

Board Assessment Results

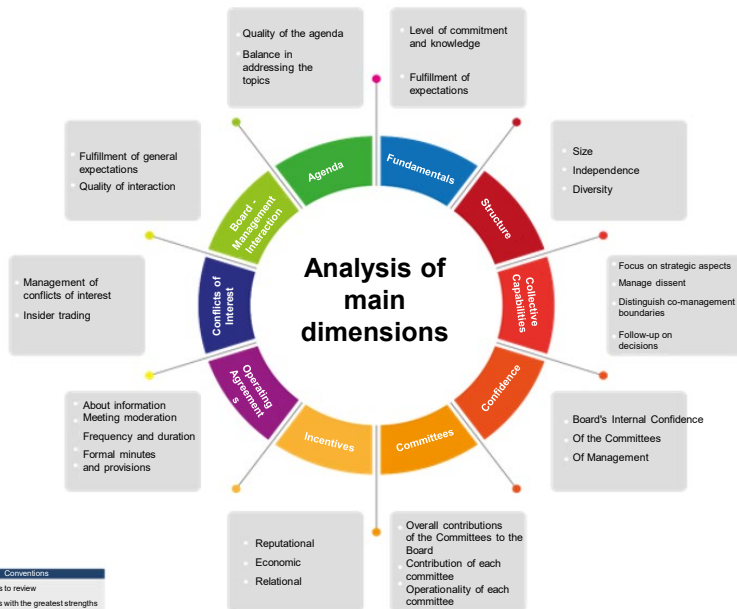
February 2021



GOVERNANCE
CONSULTANTS

≡ About the Board Assessment

Dimensions analyzed



Sources used for the Assessment

- Self-evaluation surveys and textual comments of **the 9 Board members**.
- Assessment surveys from the perspective of senior management and textual comments from **5 members of management**.
- **Documentary information** provided by the Office of the General Secretary of GEB.

Assessment Report

ASSESSMENT Report Board of Directors



2021

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Standards referenced by each dimension



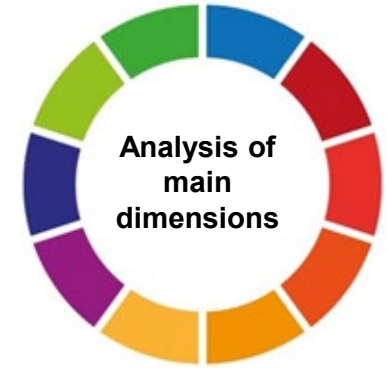
BlackRock.





Dimensions for the analysis of the Board of Directors' effectiveness

| | Board of Directors | Senior Management |
|----------------------------|--|---|
| Overall assessment average | 4.6 | 4.4 |
| Lowest rated question | 4.1 <ul style="list-style-type: none"> Clarity and concreteness of the Board members. Trust and synchrony Board - Committees | 3.8 <ul style="list-style-type: none"> Participation and value contribution of the Compensation Committee. |



Average by dimension



Board of Directors' Average

Senior Management's Average

≡ Fundamentals

Fulfillment of expectations

4.3

Appropriate balance in Board discussions to focus on the material and strategic issues of GEB, and truly deliver on the Board's expectations of value creation.

4.0

4.1

Clarity and concreteness in the interventions of the Board members, providing innovative options to build value for the Company.

4.4

"It is important for the Board to prioritize the strategic contents of the presentations and documents so that the analysis and discussions focus on these aspects from the outset. Board Committee meetings should be used to go further and examine the details."



Board's Level of knowledge and profile

4.4

The profiles, knowledge and skills of the Board of Directors as a collegiate body are sufficient to assume the Company's strategic challenges.

4.0

4.3

Level of knowledge of the Board members about the variables that determine the Company's future, areas of business and investments.

4.4

As a collegiate body, the Board of Directors has achieved the right balance in terms of age ranges, profession and gender.

"I believe you have to think about the topics of digitization and new technologies."



"More industry insiders are needed."



≡ Information model

4.3

The current dynamics of the Board of Directors provides its members with an adequate level of information and knowledge about the Company, the markets in which they are operating and the Group's corporate governance system.

4.4

The way in which the information is presented and conveyed to the Board of Directors and the Committees prior to the meetings is effective and sufficient.

4.4

Quality, sufficiency and timeliness of the information received by the Board of Directors and the Committees, so as to provide the necessary elements for an adequate decision-making process.

4.6

"The presentations and documents they send should be comprehensive, but their presentation at the meeting should get to the main points."



"Non-synthetic previous reports without perspective to guide the reading. Induction by list of businesses, without perspective or unity."



"I believe that sending more than 400 slides per Board meeting shows more of a desire to leave proof of delivery than to be explicit in actually relevant and specific presentations on each topic. It would be more useful to provide context, describe the present situation, discuss authorization for each topic. They focus more on history than on the present, apparently to cover up liabilities."



≡ Committees

Perception on the overall contribution of the Committees to the Board of Directors

- 4.6 On the current Committee structure. 4.0
- 4.6 Ongoing committee work to facilitate and expedite Board decision making 3.8

"Among the work of the Committees, especially on certain issues, a more efficient coordination should be sought so that the presentation and considerations at the Board do not lead to a loss of committee work."

"Issues examined in depth in committees should be analyzed in a more executive manner by the boards."

"The matters examined in depth in committees does not have to be presented in the same detail to the board."

Contribution of each Committee

- 4.7 Audit and Risk Committee 4.2
- 4.3 Compensation Committee 3.8
- 4.6 Financial and Investment Committee 4.8
- 4.6 Corporate Governance and Sustainability Committee 4.0

"I think there are discussions that need to be examined in depth in the committees and perhaps their timing is not right. On more than one occasion, at the Board meetings with just one question, the Committee changes the recommendation it was going to make."

≡ Board of Directors - Senior Management Interaction

4.9

Level of trust and ability of the Board of Directors to work as a team with Senior Management.

4.6

4.3

Senior Management has a model for interaction with the Board of Directors that facilitates discussions and the decision-making process.

4.4

4.6

Quality of the participation of members of Senior Management in the dynamics of the Board of Directors' meetings.

4.6

"The Board's work is more reactive and follows the guidelines set forth by management. Except for requests for information and forecasts for different scenarios, I believe the Board has not addressed the issue."



4.7

The objective and future plans established for the CEO have been developed and performed in a manner that satisfies the expectations of the Board.



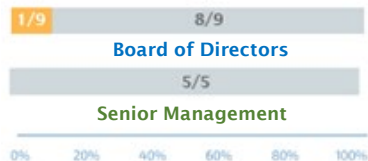
"There are two specific points in time. The previous management and this one. The current one informs the status of the company with greater clarity."



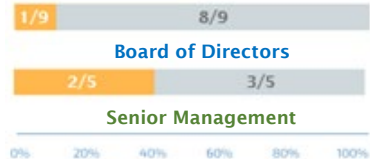
"Align the redesign of the strategic reports to Management in the strategic plan with the reports to the Board of Directors, placing greater emphasis on strategic issues and approaches, better design of reports and presentations to the Board (in the last sessions progress was made in that direction)."

≡ Agenda

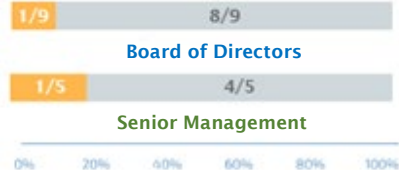
Development and progress of strategic projects



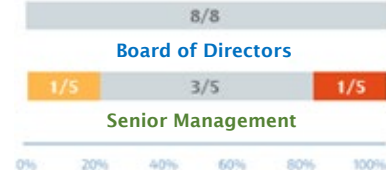
Opportunities for new business projects



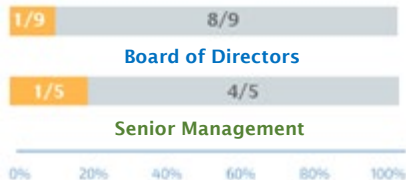
Follow-up on the performance of the business areas



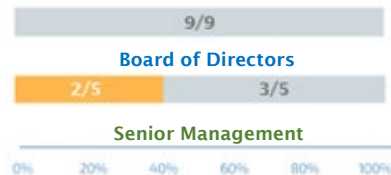
Financial perspective and achievement of corporate results



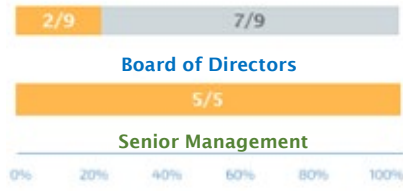
Follow-up on financial, operational and strategic risk and control issues



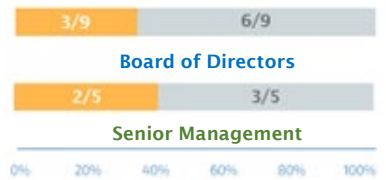
Legal, regulatory and compliance matters, as well as corporate governance



Innovation and digital development

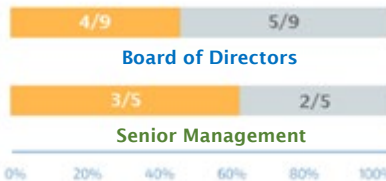


Human talent and development of Senior Management



■ ADEQUATE level of time and/or depth of discussion of the topic
■ INSUFFICIENT time and/or depth considering the importance of the topic
■ EXCESSIVE amount of time and/or depth considering the importance of the topic

Sustainability, ESG (social, environmental and government issues) and stakeholder relations



To keep in mind



Issues where there is a high level of alignment at the Board level

Topics that are homogeneously viewed positively by the Board members.

- Teamwork and level of trust of the Board and Senior Management.
- Leadership and moderation of the Chairman of the Board.
- Role of the Secretary regarding compliance with the regulations, good practices and rules of procedure of the Board of Directors.

Elements regarding which there is a high level of alignment among Board members regarding the opportunity to review adjustments.

- Clarity and concreteness of the Board members in their interventions.
- Dynamics of meetings to focus on material and strategic issues for the GEB; and quality and management of the agenda.
- Model of interaction between Management and the Board to facilitate the decision-making process.

≡ Summary

1. The Board was completely renewed, and had to deal with the process of changing the Group's President in 2020. This has involved establishing the best model for its main interactions (internal among members, with committees and in relation to management). It is important to note that, in general, the results of this process are positive (overall average of 4.6/5.0 from the perspective of the Board and 4.4/5.0 from the perspective of Senior Management).
2. The assessment of the composition of the Board is viewed positively. However, several stakeholders express the convenience of strengthening their knowledge of the electricity system and of industry developments and trends.
3. The management's reporting model is an aspect that the members of the Board of Directors believe needs to continue to be fine-tuned. In particular, the concreteness and focus of the information made available prior to and during the meetings.
4. In general, the contribution of the current Committees is viewed positively by the Board members themselves. However, the perception of members of management is relatively lower regarding these governance bodies. At present, it is perceived that Committee discussions are repeated and sometimes even completely refocused at Board meetings.
5. Trust and the ability to work as a team between the Board of Directors and Senior Management is an element that is viewed as very positive. In particular, Board members emphasize the Chairman's ability to develop objectives and plans in line with the Board's expectations.



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