



Board of Directors Decision No. 002 Control Architecture Policy



Grupo Energía Bogotá

BACKGROUND

According to the President's Committee No. 23 of June 13, 2023, the update of the Control Architecture Policy was recommended for the Audit and Risk Committee's recommendation to the Board of Directors, as it was considered suitable for the Organization.

During the Board Meeting No. 120 of the Audit and Risk Committee on June 22, 2023, the Board of Directors was recommended to update the Control Architecture Policy for GEB and its controlled companies, as it is considered suitable for the Organization.

During the Board Meeting No. 1694 on June 29, 2023, the Board of Directors approved the update of the Control Architecture Policy for GEB and its controlled entities, as it was deemed suitable for the organization.

The present policy has been updated based on the "Internal Control Policy," approved in November 2011, and the "Anti-Fraud and Anti-Corruption Policy" of October 2012. In April 2017, these policies were consolidated into a single document called "Internal Control Policy and Fraud and Corruption Prevention"; however, in 2023, the decision is made to separate them again in order to focus efforts and resources of the Organization by defining specific frameworks for ethics, fraud prevention, and control.

Considering the above, the Group has two policies:

- i) The Corporate Ethics, Anti-Corruption, and Anti-Bribery Policy was approved on December 13, 2022.
- ii) The present "Control Architecture Policy".

CONTEXT

The "Control Architecture Policy" consists of a set of guidelines and procedures established to ensure that an entity can design, implement, and maintain an effective Internal Control System. This policy focuses on the structure and organization of the internal control system, including the definition of roles and responsibilities for its operation.

In the specific case of Colombia, the Financial Superintendence of Colombia in External Circular Letter No. 008 of 2023 establishes that securities issuing entities must have an Internal Control System where governing and oversight bodies, as well as all employees, intervene and participate.

The origin of this policy is based on the Internal Control System Integrated Framework of the "Committee of Sponsoring Organizations of the Treadway Commission" (COSO) and the Three Lines Model of the Internal Control System of the European Confederation of Institutes of Internal Auditing (ECIIA), where the roles and responsibilities regarding the Internal Control System for the compliance with the corporate strategy and organizational objectives are established.

PURPOSE

Establish the necessary control structure to maintain and strengthen the Internal Control System (ICS), through a reference model that defines general guidelines, roles, and responsibilities necessary for the operation of the ICS of Grupo de Energía de Bogotá S.A. E.S.P. hereinafter "GEB" and its controlled companies.

SCOPE

This policy must be adopted and implemented by the Grupo Energía Bogotá S.A. E.S.P. and the controlled companies that comprise it, hereinafter the "Group".

STATEMENT OF COMMITMENTS GENERAL COMMITMENTS

All Grupo Energía Bogotá (GEB) employees and controlled companies are committed to:

1. Maintain an Internal Control System that ensures a transparent, ethical, and efficient performance of the processes.
2. Comply with the controls established by the organization to ensure the achievement of the objectives, maintaining its performance in accordance with corporate values.
3. Propose controls or improvements in the processes under your responsibility, based on a risk assessment, thus ensuring the efficiency of the processes.

FUNDAMENTAL ASPECTS FOR ITS IMPLEMENTATION

FRAMEWORK FOR ACTION

In order to achieve compliance with the commitments established in the Control Architecture Policy, the companies of the Group must apply as the conceptual framework of the Internal Control System, the COSO model (2013), issued by the Committee Of Sponsoring Organizations of the Treadway Commission (COSO).

The COSO document (2013) defines internal control as *“a process carried out by the Board of Directors, Management, and other staff of the organization, designed to provide reasonable assurance about the achievement of objectives related to operations, reporting, and compliance.”*

Below, the model proposed by COSO (2013) is presented, with a brief description of each of its five (5) components and the 17 related principles¹:

¹ “The 17 principles of COSO 2013 are a comprehensive guide for the design, implementation, and assessment of effective internal control systems. These principles can be found in the COSO 2013 framework. Source: COSO.org.”



Control Environment

Refers to the framework of policies, procedures, structures, and actions implemented within an organization that form the basis for executing internal control.

This control environment is designed to help ensure that the Organization's operations are carried out efficiently and effectively, that applicable laws and regulations are complied with, and that established objectives are achieved.

The control environment is composed of the following commitments:

1. Demonstrate commitment to integrity and ethical values.
2. Demonstrate commitment to attract, develop, and retain competent employees aligned with the organization's strategic objectives.
3. Demonstrate the independence of the Board of Directors and its committees from Senior Management, by exercising supervision over the development and performance of the Internal Control System.
4. Establish, under the direction of senior management and with supervision from the Board, appropriate structures, reporting lines, and levels of authority and responsibility aimed at achieving objectives.
5. Designate individuals responsible for internal control activities, focused on achieving these objectives.

Risk Assessment

It corresponds to the identification, assessment, and response to the relevant risks faced by the Group to strive for the achievement of the objectives and mitigate the materialization of risks.

The risk assessment component is composed of the following commitments:

6. Specify the objectives with sufficient clarity to allow the identification and assessment of the risks that may affect the achievement of the objectives.
7. Identify the risks that threaten the achievement of the objectives in all processes

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and analyze them to determine how they should be managed.

8. Consider the potential for fraud when assessing risks.
9. Identify and assess changes that may significantly impact the Internal Control System.

Control Activities

Refers to the actions established in the policies, procedures, and by each process and control owner, to mitigate the risks that could affect the compliance with the objectives.

Control activities are carried out at all levels of the Organization, including the different processes, the technology that supports the processes, and the third parties that work for the Group.

The Control Activities component is composed of the following commitments:

10. Identify and develop control activities that contribute to the mitigation of risks for the achievement of objectives, at acceptable levels.
11. Identify and develop control activities on technology to support the achievement of the objectives.
12. Deploy control activities by disseminating policies and the procedures that activate those policies.

Information and Communication

Pertains to activities designed to acquire and disseminate information necessary for the organization to fulfill its responsibilities and control in line with established objectives. Likewise, this component includes the controls associated with the information systems.

The Information and Communication component consists of the following commitments:

13. Obtain, generate, and use quality information to support the functioning of internal control.
14. Communicate information internally, including the objectives and responsibilities of internal control.
15. Communicate with external parties regarding matters that affect the operation of internal control.

Supervision and Monitoring

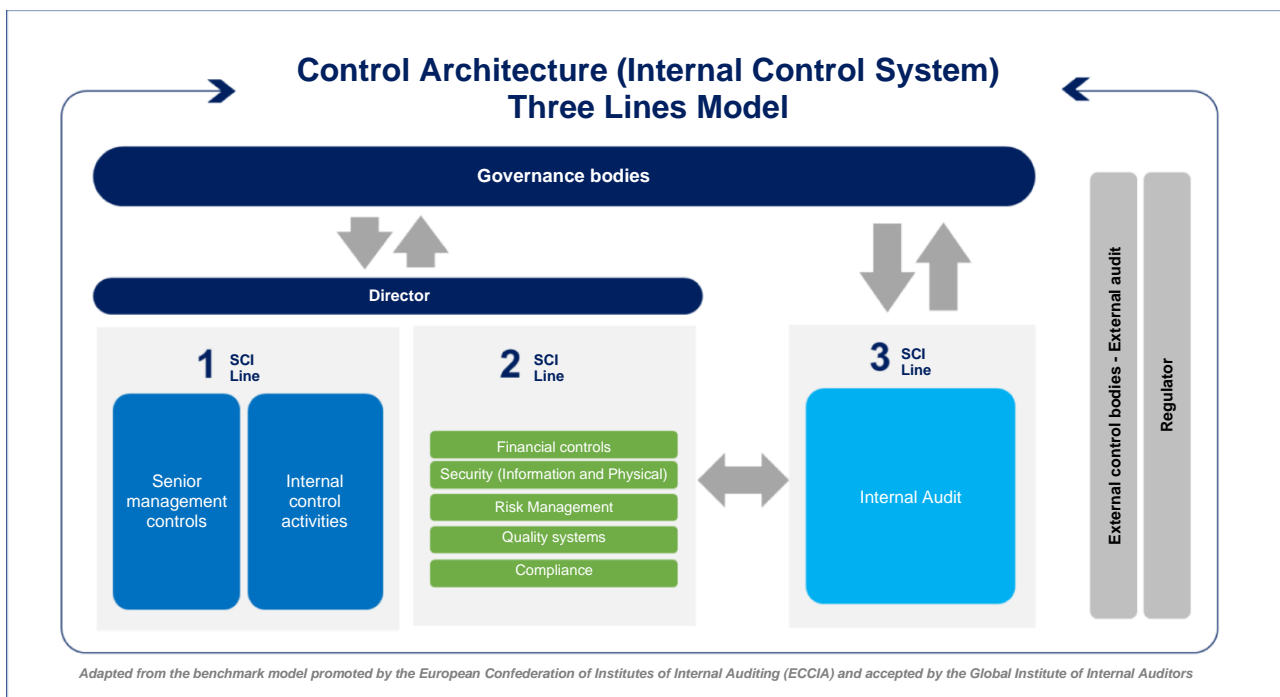
Process that verifies the adequate operation of the Internal Control System over time. This is achieved through activities of continuous supervision by those responsible for the processes, separate periodic evaluations carried out by individuals not responsible

for the processes, or through a combination of both.

The Group has an independent and objective function managed by the General Audit area that evaluates the Internal Control System and functionally reports to the Audit and Risk Committee of the Board of Directors. The Supervision and Monitoring component is composed of the following commitments:

16. Select, develop, and conduct ongoing and/or independent assessments to verify the presence and functioning of internal control components.
17. Assess and communicate internal control deficiencies in a timely manner to those responsible for taking corrective actions, including senior management and the Board of Directors, as appropriate.

Building on the above, the Group has embraced the Three Lines of Defense model and has assigned the following roles and responsibilities to manage the Control Architecture.



Governance Bodies and Senior Management

Although the Governance Bodies and Senior Management are not considered part of any of the three lines of defense, they are responsible for establishing the Organization's objectives, defining high-level strategies to achieve those objectives, and establishing governance structures for the proper management of processes, their risks, and controls.

The Board of Directors of the Group commits to the following within this framework:

1. Supervise the effectiveness of the Internal Control System.
2. Oversee the definition of conduct standards and assess their level of implementation.
3. Define the expectations regarding control mechanisms, integrity, and ethical values.
4. Approve strategic decisions and policies related to risk management and control aspects.
5. Consider external and internal factors that may pose significant risks to the achievement of the objectives.
6. Ensure accountability through the implementation of reporting and monitoring mechanisms to track the (financial and operational) performance of the Organization.
7. Establish relevant communication channels with Senior Management.
8. Monitoring the actions carried out by Senior Management to mitigate strategic risks and process-related risks.

The Audit and Risk Committee of the Group hereby commits to:

1. Supervise risk management.
2. Obtain, review, and discuss the information related to the organization's compliance with its objectives.
3. Maintain the relationship with auditors (internal and external), as well as with risk, compliance, and control functions.
4. Perform follow-up on the identified improvements and request information from Senior Management on the implementation of these.
5. Verify compliance with the responsibilities of Senior Management.
6. Ensure the proper functioning of the Internal Control System.

Similarly, the Senior Management (President, Vice President, and Directors) commits to:

1. Ensure that each of the relevant components and principles of internal control are operational and functional, in order to have an effective internal control system.
2. Align the Organization's strategy with processes, people, and technology to meet GEB's objectives.

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3. Promote risk management in the organization.
4. Ensure the proper management of the different processes within the organization.
5. Lead and promote the development of control activities within the company.
6. Assess the control deficiencies that affect the effectiveness of the Internal Control System.

First Line (self-control, self-regulation, and self-management)

It covers the activities carried out by each employee of the Group, including those responsible for processes and controls, through the definition and execution of controls via policies, procedures, and methodological frameworks, among others.

The first line of defense of the Internal Control System is based on three key principles: self-control, self-regulation, and self-management, which promotes the strengthening of the Internal Control System.

This Policy promotes these three principles through Senior Management controls and internal control activities, as follows:

- Self-control, where each employee evaluates and controls their own work, detecting and correcting any deviation in compliance with their duties.
- Self-regulation, developing methods, standards, and internal procedures that continuously improve our Internal Control System.
- Self-management, coordinating, executing, and effectively and efficiently evaluating the operation of the Internal Control System.

Considering the above, the employees commit to:

1. Assume the responsibility for the management and administration of risks within its area of competence, ensuring that risks associated with its processes and activities are identified, evaluated, and timely prevented or mitigated.
2. Define and execute the controls established in the processes and activities under its responsibility, ensuring their effectiveness and efficiency in the prevention and mitigation of risks, in order to strengthen the Internal Control System of the Organization
3. Promote and foster a culture of internal control in your area, raising awareness among your employees about the importance of risk management and the implementation of controls that prevent or mitigate their occurrence.
4. Inform the second line of defense stakeholders in a timely manner about any incident or situation that could affect the integrity of the processes and activities within their scope, as well as any breach of GEB's ethical and/or legal framework and its controlled companies.
5. Actively participate in the evaluations and periodic reviews of the established controls, providing relevant information and documentation for the completion of these activities, as well as filling out the evidence of the controls under their

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responsibility, in accordance with the risk matrices implemented in the organization.

6. Comply with the policies, rules, and procedures established by the Organization regarding internal control, as well as adhere to the ethical standards and code of conduct set forth in the organization, overseen and evaluated by the Board of Directors.
7. Ensure the effectiveness of the controls in place, through proper identification and assessment of the risks involved processes, in order to strengthen the Internal Control System of the Organization.

Second Line (alignment, supervision, and monitoring)

It supports Senior Management in defining methodological frameworks and cross-cutting controls of the Group, carries out supervision and monitoring functions of processes, assisting in their effective management.

In this sense, those responsible for the second line commit to:

1. Effectively implement the methodological frameworks and cross-functional controls established by Senior Management.
2. Carrying out activities to identify and assess risks in the different processes, establishing with the front line the control measures that contribute to their prevention or mitigation.
3. Carry out supervision and monitoring activities on the implementation of established controls, identifying and promptly reporting any weaknesses or identified defaults.
4. Promote the culture of internal control in the different areas, fostering collaboration and coordination among the various areas of the company to achieve comprehensive risk management.

In particular, the department responsible for risk management is committed to:

5. Counsel on the identification of current and emerging risks.
6. Supporting areas in the development of processes to manage relevant risks.
7. Provide education in terms of risk management within the Group.
8. Assess and report on the effectiveness of risk management.
9. Report the management of significant risks to the Audit and Risk Committee.

Hereof, the responsible internal control function commits to:

10. Supporting areas in the identification and definition of relevant controls for risk mitigation.
11. Provide education on the Internal Control System, through talks or other mechanisms, in conjunction with internal audit.
12. Assess and report the effectiveness of the ICS to the Audit and Risk Committee.

13. Coordinate with the General Audit area of the Group, the scopes of the tasks to be carried out during the period and create synergies, with the aim of:
 - a. Provide an assessment on the effectiveness of the Internal Control System and report to the Senior Management and Audit and Risk Committee
 - b. Suggest improvements in the various processes of the organization.

Third Line (independent and objective assurance)

This line provides an independent and objective review of the established internal controls and their effectiveness.

This function is carried out by the General Auditor of the Group and is established to provide independent assurance, assess, and report to Senior Management and the Audit and Risk Committee on the effectiveness and efficiency of the Internal Control System defined by management.

In this sense, the General Audit commits to:

1. Determine, based on an Annual Audit Plan, whether the processes, risk management, control, and corporate governance of the Group are adequate and operational, taking into account that:
 - a. The Comprehensive Risk Management System is adequately applied.
 - b. There is appropriate interaction among the different leading groups, as the case may be.
 - c. The significant financial, management and operational information is accurate, reliable and timely.
 - d. Actions by the employees comply with applicable policies, standards, principles, procedures, laws and regulations.
 - e. Resources are acquired inexpensively, used efficiently, and are adequately protected.
 - f. The Group's programs, plans, and objectives are adhered to.
 - g. Laws or regulations that materially affect or may affect the Group are adequately disclosed and applied.
 - h. Policies, principles, models and methodologies related to internal control and compliance thereof are set, adopted and followed according to the guidelines set by the Group.

The Third Line is not designed to perform operational or management functions, which leads to ensuring its independence and the objectivity required for an effective and impartial assessment.

In this regard, those in charge of the first and second line commit to:

2. Collaborate with the Internal Audit function, providing the information, documents, and/or supports necessary to carry out their work effectively and efficiently.

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3. To comply with the action plans established by the process owners, as a result of the audit findings to maintain a strengthened Internal Control System of the Organization.

RESPONSIBLE PARTIES

The Board of Directors, its Committees, Senior Management, and each employee is responsible for compliance with this policy.

The Board of Directors, its Committees, and Senior Management are responsible for the development, supervision, and evaluation of the Internal Control System, establishing and monitoring strategies to manage risks.

The Audit and Risk Committee is tasked with the annual review of this policy to ensure its relevance and effectiveness, making any necessary adjustments as needed.

Those responsible for the processes and controls must enact and enforce this policy.

The Communications areas, in coordination with the areas responsible for the Corporate Compliance Department and Internal Audit of the company, are responsible for communicating and disseminating this policy through available means so that it is known by all employees.

DOCUMENT CONTROL

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TERM

Prior Decision No.	Version date	Type of action	Reason for the update and description of the last version
Board of Directors	April 2017	Repeals	The Internal Control and Fraud Prevention Policy is updated, changing its name to "Control Architecture Policy" in order to separate control matters from those related to business ethics, anti-corruption, and anti-bribery.