José Alejandro Herrera Lozano - Deputy Technical Secretary	Leonardo Arturo Pazos Galindo - Legal Director
Proposed by:	Laura Tatiana Ramírez Bastidas - Advisor	Juan Carlos Segura - Advisor





SECRETARY GENERAL OF THE  
BOGOTÁ's MAYOR's OFFICE

Network No.: 2-2017-28081

Date: 12/20/2017 7:19:25 PM

Recipient: POTENTIAL INVESTORS

Copy: N/A

Annexes: 1 page

Code 1100100  
Bogotá D.C., December 20, 2017

Dear Sirs and Madams,

**Potential Investors of the Grupo Energía Bogotá S.A. E.S.P. Share Democratization Program**

City

Ref.: Offer for a Shareholder Agreement

Dear Sirs and Madams,

ENRIQUE PEÑALOSA LONDOÑO, of legal age, identified with ID No. 19.333.686 issued in Bogotá D.C., in my capacity as Bogotá D.C.'s Mayor's Office, and as registered agent of the Capital District, majority shareholder of Grupo Energía Bogotá S.A. E.S.P. (henceforth "GEB" or the "Company", previously Empresa de Energía de Bogotá S.A. E.S.P.), with shareholdings of seventy six point two seven seven percent (76.277%) and in my capacity as GEB's majority shareholder, hereby write to issue a commercial offer (the "Offer") for the signing of a shareholder agreement, to all potential investors (henceforth the "Potential Investors") of the public share offer(s) made by the Capital District for the disposal of up to twenty percent (20%) of the shareholdings in which GEB's capital is divided under the framework of the democratization process.

**CONSIDERATIONS**

**One.** That GEB is a public utility company, incorporated as a joint stock company, according to the provisions of Law 142 / 1994. Last October 6, 2017, during an extraordinary General Meeting of Shareholders, a statutory reform was approved by means of which the company name Empresa de Energía de Bogotá S.A. E.S.P. or EEB S.A. E.S.P. was changed to Grupo Energía Bogotá S.A. E.S.P. or GEB S.A. E.S.P. This amendment is duly recorded in the commercial register of the Chamber of Commerce of Bogotá.

**Two.** That the Capital District owns seven billion, three million, one hundred and sixty-one thousand, four hundred and thirty (7,003,161,430) ordinary shares in GEB, that represent seventy-six point two seven seven percent (76.277%) of the subscribed and paid in capital of GEB. All of these are registered in the National Registry of Securities and Issuers and the Bolsa de Valores de Colombia S.A.

**Three.** That by means of District Agreement 651 / 2016, the Council of Bogotá D.C. authorized the Capital District to transfer up to twenty percent (20%) of the shareholdings in which GEB's capital is divided. In other words, up to one billion, eight hundred and thirty-six million two hundred and thirty-five thousand, four hundred and three (1,836,235,403) ordinary shares belonging to them, through a share democratization program that guarantees wide publicity and free competition under the terms of Article 60 of the Political Constitution of Colombia and Law 226 / 1995. This is in order to permit a massive participation of Potential Investors.

**Four.** That by means of Decree 706 of December 20, 2017, issued by Bogotá D.C.'s Mayor's Office, and under the provisions of Law 226 / 1995, the democratization program (the "Program") was approved for the democratization of up to twenty percent (20%) of the shareholdings in which GEB's corporate capital, property of the Capital District, is divided.



**Five.** That the Program's proposals include improving GEB's corporate governance practices, including providing continuity in the decision making and professionalism of GEB's management team, procuring the maintenance of a continuous strategy and avoiding the adverse consequences of constant changes in GEB management. These allow the Company to be at the forefront and be a reference for security issuers in Colombia, as well as strengthening and consolidating GEB towards the future in the framework of their corporate strategy. As a result, and after observing the market trend, it has been identified that the signing of this document is necessary and a requirement to access the local and international capitals market in significant secondary market operations. In addition, the adoption of the bridge document is guided towards the correct implementation of significant changes in GEB's corporate governance, supported by clear and stable rules to define the relationship between different shareholders and GEB's strategic decisions, in line with international standards and the principles established by the Organization for Economic Co-operation and Development.

**Six.** That the shareholder agreement signed as a result of the acceptance of the present Offer, that the Capital District undertakes to fulfill, is one of the mechanisms to implement improvements in GEB's corporate governance that benefit their shareholders. It shall also be effective from the moment when Potential Investors accept the present Offer and the condition precedent indicated in the "Offer" section of the present document is fulfilled.

**Seven.** That in accordance with the provisions of Article 845 and subsequent articles of the Code of Commerce, this Offer, once accepted, provided that there is compliance with the conditions established herein, shall constitute a shareholder agreement that is valid and binding. This agreement must be disclosed to the public securities market in compliance with the provisions of Article 43 of Law 964 / 2005, and shall be handed over to the Company's registered agent in order to be submitted in the offices where the Company's management operates, under the terms of Article 70 of Law 222 / 1995.

That, as a result, the Capital District as a majority shareholder, freely, expressly and spontaneously produces the following:

## **OFFER**

Subject to the terms and conditions indicated in the present document, the Capital District offers Potential Investors to sign a shareholder agreement (the "Shareholder Agreement") by virtue of which the Capital District shall incur the duties described in the attached shareholder agreement form. The Shareholder Agreement shall be deemed signed provided that during the Program's development the condition precedent is fulfilled. This is consistent with the Capital District disposing of at least four hundred fifty-nine million, fifty-eight thousand, eight hundred fifty-one (459,058,851) ordinary shares equivalent to twenty-five percent (25%) of the shares under the Program, whose acceptors shall become GEB shareholders. This Offer for a Shareholder Agreement is part of the program. Therefore, the acquisition of shares by Potential Investors during the program shall be deemed as the acceptance of the present Offer, without the need to enter into or award any additional document. This Offer has a validity period equal to the duration of the Program.



The Seller shall inform the Financial Superintendence of Colombia, by means of the Comprehensive Stock Market Information System (SIMEV) as a GEB relevant information, when the condition precedent is understood as being fulfilled. This shall be when the change of property is registered in the global note. With this the limit mentioned in the previous paragraph is reached.

## SHAREHOLDER AGREEMENT

### **ARTICLE I. DEFINITIONS**

Section 1.01 When the following terms are used in the present Shareholder Agreement with the initial capital letter, they shall have the meaning given to them below:

“Minority Shareholders” means shareholders who do not have the capacity, individually or as part of a group, to appoint a Board member by their own right either directly or by means of their parent company or subsidiaries.

“Shareholder Agreement” refers to the present shareholder agreement.

“Affiliates” are the companies that control GEB, that are controlled by GEB, or that are under the common control of GEB, in accordance with the terms of Article 260 of the Code of Commerce. The Company may have particular provisions regarding operations with related parties.

“Market Capitalization” is the result of multiplying the number of ordinary GEB outstanding shares for the average value of said share on the Bolsa de Valores de Colombia S.A. in the last ten (10) stock market business days prior to the adoption of a decision by the General Meeting of Shareholders or the Board of Directors.

“District or Capital District” refers to Bogotá, Capital District.

“Relative” means any person with third degree kinship or spouse.

“GEB” refers to Grupo Energía Bogotá S.A. E.S.P.

“Offer” means the present commercial offer in order to enter into a shareholder agreement prepared by the District for Potential Investors.

“Potential Investors” refers to all potential investors in the framework of the democratization process with up to twenty percent (20%) of GEB's shareholdings.

“Program” refers to the democratization program approved by means of Decree 706 / 2017, issued by Bogotá D.C.'s Mayor's Office, and the provisions of Law 226 / 1995.

“Company” refers to Grupo Energía Bogotá S.A. E.S.P.



## **ARTICLE II.** **PROFIT DISTRIBUTION POLICY**

Section 2.01 In order to guarantee that, with prior compliance with the obligations indicated in the present Section, all GEB shareholders have the right to dividends (if any) during the validity of the Shareholder Agreement, in the minimum percentages indicated in Articles 155 and 454 of the Code of Commerce, the Capital District, during any General Meeting of Shareholders in which the profit distribution project is subjected to vote, shall only vote affirmatively if said project has received the prior approval of the Board of Directors and complies with the following: /

To determine the net profit to be distributed, the profit delivered by GEB shall be taken, based on the real and reliable balances of each financial period. Only the sections corresponding to the following shall be subtracted from this value: (i) Appropriations for the payment of income tax, additional taxes and any other tax applicable in accordance with the current legislation when establishing the net profit, (ii) finance the losses of previous fiscal years that affect capital (if any) according to the terms of paragraph 151 of the Code of Commerce, and (iii) establish the reserves to comply with legal and statutory requirements.

Section 2.02 A minimum percentage to be distributed shall apply to the determined balance according to Section 2.01, according to Articles 155 and 454 of the Code of Commerce (according to applicable regulations) or the regulation that amends, adds to, clarifies or derogates them. The result shall be the minimum amount to be distributed as a dividend during each period, unless the General Meeting of Shareholders approves the distribution of a lower dividend with the minimum majorities included in the Law.

Section 2.03 The resulting profit balance after having decreed the minimum dividends according to Sections 2.01 and 2.02 shall be at the General Meeting of Shareholders' disposal to establish the occasional reserves agreed, or to be distributed as dividends, in addition to the minimum dividends established in Section 2.02.

## **ARTICLE III.** **CALL FOR THE GEB GENERAL MEETING OF SHAREHOLDERS BY MINORITY SHAREHOLDERS**

Section 3.01 The Capital District undertakes to propose to the General Meeting of Shareholders and vote affirmatively for an amendment to the Corporate bylaws so that a plural number of shareholders that represents at least ten percent (10%) of the total shares subscribed in GEB, can request the Company's Board of Directors, President or statutory auditor to call extraordinary General Meetings of Shareholders. In this regard, the text that shall be submitted for the General Meeting of Shareholders' consideration to modify the second paragraph of Article 45 of the Corporate bylaws shall be the following:

"Extraordinary meetings shall be held by means of a call by the Board of Directors, the President or the statutory auditor of the Company. Additionally, any of the above bodies shall summon a General Meeting of Shareholders when a request to this effect is made by shareholders representing at least ten percent (10%) of the subscribed capital."





#### **ARTICLE IV.**

#### **GENERAL MEETING OF SHAREHOLDERS DECISIONS THAT REQUIRE SPECIAL MAJORITY**

Section 4.01 During the Company's General Meeting of Shareholders, the Capital District may vote for or against any of the decisions named below. However, it can only vote affirmatively if, including their vote, the total number of favorable votes for the respective decision is equal than or greater to seventy percent (70%) of GEB's subscribed capital:

- (a) Reforms to the Company's capital, including the issue of any type of shares (including issues for the payment of dividends in shares), as well as the issue of share-convertible securities, with the exception of the increases in capital stated in Article 19.4 of Law 142 / 1994. For the purposes of this, the price established in the respective share subscription regulations must be the results of a study carried out according to technically recognized procedures, as established in Article 41 of Law 964 / 2005 and by an independent investment bank.
- (B) The sale, by any means, with the prior approval of the Board of Directors, in one or several related transactions, of Company assets that are equal to or greater than fifteen percent (15%) of the Market Capitalization, with the exception of the transfer or contribution of assets into stand-alone trusts and other vehicles aimed at structuring the execution of projects in which control is not lost.
- (c) Statutory reforms that refer to: (i) change in the Company's main corporate purpose, understanding said corporate purpose in the terms of the first paragraph of Article 5 of the Company bylaws as: "the generation, transmission, distribution and commercialization of energy, including gas and liquid fuels of all forms. It may also acquire interests as partner or shareholder in other public utility companies, either directly or in partnership with other parties." The Company may also develop or participate, directly or indirectly, in engineering and infrastructure projects, and invest in these areas, including provision of services and related activities." (ii) early dissolution; and (iii) amendment of the aspects included in the Company bylaws as a result of the provisions of the present Shareholder Agreement.
- (d) The distribution by any means of dividends from retained earnings or reserves established in prior financial periods.

Section 4.02 Regardless of the aforementioned, if any of the decisions stated in Section 4.01(b) is submitted to vote, but the established majority referenced in Section 4.01 is not reached, the Capital District may request to call a new General Meeting of Shareholders under the terms established in the Corporate bylaws, and in said meeting such decisions can be taken with the majority stated in the bylaws. The provisions of Section 4.02 shall not be applicable to: (a) the sale, transfer or disposal by any means of controlling interests in controlled companies, and (b) the sale, transfer or disposal by any means of shareholdings in non-controlled companies, if as a result of the sale, transfer or disposal the Company loses the exercise of rights stipulated in shareholder or investor agreements.

Section 4.03 When any of the decisions described in Section 4.01 is submitted to the General Meeting of Shareholders for decision, the Capital District shall only issue its vote (affirmative or negative) once the votes issued by the other shareholders are known. These provisions shall be included in the corresponding General Meeting of Shareholders' regulations.



## **ARTICLE V.** **BOARD OF DIRECTORS**

Section 5.01 The Company's Board of Directors shall be comprised by nine (9) main members with their respective personal alternates elected by the General Meeting of Shareholders by means of the electoral quotient system, four (4) of whom, with their respective alternates, must be independents. In order for a Board member to be considered independent, in addition to comply with the requirements set forth by law, they must meet the following conditions:

- a) Not being or having been an employee or director, nor having a relative within the third degree of kinship or spouse who is or has been an employee or director, of the Company or any of its affiliates or subsidiaries, including persons who have had such status during the last three (3) years prior to their appointment.
- b) Not being or having been within the last year from the appointment an employee or director of shareholders who, directly or by agreement, conduct, guide or control the most of the voting rights or determine the composition of most management, direction or control bodies of the Company or any of its controlled, related or associated entities.
- c) Not being a shareholder who, directly or through agreement, conducts, guides or controls most voting rights of the Company or determines the composition of most of its management, direction or control bodies.
- d) Not being or having been a partner or employee, nor having a relative within the third degree of kinship or a spouse who is or has been a partner or employee over the last three (3) years prior to the appointment of associations or companies that provide advisory or counseling services to the Company or companies that belong to the same economic group as the Company, and such associations or companies receive revenues from such services equal to or greater than four thousand and seventy (4,070) legally valid monthly minimum wages or two percent (2%) of its total revenue, whichever is greater.
- e) Not being an employee or director of a foundation, association or company that receives any contributions or sponsorships from the Company.
- f) Not being or having been a manager nor having a relative within the third degree of kinship or spouse who is or has been a manager within the last three (3) years from the appointment of a company in which the Company's President or any of its Board members form part of the Board of Directors, except when the Board member is as an independent member.
- g) Not depend exclusively on the revenues received as professional fees as member of the Company's Board of Directors.
- h) Not receiving or having received from the Company, nor having a Relative within the third degree of kinship or spouse who receives or has received from the Company, for twelve (12) continuous months over the last three (3) years from the appointment, any compensation other than professional fees as Board member, member of the audit committee or any other committee created by the Board of Directors.
- i) Not being or having been a partner or employee nor having a relative within the third degree of kinship or spouse who is or has been a partner or employee over the last three (3) years from the appointment, of the firm appointed as statutory auditor of the Company.





5.02 The chairperson of the Board must be an independent member, to be elected by at least three (3) independent members and one (1) member appointed by the Capital District from among those attending the meeting. Independent members shall be understood as any Board member who complies with the requirements of Article 44 of Law 964 / 2005 and Section 5.01 of this Shareholder Agreement.

Section 5.03 The Board of Directors shall be made up of people who meet the highest professional and personal qualities defined in the Policy on Appointment and Succession of the Board of Directors. To be elected, the General Meeting of Shareholders shall consider the criteria defined Policy on Appointment and Succession which include, amongst others: (i) experience in finance, law and similar fields, and/or in activities related to the public utilities sector, and/or in the businesses in which the Company is involved, and (b) the candidates' profiles, including their background, recognition, prestige, availability, leadership and good name in connection with their professional qualifications and integrity. Candidates' suitability and compliance with applicable requirements must be assessed prior to their election by the GEB Board of Directors' Compensation Committee, under the terms indicated in the General Meeting of Shareholders' regulation.

Section 5.04 In any event it is necessary to appoint a board member, the Capital District shall submit a single list to the General Meeting of Shareholders' consideration, in order to choose all Board members. This includes four candidates for seats 6, 7, 8 and 9, along with their respective deputies who comply with the independence criteria according to law and Section 5.01. Among the independent candidates, the ten (10) minority shareholders with largest shareholdings in GEB shall appoint by mutual agreement a member for seat 6. Should said Minority Shareholders not reach any agreement regarding the disclosure of Board member candidates before reaching the maturity date of the term established in GEB's General Meeting of Shareholders' regulations and before holding the meeting where the election would take place, seat 6 shall be appointed by mutual agreement by the four (4) Minority Shareholders with the largest shareholdings in GEB. Should said Minority Shareholders not reach any agreement regarding the disclosure of Board member candidates before reaching the maturity date of the term established in GEB's Rules of the General Meeting of Shareholders and before holding the meeting where the election would take place, the Capital District will be free to propose candidates for seat 6 who, in all cases, shall comply with the independence criteria stipulated by law and Section 5.01.

The provisions included in the present Section shall be expressly included in the Rules of the General Meeting of Shareholders.

Section 5.05 In the event the General Meeting of Shareholders during which the appointments must be made, any shareholder submits for the meeting's consideration an additional list to that proposed by the Capital District, in the application of the provisions of Article 1 of Decree 3923 / 2006 (or the regulation that replaces it), the Capital District shall reiterate the sole list and shall submit two (2) different lists to the General Meeting of Shareholders' consideration, one for the election of independent members, and another for the election of remaining members. In this case, the seat proposed by common agreement by the ten (10) Minority Shareholders or by the four (4) Minority Shareholders, as applicable following the procedure of Section 5.04, shall be included in seat 3 of the Capital District's list of independent candidates. Should said Minority Shareholders not reach an agreement prior to the assembly in which the respective election would take place, the Capital District shall be free to propose seat 39 from the independent candidates' list. This must, in all cases, comply with the independence criteria established by law and Section 5.01.

The provisions included in the present Section shall be expressly included in the Rules of the General Meeting of Shareholders.



Section 5.06 The Capital District, according to its shareholdings in GEB, shall propose to the General Meeting of Shareholders and vote in favor of a statutory reform so that the decisions listed below are deliberated between the GEB Board of Directors and at least seven (7) members and make decisions through favorable votes from at least six (6) of the attending members:

- a) Notwithstanding the Board of Directors' statutory powers included in Article 66, Section 35 of the Corporate bylaws, the sale, transfer or disposal of any title, in one or several related transactions, of the Company's assets, whose amount is greater than five percent (5%) and lower than fifteen percent (15%) of Market Capitalization with the exception of the transfer or contribution of assets into stand-alone trusts and other vehicles aimed at structuring the execution of projects in which control is not lost.
- b) Entering into operations with Affiliates that exceed the amount established in the Board of Directors' internal regulations.
- c) Proposals for investments, redefinition of existing investments, mergers, creation and/or changes to investment vehicles, acquisition of partners and strategic allies, and structured financing of new businesses in amounts greater than five percent (5%) and lower than fifteen percent (15%) of the Market Capitalization.
- d) Amendments to any of the Company's approved strategic plans approved by the Board of Directors, the business plan, management objectives, and guidelines for their execution.
- e) Approval or amendments to the Board of Directors' internal regulations.

Section 5.07 Breach by the members of the Board of Directors of their trustee obligations to the Company, including unjustified failure to attend the Board of Directors' meetings that would block or impede deliberation and decision making, shall give rise to the exercise of corporate responsibility action under the terms of the Law against members of the Board of Directors who engage in such conduct.

## **ARTICLE VI.** **STRATEGIC THIRD PARTY**

Section 6.01 In the event the Capital District as majority shareholder obtains the necessary authorizations and decides to sell or dispose of their shareholdings, and this implies the transfer of the Company's control to any person, the Capital District shall make said disposal according to the procedures and rules stated in Law 226 / 1995 and its amendments and additions. Apart from this, it undertakes to:

- a) Include within the respective transfer and disposal regulations, or the document that replaces it, the complete text of the present Shareholder Agreement, and that the third party that acquires the control of the Company accepts and adheres, in writing, to the provisions of the present Shareholder Agreement, and accepts the obligations stated herein.
- b) Impose upon the third party who acquires control of the Company, the obligation to make a public acquisition offer directed to all Company shareholders, at the same price negotiated with the Capital District.

## **ARTICLE VII.** **RIGHT OF WITHDRAWAL**

Section 7.01 In the event a number of shareholders that represent at least five percent (5%) of the outstanding shares exercises their right of withdrawal, enshrined in Articles 12 and subsequent articles of Law 222 / 1995, and should it be impossible to reach an agreement on the price of the



Shares, the Capital District shall propose to the Company's General Meeting of Shareholders and shall vote so that the corresponding acquisition or refund value of the shares is determined as follows. This is without prejudice to the shareholder opting for the procedure established by law for this purpose: by an internationally or nationally recognized investment bank, designated by the Chamber of Commerce of GEB'S main domicile. The investment bank's assessment shall be final and mandatory for the parties. The costs of said evaluation shall be assumed by GEB. The right of withdrawal shall operate under the terms established by law.

#### **ARTICLE VIII.**

##### **COMMITMENT TO VOTING FOR STATUTORY REFORMS AND ADDITIONAL ADJUSTMENTS**

Section 8.01 The Capital District shall propose to the Company's General Meeting of Shareholders to vote affirmatively so that, when necessary, the provisions of the present Shareholder Agreement are included in GEB's Corporate bylaws. For this purpose, they shall call an extraordinary General Meeting of Shareholders within the three (3) months following the fulfillment of the condition precedent established as a requirement for the validity of the present General Meeting of Shareholders.

Section 8.02 The Capital District, during the General Meeting of Shareholders indicated in Section 8.01, shall propose and vote in favor of instructions being given to the Company's management so that within the six (6) months following said meeting, the documents and policies required to give compliance with the Shareholder Agreement are created and updated. These include, but are not limited to, the Corporate Governance Code, the Rule of the General Meeting of Shareholders, the Board of Directors' regulations and the committees' regulations.

#### **ARTICLE IX.**

##### **APPOINTMENT OF GEB'S PRESIDENT**

Section 9.01 GEB's President shall be elected by simple majority of the members present in the Board of Directors' session by means of the following selection and naming process:

- a) An ad-hoc Committee of the Board of Directors shall be created made up of three (3) independent members, assisted by an internationally recognized executive selection company (*headhunter*) with experience in the selection of executives for companies listed in the stock market, which shall present the Ad-Hoc Committee a list of at least seven (7) candidates that fulfill the requirements and conditions in terms of years of experience, relevant sectors, similar positions and academic profile defined by the Ad-Hoc Committee.
- b) The Ad-Hoc Committee shall elect at least three (3) candidates from among those presented by the headhunter and shall submit them to the consideration of the Board of Directors.
- c) The GEB President shall be selected by the Board of Directors from the candidates proposed by the ad-hoc committee.

#### **ARTICLE X.**

##### **SUCCESSION POLICY**

Section 10.01 GEB must have a succession policy at all times to ensure that the persons appointed to act as members of the Board of Directors, including alternates, the President and vice presidents of GEB are the most suitable based on the analysis of their profile, skills and experience.



## **ARTICLE XI.** **INVESTMENT POLICY**

Section 11.01 The Financial and Investment Committee of the GEB Board of Directors shall monitor compliance with the investment policy adopted by the Board of Directors through the annual reports that are submitted to it. Likewise, they shall recommend to the Board of Directors the necessary amendments and updates to keep the investment policy within the objectives of the present Shareholder Agreement.

Section 11.02 the Financial and Investment Committee of the GEB Board of Directors shall recommend the Board of Directors the investment policy adopted by the Board of Directors for its adoption or update and shall monitor compliance with the same, through the annual reports submitted to them.

## **ARTICLE XII.** **ADHESION**

Section 12.01 Any current shareholder of the Company or any person who becomes a shareholder of the Company after the end of the Program and once the condition precedent required for the validity of the present Shareholder Agreement has been fulfilled, can adhere to the same signing the adherence document attached to the present Shareholder Agreement as Annex 1 and submitting it at the Company's main office.

## **ARTICLE XIII.** **APPLICABLE LAW**

Section 13.01 The present Shareholder Agreement shall be governed and interpreted according to Colombian legislation.

## **ARTICLE XIV.** **ARBITRATION**

Section 14.01 Any controversy or differences related to this Shareholder Agreement and to compliance with any of the obligations indicated herein, shall be resolved by arbitration tribunal, presenting the respective request before the Center for Arbitration and Reconciliation of the Chamber of Commerce of Bogotá The arbitration tribunal shall be governed according to the following rules:

- a) The tribunal is made up of three (3) arbitrators, elected by common agreement between the parties. If this is not possible, the arbitrators shall be designated by the Center for Arbitration and Reconciliation of the Chamber of Commerce of Bogotá, at the request of either of the parties.
- b) The applicable procedure shall be the Regulation for National Arbitration of the Center for Arbitration and Reconciliation of the Chamber of Commerce of Bogotá.
- c) The Tribunal's decision shall be legally binding.
- d) The arbitration tribunal secretary shall be selected from the official list of secretaries that the Center for Arbitration and Reconciliation of the Chamber of Commerce of Bogotá has for this purpose.
- e) The Tribunal shall meet in the city of Bogotá D.C. at the offices of the Center for Arbitration



and Reconciliation of the Chamber of Commerce of Bogotá

**ARTICLE XV.  
TERMINATION**

Section 15.01 The Shareholder Agreement shall be terminated in the following cases:

- a) Due to the expiry of the ten-year (10) term counted from the moment in which the Seller informs the Financial Superintendence of Colombia through the Comprehensive Stock Market Information System (SIMEV) as GEB relevant information of the fulfillment of the condition precedent for the validity of the present Shareholder Agreement.
- b) By written agreement between the District and at least fifty percent (50%) of the GEB shareholders that are part of the Shareholder Agreement.
- c) In the event of dissolution, settlement or seizure of the Company by a control entity.

The present document is signed in Bogotá D.C., on December 20, 2017.

**(Illegible signature)**  
**ENRIQUE PEÑALOSA LONDOÑO**  
**Mayor**

**Majority Shareholder and Representative of Grupo Energía Bogotá S.A. E.S.P.**

**ANNEX 1 - SHAREHOLDER AGREEMENT ADHESION FORM**

Proposed by	Laura Tatiana Ramirez Batildas - Advisor, District Finance Secretary
Reviewed by	Leonardo Arturo Pazos Galindo - Legal Director, District Finance Department

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## ANNEX 1

### SHAREHOLDER AGREEMENT ADHERENCE FORM

[City], [month] [day], [year]

Dear Sirs and Madams,  
**Grupo Energía Bogotá S.A. E.S.P.**  
To: Registered Agent  
Bogotá, Colombia

#### Ref.: SHAREHOLDER AGREEMENT Adherence document

Dear doctor,

[Name of the shareholder (legal person/natural person), [company duly incorporated according to the laws of [\*], domiciled in [®] and duly represented in this document by [name of the registered agent/special agent]<sup>1</sup> citizen [\*], of legal age, identified with [National ID/passport/Alien ID card] No. [\*], acting in their capacity as [registered agent/special agent] hereby, duly enabled to do so, state the will of [shareholder's name]<sup>2</sup> shareholder of Grupo Energía Bogotá S.A. E.S.P., to become part of and irrevocably adhere to the shareholder agreement valid as of [\*] [\*] of the year [\*] (the "Shareholder Agreement"). In accordance with the provisions of Section 12.01 of the Shareholder Agreement, with the filing of the present adhesion document duly signed at Grupo Energía Bogotá S.A. E.S.P.'s domicile, [shareholder's name]<sup>3</sup> declares that they adhere to the entirety of the provisions, terms and conditions of the Shareholder Agreement.

Together with the present adhesion document, the following is attached:

- i. [Document that accredits the shareholder's incorporation and legal representation]/[copy of the individual's ID document]<sup>4</sup>.
- ii. ([Corporate authorization to sign the adhesion document]<sup>5</sup>

In witness whereof, the present adhesion document is signed on [\*] [\*] of the year [\*].

Sincerely,

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<sup>1</sup>Delete if a natural person acting in their own name.

<sup>2</sup>Delete if a natural person acting in their own name.

<sup>3</sup>Delete if a natural person acting in their own name.

<sup>4</sup>Include only one option according to the shareholder's capacity.

<sup>5</sup>Include only if a company whose Corporate bylaws require authorization





[Name of the individual shareholder] [Registered agent/special agent of the legal shareholder]<sup>6</sup>

[Identification document]  
[Position]<sup>7</sup>  
[Shareholder's name]<sup>8</sup>

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<sup>6</sup> Include only one option according to the shareholder's capacity.  
Delete if a natural person acting in their own name.  
Delete if a natural person acting in their own name.