

Contracting and Execution Control Manual

# **Contracting and Execution Control Manual**

Grupo Energía Bogotá

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# **General Provisions**

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# TITLE 1

## GENERAL PROVISIONS

### 1. Objective

This Contracting and Execution Control Manual (the “Manual”) is a management instrument whose main purpose is to support compliance with the mission objective of the Grupo Energía Bogotá S.A. E.S.P. (the “Company”) under a process management focus, for the attainment of effectively achieved results.

In this vein, it is understood that the Company’s contracting process is executed via 4 main subprocesses, namely, planning, selection, execution and termination (or settlement), without undermining resulting subprocesses such as supplier management.

Its purpose is to regulate the contracting of the works, goods and/or services required by the Company, to define the parameters of action that guide them as the contracting party and that must be met by the individuals or companies that the Company contracts, in addition to establishing the general principals for the Group’s contracting activity.

When GEB acts as a contractor during the course of its corporate purpose, it shall not be subject to the selection categories established herein, without prejudice to compliance with the principles that guide this Contracting and Execution Control Manual, its legal and constitutional budgets, technical and financial analyses that support the respective business, in addition to the justifications, risk analysis, and other actions and records that allow for the determination of the traceability of the action taken. In all events, the procedures to which there are recourse in the framework of the Company’s Integrated Management System shall be adopted, and shall be subject to legal control by the Legal Vice President’s Office.

### 2. Scope

This Manual contains the general regulations and principles that regulate GEB’s contracting via diverse or innovative legal transactions that must be carried out during the course of its corporate purpose. Likewise, it establishes the form to exercise control of the Execution of contracts (auditing-supervision) and general aspects on the management of contractual activity and its connection to the Group Energía Bogotá Sourcing Policy.

The Sourcing and Services Department shall be responsible for determining the processes and subprocesses that must be documented in detail via the procedures for the development of this manual without modifying its essence and philosophy, respecting the principles undertaken herein.

The procedures adopted here shall be related to the instructions, guides, templates, proformas, etc. that allow for the computerization and automation of the process, decrease risks, manage needs, have timely information for adequate control and efficient accountability.

Likewise, Chapter I of Title II of Law 142 of 1995 is added to this manual, in addition to all the regulations that develop and/or amend it.



### **3. Regulations**

The Company can enter into all types of contracts, according to the regulations of the Political Constitution of Colombia, the Civil Code, the Code of Commerce, the regulations of this Manual and the special provisions applicable to them due to the nature of the Company or its corporate purpose.

Contracts entered into or that must be performed abroad may be ruled by the regulations of the country agreed to by the parties.

### **4. Principles**

The Company's contracting shall be guided by the public function and tax management principles subject of Articles 209 and 267 of the Political Constitution, the incompatibilities and disqualifications regime established in the law and the principles of interpretation enshrined in Article 30 of Law 142 of 1994. In all events, the Company's contracting shall respect the human rights enshrined in the Political Constitution of Colombia, and in the international treaties, pacts, and agreements that form part of the constitutionality block. These principles apply both to the Company and its suppliers and contractors.

### **5. Powers to Contract**

The CEO of the Company has the power to contract, in accordance with paragraph 5 of Article 70 of the Corporate Bylaws and this shall be subject to the attributions established here to act and commit.

The CEO shall sign the Company's contracts and can totally or partially enter into, execute, liquidate, and, in general, carry out any activity regarding the contracts governed by this Manual, according to the following quantities:

1. For Vice Presidents or Directors and Generally on the Corporate Levels that directly report to the CEO. This power is restricted to the contracts belonging to their department, up to the sum of 70,000 SMMLV.
2. The General Manager of the Transmission Branch, regarding the Branch's contracts, up to the sum of 70,000 SMMLV.
3. The Director of the Transmission Branch: regarding the contracts belonging to their department, up to the sum of 40,000 SMMLV.
4. The Social and Networking Manager, the Engineering Manager, and the Environmental Manager, regarding the contracts belonging to their department, up to the sum of 40,000 SMMLV.

In the case of Branches, during the temporary or definite absence of one of the Managers with the power to contract, this power shall be executed by the respective Director to whom the Management is registered. In their absence, this shall be carried out by the Branch Manager.

In the absence of the Branch manager, the GEB CEO shall sign.

On the corporate level, in the temporary or definite absence of the power to contract, the contracts shall be signed by the CEO. In their absence, by the deputy legal representatives

in accordance with the provisions of the bylaws. Temporary absence is understood to be vacations, sickness, leave, or permissions.

The ability to enter into contracts cannot be transferred via general power of attorney to levels different to those authorized herein. In exceptional cases the CEO can award special powers of attorney in the case of contracts that must be signed in another part of the country or abroad or in the absence of the deputy legal representatives.

Those authorized to enter into, Execute, liquidate, and, in general, carry out any activity regarding the contracts governed by this Manual shall provide a twice-yearly form on the activities carried out in the exercise of the granted powers.

## **6. Incompatibilities, Disqualifications, and Conflicts of Interest**

In the contracts entered into by the Company the incompatibilities and disqualifications regime outlined in the law shall be applied, along with the regulation on conflicts of interest established in the Code of Ethics, in the Policy for the Administration of Conflicts of Interest, and in the other internal provisions that the Company develops in this vein. The Company's contractors and suppliers shall be obligated to sign these documents at the time of their contracting, and act in accordance with the principles established therein.

# Contracting

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## TITLE 2

# CONTRACTING

## Chapter I - Sourcing Model

The Grupo Energía Bogotá strengthens their management via seven business models, Talent, Maturity and Value Creation, Sourcing, Sustainability, Comprehensive Risk Management, Architecture and Control, and Information Security and Cybersecurity.

Strategic Sourcing is the process that makes up the supply change management decisions in order to create distinctive value to achieve a competitive advantage<sup>1</sup>.

### 1.1. The Grupo Energía Bogotá Sourcing Model

The Company has a sourcing model made up mainly of four (4) contractual phases. As such, the Grupo Energía Bogotá sourcing is made up as follows:

**Planning:** identification of needs and suppliers.

**Selection:** implementation of the strategy for the selection of the contractor.

**Execution:** performance of the contractual subject.

**Termination:** finalization, liquidation, and rating of the contractor's management.

Image

Source:	Target
Nuestro Modelo de Abastecimiento	Our Sourcing Model
Gerencia de Abastecimiento	Sourcing Department
Identificar necesidades	Identify needs
Identificar Proveedores	Identify suppliers
1. Planeación	1. Planning
Implementar Estrategia	Implement strategy
2. Selección	2. Selection
Generación de Planeación e interventoría	Audit and Planning Management
Ejecutar contrato	Execute contract
3. Ejecución	3. Execution
Cerrar Contrato	Close out contract
4. Terminación	4. Termination
Modelo de Abastecimiento	Sourcing Model
Ejes	Focus areas
1 Metodología	1 Methodology
2 Políticas y Normativa	2 Policies and Regulations
3 Estructura Organizacional	3 Organizational Structure
4 Sistemas de Información	4 Information Systems
5 Capacitación y entrenamiento	5 Education and Training
6 Proveedores y Grupos de Interés	6 Suppliers and Stakeholders

<sup>1</sup> Sollish & Semanik (2011)

The Sourcing Process is managed from the Sourcing and Audit Management of the Sourcing and Services Department,

### **1.2. Contract Management under the Sourcing Model**

At the Company, contracts are the method to coordinate and integrate the relationships and business processes within the components of the sourcing or supply chain model<sup>2</sup>, which results in the management of these being developed in a rational, ethical, objective way, guaranteeing free participation, competency, democratization, and respect for human rights. As such, it contributes to the compliance of the objectives established in the Grupo Energía Bogotá Corporate Strategic Plan.

In this way, the management of contracts, as the mechanism for the coordination and integration of the Grupo Energía Bogotá Sourcing Policy, shall be carried out with the support of technological tools that allow for the interaction of participants, monitoring, control, and measurement and accountability.

The legal transactions developed by the Sourcing Model shall take the form of an idea that embodies the autonomy of the will of the parties, taking into account the essential elements of the legal transaction, as regards its formation, type, perfection and applicable legal regime.

### **1.3. Human Rights Policy**

The Company prioritizes the respect of human rights, the prevision of violations and the mitigation of possible adverse impacts. In this sense, the Company has as a guide the Colombian constitutional and legal framework, and that applicable to its branches, as well as the United Nations Declaration of Human Rights, and the different treaties, pacts, and agreements that are part of the Constitutional Block, in particular those related to dignified working conditions, protection of the environment, respect for diversity and equality, respect for the legitimate monopoly of the force of the State, and the prioritization of life and dignity.

Likewise, the Company overwhelmingly rejects forced, illegal or abusive labor, child labor, or slavery in their own operations or those of third parties who work for the Company in their operations and contracting.

The Company undertakes to act in accordance with the strictest environmental, health, and safety standards in line with their Life First value, and expects their contractors and suppliers to apply the same standards.

The Company does not discriminate nor does it tolerate discrimination or abuse due to gender, local customs, race, beliefs, religion, sexual orientation, gender identity, disability, skin color, nationality, ethnicity, social group, socioeconomic position, political affiliation or opinion, and shall consider compliance of this policy by its contractors or suppliers.

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<sup>2</sup> Delgado et al.2015; Hohn, 2010; Ribas & Companys, 2007; Vives,2011

We are a company free from violence; unwanted, insulting, or offensive actions or comments, threats, physical injury or intentional harm to people or goods has no place in the Company. They shall not be tolerated by its contractors or suppliers.

In any case, contracts related to the security of the company's assets or people must adhere strictly to the applicable legal, constitutional and institutional framework and must respect and guarantee the monopoly of force by the State.

For all contracts with the company, natural or legal persons must attach, if applicable, their Human Rights and Sustainability Policy.

In any case, they shall sign, as an integral part of the Contract, the Company's Human Rights and Sustainability Policy and shall undertake to respect it. Evidence of its violation shall constitute grounds for unilateral and justified termination of any contractual relationship with the Company and exclusion from the supplier register.

#### **1.4. Commitment to Anti-corruption**

The Group undertakes to carry out all its commercial activities in line with the highest legal and ethical standards and hopes that their employees and other people who act on its behalf shall keep this commitment. No type of bribe, illicit commission, or corruption shall be tolerated, whether directly or via Third Parties, whether or not these are explicitly prohibited by this commitment or by the law.

## **Chapter II: Definitions**

The definitions contained in this Manual, the scope, sense, interpretation, and effects of the acronyms, words, or terms, shall be as defined in the Manual, and if there is no definition, those commonly accepted in the framework of the discipline or context used, unless a different interpretation or purposes are established for a specific matter.

### **2.1 Sourcing:**

A process directed at satisfying the needs related to the contracting of works, goods and/or services for the Company.

### **2.2 Accepted offers**

A unilateral legal act by the recipient of an offer whose main purpose is to irrevocably state its acceptance.

### **2.3 Strategic Ally:**

Individuals or companies with whom strategic agreements are signed to boost business strategies.

### **2.4 Large-scale Warehouses:**

Large-size stores specialized in the mass marketing of products which have an extensive physical structure for direct service and sales to the public, and with branches in the country's main cities.

### **2.5 Requesting Department:**

This is the Vice President, Directorate, or Management of the Corporate department or the Branch, responsible for showing, planning, and structuring the technical aspects of the need for contracting.

### **2.6 Person Authorized for Contracting:**

This is the CEO of the Company, in accordance with paragraph 5 of Article 70 of the Corporate Bylaws, or the employer enabled by the CEO to contract according to the limits established in the respective power of attorney.

### **2.7 Residual Contracting Capacity**

Residual capacity is a contractor's ability to fulfill the object of a work contract fully and on time, without their other contractual commitments affecting their ability to answer to the contract object of the Contracting Process. The formula to evaluate residual capacity shall be established in the process terms of reference, for contracts in which its inclusion is considered.

### **2.8 Categorization of Needs:**

The classification system by means of which works, goods and/or services contracted by Grupo Energía Bogotá companies are grouped.

## **2.9 Contract:**

An act via which one party undertakes to give, do or not do something to or for another party. Each party may be one or more people (Article 1495 Civil Code).

## **2.10 Collective Agreement**

An agreement that prioritizes advocacy, collaboration, help, or assistance activities, in which each of the parties makes contributions, in order to join efforts in the development of common causes related to its object. These can also be named agreements and/or pacts, etc.

## **2.11 Contractor:**

An individual, company, or any associate figure with whom legal transaction is entered into.

## **2.12 Assessment Committee:**

Previously designated employees or third parties contracted to carry out legal, financial, and/or technical - economic assessment of the offers presented in a selection process.

## **2.13 Supplier Average Performance Assessment:**

This is the weighted average of all of the assessments of the executed contracts obtained by the supplier as contractor during a determined period.

## **2.14 Supply Position Matrix or Strategic Sourcing Matrix:**

The methodology used to classify works, goods and/or services acquired by the Company according to the following criteria: volume of expenses, procurement risk and impact on operations. The works, goods and/or services are grouped under this methodology in four categories, namely: critical, bottleneck, lever or routine.

## **2.15 Market place:**

The electric catalog system provided by a supplier for the online acquisition of goods or services under a Business to Business (B2B) purchase model.

## **2.16 Legal Transaction:**

Declaration or agreement between two or more parties who propose to obtain a purpose, consisting of the acquisition, amendment, or extinction of a right.

## **2.17 Proponent:**

Individuals, legal entities or any type of association that submits a proposal under any selection modality carried out by the Company.

## **2.18 Offer:**

A legal transaction project formulated by one person to another, that must contain the essential elements of the transaction and be communicated to the recipient by any acceptable method. (Article 845 of the Code of Commerce)



### **2.19 Annual Purchasing and Contracting Plan (PACC):**

An annual schedule of the Company's contracting needs that contains the consolidated and centralized information through the Sourcing Department or the department acting in its stead. The PACC is an input for planning the Company's purchases and procurements and preparing the budget of the requesting department.

### **2.20 Multi-Annual Purchasing and Contracting Plan (PPCC):**

Scheduling that covers more than one year and that contains the contracting needs of the projects of the Company and/or Group, for the purposes of analysis and determination of the strategic sourcing.

### **2.21 Short-listing:**

This allows for the early assessment of potential suppliers of works, goods, and/or services required by the Company, in legal, financial, technical aspects, amongst others, to enter into one or various legal transactions in the contracting modalities outlined in this Contracting and Execution Control Manual.

### **2.22 Pre-selection**

The suppliers that are part of the register shall be considered pre-selected. For this purpose, they must accredit the enabling requirements regarding

legal capacity, general experience, financial capacity, etc.

### **2.23 Supplier:**

An individual, company, or any associative figure can satisfy the needs for the contracting of works, goods, or services for the Company.

### **2.24 Strategic Supplier:**

Suppliers of works, goods, or services selected in the framework of agreements entered into with partners or strategic allies, provided that their contracting has been established as part of the commitments.

### **2.25 Pilot Project:**

The commissioning of an initiative aimed at considering the possibilities of a determined development, innovation, or involvement in a later legal transaction.

### **2.26 SMMLV:**

This corresponds to the current legal monthly minimum salary decreed for the year by the national government, excluding the transport subsidy.

### **2.27 Request for Acquisition / Purchase / Contracting:**

This is the filing of the contractual need with the Sourcing Department.

### **2.28 Virtual Ballot:**

The electronic platform used as a method to invite and receive offers digitally.

## Chapter III: Contractor Management

### 3.1 Approval Bodies

The Company shall have three (3) approval bodies for the management related to the operation of the Sourcing Model, guaranteeing compliance with the principles that govern the Company's contracting. The bodies are:

1. Board of Directors.
2. CEO's Committee.
3. Operating Contracting Committee.

#### 3.1.1 Board of Directors

The Board of Directors, in accordance with the corporate bylaws, authorizes the CEO to enter into contracts, acts and legal transactions of amounts greater than the equivalent in local currency of seventy thousand (70,000) legally valid monthly minimum wages. (section 35 and Article 66).

This authorization must be requested prior to the start of the contracting process. For this, the using department shall make the request via the Board of Director's Technical Secretary.

Likewise, they authorize the addition of the contracts subject of this paragraph and shall be informed of substantial amendments to the same.

#### 3.1.2 CEO's Committee

The CEO's Committee shall be responsible for promoting, analyzing, and approving the Company's sourcing policies and strategies and for identifying

possible synergies generated within the Grupo Energía Bogotá, including the analysis of the suitability of carrying out joint contractual processes with companies in the business Group.

Likewise, they shall be responsible for the following functions related to contracting:

1. Approve the Annual and/or Multi-annual Contracting and Purchase Plan, all their amendments (including the creation and removal of needs and the modification of needs under the terms of the selection, assembly and/or time categories).
2. Declare a need or activity as strategic for the business group for the purposes of being met via direct request for offer, in accordance with section f of paragraph 5.2.1.1.
3. Declare the existence of technical and/or technological reasons to carry out a Closed Competitive Process in cases when the request exceeds 10,000 SMMLV.
4. Approve the parameters to carry out the Categorization of Needs according to the expense.
5. Monitor the PACC and PPCC compliance indicators.
6. Approve the implementation of modalities of selection different to those included in this manual, according to the criteria defined in paragraph 5.2.1.

### **3.1.3 Operating Contracting Committee.**

The Operating Contracting Committee shall be responsible for approving contracting requests greater than five hundred (500) SMMLV that are not included in the PACC and that are not the competency of the CEO's Committee, the opening of Shortlisting, Framework Contracts and Price Framework Agreements.

The Committee shall verify the processes for direct requests for offer greater than five hundred (500) SMMLV, in competitions and auctions: which have a risk matrix, guarantees and market study that supports the budget. They shall verify that the modality of selection, object, value coincide with that approved in the PACC and approve the method of payment, concept, and percentage of reimbursable expenses, period, enabling requirements (when they are not on the supplier register), negotiation rules, deliberation requests according to the modality of selection.

In cases in which, as a result of an amendment to the value, the contract exceeds 200 SMMLV, this must be subject to the approval of this committee. Except in cases in which the cause used for the initial contracting is section a) of Paragraph 5.2.1.1 in which case the sum of the contract and its additional items cannot exceed 200 SMMLV.

In the event that, during the course of the selection processes, any aspect previously approved by the committee must be modified, the corresponding addendum must be subject to their approval, unless this authorization has been included from the start.

The Committee shall also approve the continuity of the suppliers in the Suppliers and Contractors Register and in the contracting processes according to section j paragraph 4.1.

The Committee shall be made up of the following members:

- a.** The Sourcing and Services Director, or whoever acts on their behalf.
- b.** The Legal Director, or whoever acts on their behalf.
- c.** The Financial Director, or whoever acts on their behalf.
- d.** The Strategic Planning Director, or whoever acts on their behalf.
- e.** The Audit Manager, or whoever acts on their behalf.

In the case of contracts from requesting departments from the Transmission Branch, the following shall also meet:

- a.** The Manager of the Transmission Branch when the contract budget exceeds 10,000 SMMLV or its deputy in the case of matters that do not exceed this quantity.
- b.** Legal Director of the Transmission Branch.

When any of the members cannot attend a meeting, they must notify the Committee secretary of this by any means, at the latest one business day prior to the respective meeting.

The members of the Committee shall preside in the aforementioned order, successively, guaranteeing in all events deciding and liberating quorum. The Committee can establish its own rules.

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The Sourcing Manager shall participate in the releases and shall act as Technical Secretary of the Operating Contracting Committee. The following members shall attend as guests with voice, but no vote:

- The General Auditor of the Group and the Compliance Director, or whoever acts on their behalf, can attend if they deem necessary, convenient for the exercise of their functions.
- The directors, Managers, Junior Managers, Coordinators of departments that act as the Originating Department of the matters that are submitted to the consideration of the indicated Committee.

## Chapter IV: Management of Suppliers and Contractors

The management of suppliers is a subprocess of the sourcing process that allows for the registration of suppliers, their categorization and grading; the clear identification of goods, works, and/or services offered by suppliers; strengthening of the relationship with suppliers and management of performance assessments and their development, so that it is a cross-sectional support of the phases of the sourcing model and so that the suppliers reflect the Company's values and principles in their actions.

The Company shall have an updated Supplier and Contractor Register that shall be directly managed by the Sourcing Management or by a third-party contracted for this purpose.

In order to sign contracts with the Company, the supplier must be registered in the supplier register. In the case of suppliers who state their intention to not permanently form part of the suppliers register, the registration in the Supplier and Contractor Register this shall occur with the minimum documentation determined by the Sourcing Management in order to include them on the register only for the purposes of enabling the performance assessment. In all cases, for the purpose of payment, contractors must be registered as creditors of the Company.

Likewise, Suppliers who act as contractors for the Company are exempted from the Supplier Register when they use the grounds for the direct request for offer established in paragraphs p, r, s, t, u, v, w, x, 5.2.1.1, in addition to Public entities and indigenous communities.

Group Energía Bogotá can consult databases or supplier registers from other public or private entities.

### 4.1 Functions and Applications of the Supplier and Contractor Register

The Supplier and Contractor Register shall have the following applications, amongst others:

- a) Register and keep updated the suppliers of the Supplier and Contractor Register.
- b) Categorize suppliers once registered.
- c) Manage the selection process planning phase, enabling the search and identification of suppliers to execute the PACC and PPCC, streamlining their selection.
- d) Review the enabling requirements for registered and categorized suppliers (pre-selection) and keep them updated.
- e) Permanently monitor suppliers registered on the restricted lists in order to exclude them from the register.
- f) Keep available the pre-selected suppliers by category.
- g) Permanently summon suppliers for registration, categorization, and pre-selection.
- h) Coordinate the assessment of supplier performance as a criteria for consideration during the selection stage.
- i) Carry out, during the Execution and termination phase, the monitoring and follow-up of contractors.
- j) Obtain information, consolidate it, make reports to make decisions regarding the continuity of suppliers in the Supplier and Contractor Register and the contracting processes, and submit it to the approval of the Operating Contracting Committee.
- k) Carry out activities for the development of the supplier according to their categorization and improve their performance via the performance indicators (KPI).

## **4.2 Addition to the Supplier and Contractor Register**

Addition to the Supplier and Contractor Register shall operate with prior invitation from the Company or at the request of the supplier and shall include authorization for the processing of personal data, the contribution of certified information on incorporation and legal representation, general and specific experience, financial, tax, payment documents, HSE information, amongst other aspects.

In the event that the supplier is not an individual, they shall be requested to supply the equivalent information on their legal representatives and partners or shareholders. In the case of contracting that arises in the framework of the development of the corporate responsibility and sustainability policy, the requirements defined in the policy in the terms of reference shall be included.

Supplier information, once received, shall be verified and analyzed including safety, sustainability, and compliance aspects in different databases. A supplier is understood as registered once they have met the previously established requirements and therefore have been included in the Company's supplier list.

## **4.3 Categorization in the Supplier and Contractor Register**

Registered suppliers that have been validated in their general experience certifications and approved in their competence, compliance, and background in services, works, or specific products shall be categorized. Addition and categorization in the register shall in no case be an automatic obligation for the Company to include or select the supplier in the contracting process.

## **4.4 Pre-Selection and Enabling Requirements Test**

Pre-selected suppliers are those who in order to be included in the company's supplier register accredited the enabling requirements of legal capacity, general experience, financial capacity, etc.

The registration, categorization, and pre-selection of a supplier in the Supplier and Contractor Register, shall be sufficient evidence to show compliance with the enabling requirements of legal capacity and the conditions of general experience, financial capacity, and organization. These can be the subject of verification during the selection processes. These factors shall not award points.

Document verification of the aforementioned conditions shall be carried out by the Sourcing Management, who shall ensure the traceability of the actions for the selection processes. This traceability must be computerized and automated.

## **4.5 Update to the Register and Supplier Availability**

The register must be kept updated and with a group of pre-selected suppliers according to the type of legal transactions entered into by the company in order to execute the Annual and Multi-Annual Contracting Plan. The documentation provided by the suppliers must be updated yearly with the financial information and/or at any time at the request of the supplier or according to the Company's needs. If this required is or shows inaccuracy, alteration, or falsification in the documentation, this shall be sufficient motive for exclusion from the

Supplier and Contractor Register. And the company shall make the corresponding demands according to the case.

The registered suppliers shall be obligated to keep their information updated. Therefore, they must report any update that affects their capacity to be contracted.

#### **4.6 Contractor Rating**

The Supplier and Contractor Register shall have the same contractor rating mechanisms by the Execution Control Supervisor. Likewise, the rating of the Company's contractors shall be included as a consideration factor in the offers received during the selection processes and as selection criteria in direct contracting.

Once the contractors have been rated, the suppliers shall be separated in order to differentiate the strategies to imply the development programs and close gaps with suppliers, so that the suppliers reflect the Company's values and principles in their actions, via the methodology adopted for this purpose within the Procedure for the Monitoring or Control of Suppliers or its replacement procedure.

## Chapter V: Stages of the Contracting Process

The stages of the contracting process include planning, selection, performance and termination, as appropriate, in accordance with this Manual.

### 5.1 Contracting Planning Stage

The Company's contracting must obey an adequate planning that considers the effective use of the resources. This shall be on two levels: a general level, related the formulation and approval of the PACC and the PPCC, and a specific level, which develops each of the needs included in this. This must be the result of an analysis that determines their need and convenience, in order to define the strategy that best meets the Company's interests.

#### 5.1.1 Multi-Annual Purchasing and Contracting Plan - PPCC

The Grupo Energía Bogotá shall carry out the strategic sourcing planning model for which they shall make up, from 2022, a multi-annual purchasing and contracting plan with all the needs of works, goods, and services of the projects included in the maturity and value creation model, of the recurring needs and those related to the maintenance and operation of assets.

For the purposes of Execution, the PACC shall be annual.

These can be reviewed or updated twice-yearly or as often as required by the CEO's committee, and their execution shall be monitored annually.

The approved PPCC, in addition to its reviews and update, must have the analysis and change control of the Project Manager (PMO).

#### 5.1.2 Annual Purchasing and Contracting Plan- PACC

The Company shall produce a PACC that shall contain the needs of the works, goods, and/or services of the Company, which shall be approved by the CEO's Committee. The removal and inclusion of new needs, contractual additions, and amendments made regarding modality, value, and period of the initially approved needs shall require the same procedure.

The approved PAAC must have the budget analysis and feasibility carried out by the Financial Vice President's Office and in the case of project development, this validation must be made by the Project Management (PMO according to its Spanish initials).

The duly approved PACC constitutes the annual contracting scheduling to satisfy the works, goods, and/or services required by the Company.

It shall be subject to measurement and monitoring by the CEO's Committee and its compliance shall contribute to the adequate Execution of the resources of the budget validity.

The PACC can be updated quarterly, when

needs arise from new business opportunities or when exceptionally an extraordinary approval meeting must be held.



To advance in the development of the Group's strategic sourcing, the multi-annual PACC shall be implemented in ongoing and starting projects. This is in order to comply with the budgets established in each of them.

The PACC shall not include contracts not subject to prior planning, nor their amendments, such as:

- a) The acquisition of goods offered in large-scale warehouses.
- b) When there are reasons that imply confidentiality due to security and/or business strategy.
- c) Contracts stated within the exceptions of the modalities of selection.
- d) Contracts that do not affect the expenses budget as they have no value.
- e) Emergency contracts.
- f) Donation contracts.
- g) Registrations in events subject of section t of paragraph 5.2.1.1.
- h) Leasing, trade, sale-purchase contracts and other legal transactions that affect the right in rem to ownership.

### 5.1.3 Guarantee of Available Resources

To process any legal transaction that commits the Company's resources, there must be availability in the budget for the Execution and payments to be made against the current fiscal year.

The PACC and PPCC duly approved by the relevant body constitute the approval to enter into the commitments included therein. In all events, the PACC and PPCC do not include items from commitments entered into in previous fiscal years.

In addition, in the case of multi-annual contracts, the PACC and PPC includes a value estimate of future commitments. However, this value shall depend on the degree of real Execution and the possible amendments to the scope of the project, and will only be included in the following fiscal year when the approval process for the new budget has finished.

The financial Vice President's Office shall guarantee, during the creation of the annual budget, the inclusion of the resources from the contracts entered into with Execution of more than one year or whose Execution has been postponed.

### 5.1.4 Analysis and Management of Contractual Risks

The contracting processes carried out at the Company must have a risk analysis, in accordance with the provisions of the Contractual Risk Manual, in order to manage and/or mitigate risks.

Likewise, for the management of said risks, the following aspects can be considered:

- Establish the context in which the Contracting and Execution Process of the contract deriving from this is carried out.
- Identify and classify Risks.
- Evaluate and grade Risks.
- Assign, undertake, or transfer Risks.
- Monitor and revise Risk management.

The requesting department in each of its contractual needs must carry out the corresponding risk analysis during the planning stage. This shall be validated in accordance with the provisions of the procedure, guaranteeing the establishment of the corresponding policies and guidelines.

### **5.1.5 Contractual Guarantees**

The definition of the protections, coverages, insurable values or amounts to be guaranteed, and the validity and conditions of the guarantees, shall follow the analysis produced by the department responsible for the Company's risks and/or insurance or the person responsible for this matter and the commercial conditions of the insurance and/or financial market, in addition to the market conditions of the good and/or service to be contracted.

In all events, the compliance guarantee can be foregone if the total payment has been agreed on satisfactory receipt of the good or service, or when the risk and/or insurance department or whoever acts on their behalf so determines, with prior risk assessment, justification from the technical department, and verification by the sourcing department.

Likewise, guarantees may consist of: 1) Insurance Policy, 2) Commercial Trust in Guarantee, 3) Banking Bond or 4) Stand By Credit Letter issued by the Insurance Company or the Banking Entity as applicable, legally recognized and authorized to function in Colombia. In all events that the COMPANY determines a type of guarantee that is different to the aforementioned, the conditions and requirements of this guarantee shall be indicated in the Specific Clauses.

The terms of reference shall establish the minimum requirements and conditions of the guarantees and warranties.

### **5.1.6 Market Conditions Studies**

This analysis offers tools to establish the context of the contracting process, identify some of the risks, determine enabling requirements, and the method for the assessment of offers. This scope must be proportional to the value of the contracting process, the nature of the object to be contract, the type of contract, and the identified risks.

For this purpose, any means will be used to learn how goods, works and/or services are traded in the market, including, among others, market intelligence, market surveys, quotations, RFI, consultation of reference price databases, comparable contracts for goods, works and/or services carried out by the GEB or other companies or entities.

#### **5.1.6.1 Market Study:**

An analysis carried out via the collection of information to estimate the value of the budget needed in order to establish that it is within the market prices.

#### **5.1.6.2 Market Intelligence:**

A specialized study carried out by the Company, directly or via experts, to carry out actions directed at reviewing and determining the structure, characteristics, or tendencies of the goods and/or services market, with contractual planning supplies to analyze technical, commercial matters, new technologies, potential scope, price, etc. and to identify the sectors that show the best opportunity, identifying the modality of selection and understanding the

conditions related to the provision of goods and services and/or the identification of potential suppliers.

### **5.1.7 Specifications and Technical Documents**

The requesting department must deliver all the technical information on the work, good and/or service to be contracted and in general all the specifications of the technical order to start the contracting, according to the nature of the contract or, when applicable, following the Company's models and procedures in the different procedures involved in the technical scope of the contracting.

Activities related to transmission infrastructure projects, due to their special nature, can be managed at the same time as the procedure for licenses, environmental permits, property taxation and corporate management to ensure compliance with the start of operation of assets, which is included in the contract risk analysis with the respective mitigation.

## **5.2 Supplier Selection Stage**

Once the planning stage has ended, the supplier suitable to satisfy the need documented in the Request for acquisition, purchase, and contracting shall be selected.

This stage shall be started by the Sourcing Management, with prior verification of compliance of the requirements and documents required for the contracting of the work, good, and/or service.

The companies may use electronic commerce tools such as electronic auctions, virtual bidding booths, Market place, electronic catalogs, public or private virtual stores, among others, in order to optimize selection times and obtain the best market prices.

When the needs correspond to standard products and services, the virtual Colombian State store - Colombia Compra Eficiente - TVEC or similar platforms can be used, provided that this is deemed convenient once the cost-benefit analysis has been carried out (prices, products, administrative charges, times, etc.)

### **5.2.1 Modalities of Selection**

The Company shall select the contractor in accordance with the following categories:

- a)** Direct request for offer
- b)** Open competitive process
- c)** Closed competitive process
- d)** Electronic or in-person auction

This is without prejudice to the structuring of other modalities of selection provided that they guarantee turnout, participation, and application of the principles that govern the GEB contracting in the selection of contractors and that they have the approval of the CEO's Committee.

### 5.2.1.1 Direct Request for Offer

In this modality, the Company directly contracts the provider i.e. based on a single offer, in the following cases:

- a) The contracting and acquisition of goods and/or services in an amount equal to or less than two hundred (200) SMMLV VAT included.
- b) The acquisition of goods and/or services that only one supplier can provide, because it is the exclusive manufacturer, distributor or representative, or because it holds the item's intellectual property rights.
- c) In the event that market intelligence reveals that there is one single supplier who can guarantee satisfaction of the Company's needs. The market intelligence shall have sufficient basis to contract via the Direct Request for Offer with the supplier determined in this document.
- d) Contracts for the execution of activities that may be assigned to certain individuals or companies, because of their technical qualities, experience, or widespread market recognition, duly justified.
- e) The provision of professional and management support services for the Company.
- f) When there are reasons that imply confidentiality due to security and/or business strategy reasons, which must be justified in writing by the Requesting department and approved by the CEO's Committee.
- g) Contracts entered into in the framework of the company's corporate responsibility and sustainability policy with individuals or companies whose activities are carried out in a determined locality, municipality or region in the Company's departments of influence or interest, previously identified and validated by the Requesting department.  
In the case of a community supplier, their constitutional and legal regime and social, economical, and cultural characteristics shall be verified, so that contracts and collective agreements can be entered into, handling these particular aspects.
- h) Collective agreements profit or non-profit organizations or entities.
- i) When no offers are submitted or those submitted during a competitive process do not meet the assessment criteria or have cause for rejection.
- j) The acquisition of a product for testing or trials or in the case of pilot projects, or in order to assess the introduction of new technologies, or searching for better alternatives, according to the recommendations of the technical departments.
- k) The expansion or renovation of plants or technological platforms with the manufacturer when they were the original supplier.
- l) When only one proponent remains following the shortlisting process.
- m) In the case of needs or activities considered as strategic for the Business Group, qualified as such by the CEO's Committee.
- n) Contracts entered into with Strategic Suppliers.
- o) Contracts related to advertising, media plan or in general for performance of dissemination and/or communication activities.
- p) In the case of inter-administrative or other collective agreements or contracts entered into with public entities.
- q) Contracts entered into to reestablish or guarantee the continuity of activities that were not completed in the framework of the previous contract, whose termination was caused by total breach by the contractor, or due to any extinctive condition of

the contract attributable to the contractor, provided that it is demonstrated and justified by the requesting department that said measure seeks to guarantee the Execution of the contracted object and avoid the paralysis and/or interruption of the service and/or commissioning of the projects.

- r) The acquisition of goods offered in large-scale warehouses, physically or electronically.
- s) Licenses or rights to use of software when awarded by the manufacturer, patent owner, or copyright owner or sole supplier authorized to award the license or rights to use.
- t) Registrations via which the Company gives access to their employees to participate in external technical, academic, commercial, or relationship events, such as congresses, seminars, forums, meetings, or similar events.
- u) Services under the modality of signing, understood as access to services, rights to use, or benefits that the Company requires for the ordinary course of business for a determined period of time.
- v) Affiliation Contracts via which the Company acquires Rights and/or benefits for belonging to or being member of an organization, community, union, association or companies or industries, technological or intellectual organizations, social clubs, or any other group or association in which, once having met the established requirements, one becomes an affiliate or member.
- w) In the case of the acquisition of goods and services for The Company's corporate events, communication and/or networking activities, directed at one or more of their stakeholders, including the Company's workers, provided that these arise in a way that it is not possible to include them in the institutional planning or schedule them in advance, in this case they shall proceed via the corresponding process.
- x) Leasing, bail, purchase-sale contracts and other legal transactions that impact the in-rem holder rights, in which the company acts in the capacity as leaser, bailiff, purchaser or seller, different to those projects related to the infrastructure of electric energy transmission.
- y) Emergency Contracting: Emergency is understood to be the occurrence of untimely events or those that represent imminent risks that can affect or endanger the provision of the public service. They shall require warning and prior authorization from the CEO and then must be based in writing and the CEO's Committee must be informed, at the latest in the meeting following the date on which the event occurred.
- z) When due to the nature of the good and/or service to be contracted, framework contracts or price framework agreements are applied with the prior approval of the Contracting Operation Committee. Suppliers can be defined through market intelligence which must have a suitability analysis, experience, and commercial conditions.

### 5.2.1.2 Closed Competitive Process

A modality of selection through which the Company shall send an invitation to a minimum of two (2) bidders so that, via the application of the objective assessment criteria additional to those indicated in the supplier register and the consideration of the previously determined technical-economical aspects, they select from them the most favorable offer for the Company.

This modality shall apply when the estimated quantity of the contract to be entered into is greater than two hundred (200) SMMLV and less than ten thousand (10,000) SMMLV including VAT, and none of the events included in the direct request for offer list occurs.

Regardless of the amount, this modality shall also apply in the following cases, except with the following justifications:

- a) When there is a list of shortlisted candidates.
- b) When as the results of a Market Intelligence it is shown that there is a limited group of suitable proponents to enter into the legal transaction.
- c) Contracting processes related to the structuring of the issuance of shares or company valuations. Unless in circumstances duly justified to resort to the direct request for offer.
- d) When there are technical and/or technological reasons confirmed by the CEO's Committee, with prior justification from the original department.
- e) In the case of the selection of Contractors to execute projects derived from open calls by the National Government or by national or international calls or invitations for the construction and/or operation of assets related to the Company's corporate purposes, provided that there is no Strategic Supplier.

### **5.2.1.3 Open Competitive Process**

A modality of selection through which the Company shall publish the invitation to contract for any interested third party. The contractor shall be selected via the application of the objective assessment criteria additional to those indicated in the supplier register, if so determined, and the consideration of the previously established technical-economical aspects. Once this has been revised, the most favorable proposal for the Company shall be selected from all the offers made.

This modality shall apply to those cases in which the estimated quantity of the contract to be entered into is equal to or greater than ten thousand (10,000) SMMLV including VAT, and none of the events listed within the modalities of Selection of the direct request for offer or the closed competitive process occur.

The call and their addenda shall be published on the company's web page.

### **5.2.1.4 Electronic and/or In-person Auction**

This consists of a dynamic price negotiation process for goods and/or services that is carried out in person or online (via the use of a software or technological platform) between pre-selected or shortlisted suppliers. It shall apply regardless of the amount provided that it is used for the acquisition of standard goods or services or with uniform technical characteristics or of common use or sale of movable or immovable assets. It can also be used as a formula to choose the bidder in competitive processes.

## **5.2.2 Common Rules for Participation**

In general, during calls to present offers under any modality of selection, the presentation of a sole offer within a contractor selection process shall not be grounds for not continuing with the process, unless this situation has been specifically included in the specifications.

### 5.2.3 Exceptions to the Modalities of Selection

The modalities of selection established in this Manual shall not apply in the cases indicated below. However, these shall be regulated, in addition to private law regulations, by the applicable special legal regulations, the disabilities and incompatibilities regime established in the law, the planning principle, as well as the public function and tax management principles.

The process, the supervisors, and the approval bodies for the matters indicated in this paragraph shall be defined in the framework of the Company's Integrated Management System and shall be subject to legal control by the Company's Legal Vice President or whoever acts on their behalf.

The monitoring, control, and surveillance of compliance with the agreed obligations, considering, amongst others, the technical, administrative, financial, legal, security, environmental, and human rights aspects, as applicable in each case, shall be the direct responsibility of the person who supervises and audits the contract, as applicable, without prejudice to the responsibility for control or diligence corresponding to the department that started the contract.

Likewise, they shall be obligated to carry out the record of the transactional system and make up the document dossier which states the background of all the education and Execution, including payments, compliance with the obligations, amendments, suspensions, and in general all contractual events, in addition to those of the financial closure and liquidation of the contract.

- a) Contracts that must be subject to special regulations, such as loan contracts, credit operations and/or their similar and related operations.
- b) Operational or commercial agreements for transporters and the purchase of fuel or energy for operation.
- c) Uniform condition contracts with residential public services contracts.
- d) Contracting derived from trust transactions, etc.
- e) The contracts stated in Articles 33 and 39 of Law 142 of 1994, Law 56 of 1981, property acquisition and rental contracts, and data related to electric energy transmission infrastructure construction projects, and the provisions of special regulations or those that add to or amend them, and their applicable regulatory framework.
- f) The donation contracts or collective agreements indicated in Article 36.2 of Law 142 of 1994.
- g) The transaction contracts referenced in Articles 2469 and 2483 of the Civil Code.
- h) The agreements entered into with strategic allies or partners to boost the development of business.
- i) The inter-company agreements between the companies that make up the Grupo Energía Bogotá, according to the operating policies with the affiliated parties or in other applicable regulations. The same shall apply for contracts to be signed with the Grupo Energía Bogotá Foundation.

#### **5.2.4 Assessment Criteria**

The sole criteria during the assessment of offers shall be the rules and terms established in the request for offer documents, such as the enabling requirements additional to the pre-selected supplier register and the precise consideration of the economic, compliance factors in previous contracts, performance assessment, technical skills, residual capacity for work contracts, etc.

The assessment of offers is the responsibility of the Assessment Committee or an external Assessor, designated in both cases by the Operating Contracting Committee. The assessment supervisor shall establish the order of eligibility and shall recommend the award to the best offer received or the closure of the process.

#### **5.2.5 Award**

Having received the recommendation from the Assessment Committee or the External Assessor, and approved by the competent Operating Contracting Committee, the selected bidder shall be contacted, who must sign the contract under the terms established in the process conditions.

If the bidder does not sign the contract in the given term, the second-place candidate shall be called, and so on.

#### **5.2.6 Closing of the Contracting Process without Awarding**

The Contracting Operation Committee can decide not to continue with the selection process at any stage, in the following cases, amongst others:

- a) When no offers are submitted or when those received do not comply with the requirements or do not obtain the minimum qualification established by the Company in the requests for offer.
- b) When it is reasonably shown that the transparency of the process has been violated.
- c) When in profitability criteria there is no coincidence between the offers received and the sector studies carried out.
- d) Due to duly supported objective reasons of convenience.

#### **5.2.7 Proponent Selection and Negotiation**

Following the assessment, the General Manager or Deputy Manager may promote negotiation of more favorable technical, commercial, economic or other conditions, based on the guidelines and instructions of the competent Committee and according to the Company's interests.

The conditions of the competitive processes shall expressly include events in which the negotiation and its limits proceed, so that the essential conditions of the call to offer and the equality of the offers or proponents is respected.

The negotiation shall be promoted and carried out by the Sourcing Department. For this, they shall have the support of the process originating department and the legal department, as well as the Company's employees considered necessary.



When the selected offerer does not sign the contract or does not comply with the requirements for Execution to start the respective contract, the corresponding Committee, according to their competence, can recommend the adjustment to the rating in the order of eligibility by the same Committee.

### **5.2.8 Materialization of the Company's Legal Transactions:**

The legal transactions on which the Company's willing agreements are based shall be stated in writing. They must be unequivocally identified and individualized.

### **5.2.9 Framework Contract**

This is a main or regular contract that is binding for the parties that includes entering into other future legislation to be carried out. It may be derived from any modalities of selection, or any exceptions to these.

For the signing of the framework an estimated Execution value shall be required, in addition to the determination of the validity of the prices and budget availability for the time in which each of the requirements or purchase and/or services orders is issued.

### **5.2.10 Price Framework Agreements:**

This is a contract signed with various suppliers of the same good or service for a determined period of time. This is a tool to add demand, coordinate, and optimize the value of the purchase of goods, works, or services. This seeks to produce scale economies, increase the power of negotiation, streamline the care of recurring needs, reduce the number of contracting processes, and allow for the more flexible handling of stock.

The Price Framework Agreement is a contract signed with various suppliers of the same good or service for a determined period of time, it has no value, and contains, as a minimum:

- a) The identification of the good or service,
- b) The maximum acquisition price
- c) The guarantees,
- d) The minimum delivery period,

These shall be developed via contracts or individual orders for the acquisition of the goods or services indicated in Price Framework Agreement, following the conditions agreed therein, and that must have availability of resources, the determined value, and Execution Period.

## **5.3 Joint Contracting Processes**

The Grupo Energía Bogotá companies can start and carry out joint contracting processes with prior approval of the CEO's Committee or whoever acts on their behalf. The start and results of the selection process shall be subjected to the approval of the competent bodies of each Company, according to the size of their contribution in the process.

The modality of selection shall be defined according to the total value of the process, and likewise each company shall separately sign the contracts resulting from the joint contracting process, unless they define otherwise.

## **Chapter VI: Requirements for the Formalization and Execution of the Signed Legal Transactions**

The Contract must be signed by the duly enabled parties and with this it shall be understood to be formalized.

The supplier or contractor must sign the Sustainability Policy, Code of Ethics, Compliance Policy and Anti-corruption Policy and any other strategic document applicable to guarantee transparency and respect for human rights in their actions.

For the Execution, the guarantees need to be constituted and approved according to the requirements established in the process conditions that precede the selection under the terms established herein, as well as compliance with the specific requirements established in the contract.

Approval of the guarantees shall be the responsibility of the Grupo Energía Bogotá department responsible for insurance or the person responsible for this function. The approval must be given in writing in the body of the policy or guarantee or electronically with its date of creation.

Once the guarantee is approved, this shall be communicated by the Sourcing Management who shall carry out the control of the Execution of the contract, indicating the repository of all the precontractual and contractual documents in order to Execute the agreement.

## **Chapter VII: Amendments to Contracts**

The company's contracts may be amended during the term of performance whenever circumstances justify doing so.

In amendments that add to the contract value, it must be stated that the cost-benefit relationship of the original contract and the market conditions are maintained, and the following rules shall be observed:

1. The Board of Directors shall authorize additions to contracts under their competency, when these exceed 30% of the initial approved value, and they shall be informed of amendments to the conditions under which the authorization was issued.
2. In the case of contracts that are not included in the PACC and that are not the competency of the CEO's Committee, these shall be approved by the Operating Contracting Committee.
3. When there are various bidders and it is shown that there is a greater benefit to be had from extending and adding to the Execution of the contract rather than opening a new competitive process, the addition can only be made once. This condition does not apply to works contracts.

# Control of Execution of contracts

*Contracting and Execution Control Manual*

## TITLE 3

### CONTROL OF EXECUTION OF CONTRACTS

#### Objective

This document contains the general guidelines that regulate control and oversight of performance and completion of the contracts and agreements entered into by group Energía de Bogotá S.A. E.S.P. (the Company).

The work of monitoring the Execution of contracts or collective agreements shall consist of making available and guaranteeing everything necessary for the adequate compliance with the obligations contained in the contractual documents, considering, amongst others, the administrative, technical, financial, accounting, legal, workplace security, environmental and human rights aspects and transparency agreed in the contract or collective agreement to guarantee its adequate Execution.

The monitoring must equally deal with the contractual events that occur, promoting the signature of the documents necessary to do so.

Any contract or collective agreement entered into by the Company must have a supervisor or auditor, and their work shall be governed by the manual adopted and the procedures contained therein.

## **Chapter I Special definitions applicable for the control of the Execution of contracts for the exercise of Audit / Supervision of the Execution of the Contract**

### **1.1. Certificate of Delivery and Final Receipt.**

The document signed by the auditor/supervisor and the contractor, accrediting the delivery and satisfactory receipt of the contracted works, goods, or services.

### **1.2. Certificate of Partial Delivery.**

The document signed by the auditor/supervisor and the contractor, accrediting the satisfactory receipt of the works, goods, or services during a contractual stage or milestone.

### **1.3. Starting Minutes**

The document signed by the auditor/supervisor, starting the period of Execution of the contract or agreement.

### **1.4. Certificate of Liquidation.**

The document signed between the auditor/supervisor and the contractor and approved by the employee authorized to enter into contracts, agreeing the obligation to liquidate, regarding the technical, financial, and legal balance of what has been executed, the agreements, claims, adjustments, recognitions, and other transactions necessary so that the parties can declare themselves in good standing regarding the obligations derived from the contract or agreement.

### **1.5. Restarting Minutes.**

The document signed between the auditor/supervisor and the contractor and approved by the employee authorized to enter into contracts, whose objective is to restart the contractual Execution after the grounds which gave rise to the suspension of the contract have ended.

### **1.6. Certificate of Suspension.**

The document signed between the auditor/supervisor and the contractor and approved by the employee authorized to enter into contracts, whose purpose is to stop the Execution of the contract, stating the reasons that gave rise to this decision and establishing the obligations that the parties must start to comply with, with the contract having been suspended.

### **1.7. Preparatory Certificates.**

The contract Execution Stage during which the contractor must deliver the documents necessary to start the physical Execution of the contract. The documents or requirements required from a contractor to end this stage are defined in the contracting process carried out. Amongst these, are the following:

- a. Minimum personal documents required to execute the contract

- b. Work plan
- c. Advance handling plan
- d. Definite delivery schedule.
- e. Subcontractor documents

This stage ends with the approval of these documents by the auditor/supervisor and gives rise to the material start of the contract. Undue breach of the period awarded for the contractor to finish this stage shall result in the imposition of the enforcement penal clause, the financial penal clause, or the termination of the contract due to breach and the possibility of activating the supporting guarantees.

### **1.8. Advance.**

This is a sum of money that the Company delivers to the contractor, intended to leverage or finance the Execution of the contract. The advance is not incorporated into the contractor's equity nor does it constitute payment for work carried out. The advance can be agreed on for up to 50% of the initial contract value. Its percentage shall be determined in each case by the Originating Department, according to the characteristics of the work, good, and/or service to be contracted.

### **1.9. Certificate of Experience.**

A document signed by the auditor/supervisor stating information related to the object, period, and value executed, as well as the contractor's performance, according to the score obtained in the assessments made.

### **1.10. Performance Assessment.**

The procedure carried out by the auditor/supervisor of a contract to value the contractor's performance regarding compliance with the contracted obligations, according to the administrative, technical, SST, quality, corporate responsibility, and environmental criteria defined by the Company.

### **1.11. Reimbursable Expenses.**

These correspond to expenses made by the Contractor, at their own expense, with prior express agreement and authorization for the same by the auditor/supervisor, intended for the development of certain activities or acquisitions additional to the object and scope of the Contract, but which are required for its comprehensive development regarding which the Company accepts reimbursement to the contractor. In no event can the figure agreed for this item exceed 10% of the initial contract value. The reimbursable Expenses cannot be used to pay tips, commissions, gifts, or similar items.

### **1.12. Service Entry Sheet/Merchandise Sheet**

A document issued by the technological tool which authorizes the invoicing of a milestone, good, or service, which has been received to satisfaction by the auditor/supervisor in accordance with the contractual terms.

### **1.13. Breach.**

A contractual situation when the contractor does not comply with their contractual obligations under the conditions in the time, way, and place agreed in the contract.

### **1.14. Higher and Lower Quantities of Work**

A situation that occurs during the Execution of a contract whose value was estimated from a unitary price and quantity of work analysis, in which the initially foreseen quantities of work are exceeded or reduced. The respective analysis must have a written certificate signed by the parties.

In contracts where this occurs, the supervisor or auditor must produce a certificate detailing the higher or lower quantities of work and their cost. In the event that the cost exceeds the contracted value, a contractual addition must be agreed in advance, ensuring the necessary resources so that THE COMPANY can pay the greater costs incurred during the Execution of the contract.

### **1.15. Direct Settlement Board.**

The mechanism in which the contract parties present settlement formula and can reach agreements for solutions to the conflicts that occur during the Execution of the contract.

### **1.16. Advance Payment.**

A method of payment that can be directed for the first partial payment of a contract.

### **1.17. Plan of Action.**

Document sent by the contractor with the proposed commitments to correct a delay or partial breach in the Execution of the contract, which has been identified by the supervisor/auditor. If the submitted plan of action does not cause the correction of the delay or breach this shall give rise to the start of the respective sanction procedure agreed in the contract.

### **1.18. Unit Price Contract.**

Estimated value contract in which the final price shall be the value resulting from the quantities really executed for the agreed unit price.

### **1.19. Total Price Contract.**

Contract in which the contractor, in exchange for the provisions to which they undertake, obtains as remuneration an agreed fixed sum, being the sole person responsible for the affiliation of staff, the creation of subcontracts, and the attainment of materials. The total price contract includes all direct and indirect costs incurred by the contractor for the Execution of the work and, in principle, does not cause recognition of unforeseen additional or greater quantity works.

### **1.20. Readjustment.**

This is the update to the total value of the contract or of one or various items in order to recognize extrinsic or simply nominal situations of the price agreed in the contract. The readjustment allows for the currency's purchasing power to be maintained. Therefore, it

does not imply greater remuneration for the contractor, but rather an update to the remuneration. The readjustment may consist of a formula or methodology agreed in the contract. To apply the readjustment, there must be record of the respective exercise in the Readjustment Certificate signed by the auditor/supervisor and the contractor. The readjustment formula can be revised by the parties when it affects the equivalence of the provisions.

### **1.21. Claim.**

A request submitted by the contractor, exposing the technical, legal, and economic bases, that, in its statement, gives rise to the contract's economic imbalance and that seeks for them to be recognized by the Company. Claims are also presented when, without affecting the contractual balance, works, items, services, or goods are carried out or delivered which were not initially foreseen, or when the passing of time or the circumstances of the contractual Execution or exogenous causes generate additional costs.

### **1.22. Validity of the Contract.**

This is the period of Execution of the contract in addition to the period agreed for its liquidation.



## **Chapter II: Adoption of Guidelines for the Exercise of the Control of the Execution of Contracts**

Via Presidential Decision 004 of June 30, 2021, the CEO of GEB adopted the guidelines for the exercise of the control of the Execution of the contracts which develop the following aspects:

1. Special definitions applicable for the control of the Execution of contracts for the exercise of Audit / Supervision of the contractual Execution.
2. Rules to define the application of the Control of the Execution of Contracts via Internal Supervisors and External Auditors and the definition of support teams for the supervision.
3. Definition of workers that can act as supervisor.
4. Identification and Management of Contractual events.
5. Rules applicable to contractual breach and the application of penal clauses.
6. Handling and legal tools to deal with contractual controversies.
7. Termination and liquidation of contracts.
8. Management of auditors, supervisors, contractors, and suppliers regarding performance assessment, training, and certifications.

This decision is added below:

**PRESIDENTIAL DECISION No. 004**

Adopting Chapter 3 of Title 3 of the Grupo Energía Bogotá S.A. ESP. Contracting and Execution Control Manual.

**CEO OF GRUPO ENERGÍA BOGOTÁ S.A. E.S.P.**

The use of the powers conferred on them by the Corporate Statutes and

**CONSIDERING:**

1. That in accordance with Paragraph 9 of Article 66 of the Grupo Energía Bogotá S.A. E.S.P. (Henceforth “the Company”) Corporate Statutes, the Board of Directors is responsible for approving the Company’s Contracting Manual.
2. That the Board of Directors, during their ordinary meeting No. 1654 held April 29, 2021, approved the “GEB Contracting Manual” and the issuance of the minimum guidelines for the CEO to adopt the Audit Manual within GEB and its branches.”
3. That Paragraph 3 of Article 70 of the Company’s Corporate Statutes indicates that function of the CEO is to execute the decisions of the Board of Directors.
4. That in accordance with the approval of the Board of Directors, the Manual must be adopted for the exercise of the control of the execution of the Company’s GEB Contracts, in order to regulate the acquisition of goods, works, and/or services, and the guidelines that must be followed for adequate contractual execution.
5. Therefore, the CEO,

**DECIDES:**

**ARTICLE ONE.** To adopt the attached document, which shall be Chapter 3 of Title 3 of the Grupo Energía Bogotá S.A. ESP. Contracting and Execution Control Manual, according to the approval of the Board of Directors during their meeting No. 1654 of April 29, 2021.

**ARTICLE TWO.** Instruct the Audit and Planning Management so that they carry out the necessary management to make the Manual known in all GEB departments and train those who are called to act as contract supervisors and provide support services to supervisors. Likewise, they must carry out the relevant management so that that GEB Branches know and implement the Manual, following the particular items resulting from its legal nature and other conditions related to its business activities.

**ARTICLE THREE.** Contracts that have not been liquidated. The Audit and Planning Management must implement a Plan of Action for the liquidation of the contracts that have been executed and which have no pending contractual controversies, so that these are liquidated in a maximum period of twelve (12) months counted from the issuance of this Decision. For this, together with the Legal and Compliance Vice President, they must establish the guidelines to be followed in the cases indicated below:

1. Contracts that have not been liquidated due to policy validity.
2. Contracts that have not been liquidated due to lack of documents that allow for assurance of adequate compliance with the contractual obligations.
3. Contracts that has not been liquidated due to lack of auditor.
4. Contracts that were not executed during their Execution period.

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5. Contracts which show breach of the social security tax obligations.

**ARTICLE FOUR.** Validity and Transmission Regime. The attached document, which shall be Title 3 of the Grupo Energía Bogotá S.A. ESP. Contracting and Execution Control Manual that is adopted with this decision shall enter into force on June 29, 2021, the date from which Presidential Decision No. 091 is of October 18, 2016 is revoked, which issued the Audit Management Manual, and all its other modifying decisions. However, the contracts or collective agreements entered into during the validity of this Manual, shall continue being executed under the rules contained herein.

Issued in Bogotá D.C., June 30, 2021

[Illegible signature]

**JUAN RICARDO ORTEGA LOPEZ**

CEO

**Approved by:** Néstor Raúl Fagua Guauque, Legal Vice CEO, regulation and compliance. María Virginia Torres de Cristancho, Director of Sourcing and Services

**Reviewed by:** Roberto Carlos Amor Olaya - Audit Manager

**Drafted by:** Diana Carolina Grandas Rojas, Advisor, Sourcing and Services Department, Amny Nataly Forero Ni - Advisor, Sourcing and Services Department

**Annex:** Chapter 3 of Title 3 of the Contracting and Execution Control Manual

## **Chapter III: Control of the Execution of contracts for the exercise of Audit / Supervision of the contractual Execution**

### **3.1 Contract Audit**

This is the monitoring of the Execution of contracts carried out by an individual or company contracted by the Company. The Company can determine, considering the complexity of the contract, whether the audit shall cover not just the technical aspect, but also the administrative, financial, accounting, legal, workplace safety, environmental, human rights aspect of a contract or collective agreement.

The audit shall be undertaken by external individuals or companies, when this is decided as a result of the analysis of the complexity level of the work, good or service to be contracted, in accordance with the provisions of paragraph 3.2 of this manual. The audit contract must, in all events, have the supervision of a Company employee responsible for carrying out the control of the Execution of the audit contract.

The audits contracted by the Company to represent their interests must supervise and control the Execution of contracts or agreements according to the obligations contained therein and applicable regulations.

The Company can contract the Grupo Energía de Bogotá Foundation to carry out the auditing of contracts, provided that the obligations of this contract are related to their corporate objective. For this, the latter must have people who meet the suitability and experience conditions to adequately execute compliance with the audit management. The Company and the Grupo Energía de Bogotá Foundation must jointly define the minimum criteria for the selection and appointment of the audit of corporate projects and the creation of shared value.

The Auditor shall be responsible for administrative, financial, accounting, legal, workplace safety, environmental, and human rights monitoring of the contract or collective agreement. They shall be responsible for keeping the Company informed of any contractual event that occurs and this must be managed to guarantee adequate compliance with the contractual obligations and/or avoid the cause of damages for the Company. This is in order to ensure the strengthening and creation of trust between the Company and its contractors, in order to structure long-term relations that create reciprocal benefits for the parties.

Under no circumstance can an individual or company that has taken part in the determination of the technical aspects of the contract, with these being understood to be: specifications, designs, budgets, etc.

### **3.2 Supervision of the Contract**

This consists of the technical, administrative, financial, accounting, legal, workplace safety, environmental and human rights monitoring of a contract or collective agreement, exercised by a Company employee, when analysis of the complexity of the contract to be supervised concludes that said work can be carried out by one of them. The appointed person must monitor and control the Execution of the contracts or collective agreements according to the applicable obligations and regulations.

In order to seek adequate compliance with the contractual obligations and/or avoid grounds for damage to the Company and considering the level of liability related to the labor position of the supervisor, supervisors can be appointed, in line with the following parameters:

1. Contracts whose object is the audit of another contract.
2. In the application of a matrix adopted to determine the level of complexity of a contract to be supervised, the following rules shall be followed:
  - a. **Employees in Tactical or Strategic Roles**, for contracts of any quantity, of low or medium complexity.
  - b. **Employees with Advisor II or more Senior Roles**, for contracts whose value does not exceed 5,000 SMMLV and whose complexity is low.
  - c. **Employees with Advisor I or more Senior Roles**, for contracts whose value does not exceed 500 SMMLV, and whose complexity is low.
  - d. **Employees with Junior Professional or more Senior Roles**, for contracts whose value does not exceed 100 SMMLV and whose complexity is low.

Under no circumstance can an individual or company that has taken part in the determination of the technical aspects, with these being understood to be: specifications, designs, budgets, etc.

### 3.3 General Obligations of the Contract Auditor/Supervisor

The following, amongst others, are the obligations of the auditor/supervisor:

- a. Know, understand, and comply with the guidelines established in this Manual.
- b. Know the contents of the contract or collective agreement that they are auditing/supervising.
- c. Verify that the goods, works, or services are supplied and the services provided in accordance with the stipulations of the contract or collective agreement.
- d. Keep reserve regarding the information and documents deriving from the Execution of the contract or collective agreement.

### 3.4 Contract Management

The Management of the Contract consists of carry out all the management within the Company so that the contract has everything it needs for its Execution and to keep the Company's Senior Management informed of its relevant aspects, that can affect its compliance, value, risks, and other situations that occur before, during, and after its Execution, managing the existing contractual mechanisms and resources to resolve the difficulties that may arise, from a strategic and result-orientated vision, foreseeing risks and taking timely decisions to contain, mitigate or resolve them.

The Contract shall be managed by its supervisor. However, if they have a contracted auditor, the person who supervises the audit contract shall act as the contract manager.

The management of a contract or collective agreement refers, amongst other activities, to:

- a. Coordinating, when required, with other departments or departments within the Company critical matters that may put at risk compliance with the objectives defined in the contract or collective agreement.
- b. Manage, with the leaders and supervisors of the other departments of the Company, according to their competence, the services or supplies required for the control and correct Execution of the contract or collective agreement, for which they will be awarded a reasonable term to obtain a response.
- c. Monitor the possible risks related to the activities outlined in the Execution of the contract or collective agreement, in order to define the mitigation strategies to avoid affecting the good development or Execution of the activities outlined in the contract or collective agreement.
- d. Identify opportunities or best practices when situations are detected that affect or may affect the normal Execution of the contract or collective agreement, in order to establish the corrective actions to which there are recourse. Identify early alerts regarding possible breach of the Execution of the contract or collective agreement, in order to avoid its suspension, paralysis, or early termination.
- e. Guarantee the contractors due process in the case of breach of the contract or collective agreement.

### **3.5 Support to the Supervision of the Contract**

When the supervision is the responsibility of a Company employee, and depending on its complexity, the Company may have a support team to supervise the administrative, financial, accounting, legal, workplace safety, and environmental aspects of a contract.

In all events, they can, at any moment, request the statement or assistance in decision making from the Company's different departments, when their functions are strictly related to the matter to be decided.

### **3.6 Responsibility of the Auditors/Supervisors**

When, during a contract or its Execution, damage or harm is caused to the Company, and deceit or serious blame is shown due to action or failure to act by the auditor or supervisor in the fulfillment of their obligations, they shall respond in civil, tax, criminal, and disciplinary matters according to the current laws and regulations on the matter, both due to breach of the obligations derived from the audit contract, and the Execution of the contracts over which they have audited or supervised or are auditing or supervising.

### **3.7 Premises for the Interpretation of Contracts**

In all contracts entered into by the Company, the current laws at the time of its signature shall be understood as incorporated, except in the exceptions outlined in the law.

During the interpretation of contracts, the common and real intention of the parties expressed in the documents of the pre-contractual stage must be considered, in addition to the invitation to present the offer; and during the offer presented and accepted by the Company, in addition to the circumstances surrounding the formation of the legal transaction, in addition to the literal sense of the words. In addition, the rules established in the Civil Code shall apply, in addition to its regulations and the special regulations for each type of

contract. The substantial reading on the formalities shall prevail, notwithstanding the instructions of the corresponding corporate governance.

Regarding the premises mentioned herein, the parties can, via memoranda of understanding, define the interpretation of their will. When said acts presume the amendment of the contract, its approval must be submitted before the corresponding corporate bodies.

The memoranda of understanding can be signed by the person authorized for contracting with prior legal assessment.

### **3.8 Management by the Auditor/Supervisor during the Execution of the Contract**

The auditor/supervisor must exercise the monitoring and control of the Execution of the contract or collective agreement regarding the management indicated below:

#### **3.8.1 Administrative Management**

This includes activities directed towards administrating the Execution of the contract or collective agreement and verifying compliance with the processes, procedures, and handling of documents. The obligations deriving from this management are:

1. Knowledge of the documents of the pre-contractual stage, in order to understand the need and justification for the contract.
2. Verify and approve the existence of the technical conditions needed to start the Execution of the contract, such as the plans, designs, licenses, permits, authorizations, studies, calculations, specifications, etc., when applicable.
3. Verify that the documents contained in the contract or collective agreement folder are complete in accordance with the checklist established for this, and ensure that the supporting documents are provided on time, according to the relevant document retention tables.
4. Provide the contractor with the information they need to comply with the contract or collective agreement.
5. Verify that prior to the Execution of the contract that the contract or collective agreement guarantees or policies are duly approved.
6. Sign the starting minutes complying with the Execution requirements established in the contract or collective agreement.
7. Require the update of the guarantees or policies according to the starting minutes or the amendments, suspensions, or updates to the contract or collective agreement or refer them for their approval.
8. Monitor the obligations corresponding to the Execution of the object and scope of the contract or collective agreement, which includes, but is not limited to, verifying compliance with the standards for quality, staff and equipment offered in the conditions approved by the Company.
9. Receive to satisfaction and require from the contractor, both the reports and the other deliverable items established in the contract or collective agreement.
10. Carry out the document processes related to the amendment of contracts within the periods established by the Sourcing and Services Department or whoever acts on their behalf.

- 11.** Handle, process, or resolve any consultation by the contractor for the correct Execution of the contract or collective agreement with due diligence. For this, they must ensure to carry out monitoring and control of the correspondence by the contractor during the Execution of the contract, so that they can answer and intervene in the requirements made in a timely manner.
- 12.** Require the information they consider necessary, recommend what they deem convenient and contribute to the best Execution of the contract and, in general, adopt the measures proposed for the correct Execution of the contracted object, without this meaning the modification of the contract conditions, the scope of the object, the Execution period, or its value.
- 13.** Give written confirmation of all their actions. The orders and instructions that they give are obligatory provided that they are in line with the agreements.
- 14.** Suggest the measures they consider necessary for the best Execution of the contracted object.
- 15.** Communicate to the person authorized for contracting, to the Sourcing and Services Department and the Audit and Planning Management, circumstances that may put at risk the Execution of the contract.
- 16.** Receive the correspondence sent by the contractor and carry out the relevant processes, according to the current internal regulations and instructions.
- 17.** Ensure that the relationships with the contractor and the management of the auditor/supervisor appear in writing and are duly documented.
- 18.** Attend field visits, audits, socialization meetings, and all other necessary meetings according to the criticality of the contract or collective agreement, as applicable.
- 19.** Control the milestones, Execution period, and validity of the contracts and collective agreements under their responsibility, as well as the other related documents such as guarantees, policies, amendments, and the benefits of the contract or collective agreement, etc.
- 20.** Upload, in the technological tools made available by the Company, the documents from the Execution and termination stages of the contract or collective agreements, as well as send to the Audit and Plan Management or whoever acts on their behalf, the documents that must be part of the contract folder according to the provisions of the document management system. To process the signature of the certificate of final delivery or liquidation, the complete and updated information on the contract or collective agreement must be provided, according to the relevant document retention tables.
- 21.** Create and sign the Certificate of Final Delivery during the agreed Execution Period, accrediting the satisfactory receipt of the goods, works, or services object of the Contract or Collective Agreement, or indicating the missing items they observe.
- 22.** Participate in direct settlement agreements, when the contract has this figure, or a similar one, as a conflict solution mechanism, reviewing the proposals expressed by the contractor, and giving the explanations or responses they deem relevant and necessary to meet the contractor's requests. As a result of the meetings, or once the analysis of the contractor's claims or responses is complete, a report must be issued which shall act as a supporting document for the decision taken by the person Authorized for Contracting and/or the Legal or Extra-Legal Matters Committee, when the analysis results in any recognition that requires the approval of this collegiate group.



23. Carry out all the processes and create all the documents necessary for the liquidation of the contracts or collective agreements under their responsibility during their validity.
24. Review the validity of the guarantees that protect the risks that must be covered after the finalization of the contract or collective agreement, according to the agreements between the parties. If applicable, they shall require the extension or update from the contractor as a requirement for the signature of the certificate of liquidation and request the approval of these adjustments from the relevant department.
25. During the termination stage, produce the certificate of experience and development of the contract or collective agreement, indicating, amongst others, the Execution Period, the date of the starting minutes, the executed value, and the contractor's performance.
26. Assess the contractor's performance in a timely way via the technological tool defined for this purpose, according to the instructions established for this.
27. Use the forms established in the Company's integrated management system to carry out their audit/supervision tasks.

### 3.8.2 Technical Management

This includes the activities directed at decision making, monitoring, and receipt of technical deliverables in the Execution of the contract or collective agreement. The obligations derived from this management are:

1. Present the requests for amendment, suspension, restart, termination, or breach of the contract, with the technical supporting documents or the respective justification that contains the motives and feasibility of the contractual event that must be processed.
2. Amend the contract or collective agreement, in a timely way before the competent Committee, according to the provisions of the Company's Contracting Manual, when the Execution of greater quantities or items additional to those initially indicated in the contract or collective agreement is required, and which imply the increase of its value, sending the respective justification that contains the motives and feasibility of the amendment to the contract or collective agreement.
3. Sign, in a timely way, with the contractor, with the approval of the head of the department or project, the certificate for higher or lower quantities than those outlined in the contract or collective agreement, provided that this does not imply adding to the contract value.
4. Give the contractor all the information and/or technical specifications necessary for the Execution of the contract, keeping the respective record of current documents, when applicable.
5. Ensure and require compliance with all the regulations, technical specifications, and manufacturing procedures and/or construction plans, according to the provisions of the contract or collective agreement.
6. Verify and require that the contract or collective agreement is carried out within the period and with the established values. Likewise, verify the progress according to the approved schedule, as applicable.

7. Measure the quantities of the executed work, verifying the deliveries of goods or the performance of contracted services, which they shall state in the Certificate of Partial or Final Delivery of the respective contract or collective agreement.
8. Verify that the work team profiles comply with the conditions required in the contract or collective agreement. Require change of staff when they do not comply with the profile, functions, or dedication established in the contract.
9. Process the requests for the entrance of the staff and equipment of the contractor or persons external to the Company's facilities during the course of the contract or collective agreement object.
10. Verify, where applicable, compliance with the biosafety protocols required by applicable regulations.
11. Coordinate the delivery to the Company of the equipment and elements supplied or acquired during the contract or collective agreement. Likewise, verify with the department responsible for the Company's assets their entrance, verifying their state and quantity.
12. Receive all services, works, goods, and/or elements delivered by the contractor within the agreed Execution period, verifying that their quantity and quality are in line with those required in the contract; approve them and declare them received satisfactorily, request corrections, make observations, recommendations, and requests for accuracy of the same, if applicable. This receipt to satisfaction must be carried out via the Certificate of Partial or Final Delivery.
13. Verify during the Execution of the contract, the quality of the goods, the calibration of equipment, and the state of the tools used in the work and, if applicable, request from the contractor the quality testing they deem convenient to establish and evaluate their correct functioning.
14. Constantly inspect and control the quality of the Execution of the contract, the equipment, materials, goods, services, or supplies, and order the relevant technical adjustments.
15. Require from the contractor when the goods, works, and services are not executed according to the contract, the work program, as well as when there is evidence of any partial breach or delay in the Execution of the scope, according to the contracted object.
16. Carry out the requested reports regarding the Execution of the contract or collective agreement by the immediate manager, the person Authorized for Contracting, the Company CEO, or the internal or external audits via the corresponding department, on the state of the contract or collective agreement, when applicable.

### **3.8.3 Financial Management**

This includes the activities directed at the management of payments, budget, and adjustments to the contract value. The obligations derived from this management are:

1. Ensure that correct Execution of the budget of the contract or collective agreement.
2. Document the payments and adjustments made to the contract and control its budget balance for the purposes of payment and liquidation.
3. Approve the advance investment plan, verify compliance with the conditions for its return, particularly if the handling of the advance was agreed via a trust or other instrument, as well as its total amortization. The verification of amortization implies

stating that the resources have been used for the use indicated in the investment plan and request the profits if applicable. In the event that anomalies are detected, the person authorized for contracting must be contacted, in addition to the Insurance Manager or whoever acts on their behalf, in order to effect the good handling guarantee and the correct investment of the advance, and the contractual clauses to which there are recourse.

4. Approve and manage, in accordance with the procedures of the Company, as well as the indications of the contract or collective agreement, payment for reimbursable expenses, guaranteeing that these have been processed following the procedure established for this.
5. Verify compliance by the contractor and as a requirement for the corresponding payment of invoices or bills, compliance with the conditions indicated in the contract or collective agreement.
6. Verify compliance by the contractor and as a requirement for the corresponding payments of invoices or bills, the payment of contributions to the General Social Security System in health care, pension, workplace risks, and parafiscal contributions, which shall be accredited via the certificate issued by the tax auditor, when applicable, or the legal representative, according to the provisions of Article 50 of Law 789 of 2002, or the regulations that add to or modify it.
7. Revise the invoices or replacement bill presented by the contractor, in a period established in the procedure of the financial department or whoever acts on their behalf. If errors or inconsistencies are found, the auditor/supervisor shall return the invoice or equivalent bill to the contractor within the three (3) days following its filing at the Company.
8. Verify that the contractually established amount for reimbursable expenses is not exceed, and that their payment procedure is complied with, according to the procedure established for this purpose.
9. Manage and Ensure timely reporting to the corresponding insurance company or banking entity of any amendment to the contract or collective agreement, or all activities or requirements that could affect its normal Execution.
10. Request from the accounting department the finalization of the contract, the accounting statement and/or payment report and deductions made from the contractor.
11. Produce the Certificate of Final Delivery, liquidation or early termination certificate, including the financial closure and declaration of good standing regarding the obligations derived from the contract or collective agreement.
12. Sign the price adjustment certificates and carry out the procedures for the adjustment of the internal order, when this mechanism has been agreed in the contract.
13. Send the project for the Certificate of Final Delivery, liquidation or early termination to the contractor.
14. Call the contractor to a meeting if they receive objections regarding the project for the certificate of final delivery or liquidation. In the event that the contractor does not attend the meeting set for the purposes of determining the certificate of final delivery or liquidation of the contract or collective agreement, or there is no consensus on the matter, the project shall be understood as approved under the agreed terms.
15. Review the period for the guarantees that protect the risks that must be covered during the Execution and after the finalization of the contract or collective agreement,

according to the agreement between the parties, and, if applicable, require its extension or update from the contractor as a requirement for the signature of the liquidation.

### 3.8.4 Legal Management

The obligations derived from this management are:

1. Verify compliance with the rights and obligations of the parties.
2. Issue justification regarding the feasibility of amendments, suspensions, early terminations, or extensions of the Execution period or the validity of the contract for its liquidation.
3. Manage, in a timely way, within the Execution period and before the respective bodies, the requests for amendments to the contract or collective agreement, according to the provisions of the Contracting and Execution Control Manual and having finished the procedure established for this.
4. Observe and comply with the current legal provisions and the Company Contracting and Execution Control Manual.
5. Issue justification regarding the feasibility of amendments, suspensions, early terminations, or extensions of validity of the liquidation of the contract or collective agreement.
6. Sign the starting minutes of the contracts or collective agreements verifying that the adjustments to which there are recourse are made on the contractual guarantees and requirements or documents required in the framework of the contractual relationship to start the Execution of the activities of the contract or collective agreement.
7. Manage, in a timely way, within the Execution period and before the respective bodies, the requests for amendments to the contract or collective agreement, according to the provisions of the Contracting and Execution Control Manual and with prior review by the Requesting Party.
8. Sign the certificate for the suspension or restart of the contracts or collective agreements, verifying that the adjustments to which there are recourse are made on the contractual guarantees and agreeing the effects of the same in the framework of the contractual relationship.
9. Sign the certificate for the suspension or liquidation of the contracts or collective agreements, verifying that the adjustments to which there are recourse are made on the contractual guarantees and agreeing the effects of the same in the framework of the contractual relationship.
10. Identify and state in the certificate of final delivery or liquidation of the contracts or collective agreements the possible damages caused during the Execution of the contract by the contractor, including those which can be recovered via the application of the contractual guarantees. For this, they must inform the Insurance Management and identify the damages that exceed the contracted protections. For this, they must inform the legal department so that they carry out the respective review and start of the legal actions, if applicable.
11. In the event of a breach or claim by the contractor, the auditor/supervisor must consider the provisions below, as well as the Instructions and/or procedures established for this:

- The auditor/supervisor shall require in write from the contractor for the purposes of the fulfillment of the contractual obligations, when there are partial or total delays, under penalty of the application of the sanctions agreed in the same.
  - To process the contractual claims, the auditor/supervisor must exhaust the procedures outlined in the contract or collective agreements.
  - The auditor/supervisor must inform the person Authorized for Contracting and the Audit and Planning Management in a timely manner of the delays or breaches that may result in the application of sanctions, pursuant to the provisions of the contract or collective agreement.
  - The person Authorized for Contracting shall formally audit the contractor, the insurance company, and the internal dependencies or third parties, as applicable.
  - Finally, they must ensure compliance by THE CONTRACTOR with the Company's policies and guidelines, especially the Code of Ethics.
12. Report any event stemming from incompatibilities and disqualifications outlined in the law or conflicts of interest in accordance with the Company's Code of Ethics and Good Governance.
  13. Report all situations that affect the due Execution of the contract so that they can be solved as quickly as possible, avoiding unjustified delays or deferrals that affect the Execution of the contract.

### **3.8.5 Sustainable Development Management**

This consists of the activities directed at the monitoring of the environmental and human rights monitoring established in the contract or collective agreement, which are:

1. Monitor compliance the environmental obligations established in the contract or collective agreement or those that derive from the same.
2. Comply, or ensure, that the environmental handling plans, environmental permits and/or licenses are followed, with the support of the competent department, when applicable, according to the agreements of the respective contract or collective agreement.
3. Oversee the guarantee of the networking plans with the community of the department of influence where the contract or collective agreement is located, according to the Company's sustainability and human rights policy.
4. Ensure that the contractor coordinates with the environmental authorities or national institutions in order to guarantee favorable conditions for the Execution of the contract or collective agreement, when applicable according to the agreements of the contract or collective agreement.
5. Make visible the items necessary for the correct processing of the licenses and permits required pursuant to the contract or collective agreement entered into by the Company.
6. Monitor the implementation and compliance with the labor, industrial safety, workplace health, corporate and environmental regulations, as well as the internal regulations and procedures related to the Execution of the contract or collective agreement.
7. Review and approve the evaluation of the human rights and HSEE risks before starting any activity and implement the corresponding control measures, in accordance with the Sustainable Development Management guidelines.

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8. Monitor compliance with the Company's current HSEE Manual.

## **Chapter IV: Determination and Appointment of Auditors/Supervisors**

### **4.1 Determination**

The auditor/supervisor is the Company's representative to ensure that the contract is compliant regarding the agreed conditions of time, method, and place. Therefore, their powers are limited to those expressly permitted by the contract or collective agreement and by this Manual that shall be an integral part of the contracts signed and that must be provided to future contractors during the selection stage.

From the time at which the need for a selection or direct contracting process is determined, the Originating department must define whether the contract shall be monitored via a supervisor or auditor.

### **4.2 Complexity Matrix**

The complexity matrix is a tool that contains that criteria for the definition of the need and feasibility of appointing the responsibility of monitoring and control to a Company employee or whether the Company needs to hire an external person.

Likewise, the profiles of the Company employees shall be evaluated and defined as part of the assessment of whether potential supervisors can comply fully with this function.

To make this decision, the Complexity Matrix must be completed, which must be adopted together with the relevant procedures, which must consult, at least, the following criteria:

1. Contract value.
2. Execution Period.
3. Place of execution of the contract and the geographical area.
4. Technical complexity of the contract object.
5. Number of people needed to execute the contract.
6. The need to monitor corporate and/or environmental obligations, amongst others.
7. Reimbursable Expenses.
8. Advance.
9. Complexity of monitoring of obligations regarding workplace health and safety.

For all supervisor appointments, it must be validated that the employee has the suitability, experience, and that they can fully perform their functions.

In cases of medium or high complexity, an auditor must be contracted.

However, in medium-complexity contracts, the Originating Department can request before the Committee that authorizes the contracting that said contract be assigned a supervisor. This request must be duly supported with technical, legal, administrative, and budget arguments. The Committee can turn away or approve this request as they deem convenient.

### **4.3 Appointment and Re-appointment of a Supervisor or Contracting of an Auditor**

Supervisors shall be designated via a contract or written, or electronic document signed by the person authorized for contracting.

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The appointment shall be notified via a communication sent to the supervisor via the information system made available to the Company or via email.

In the event that the designated supervisor finds a situation that would result in an impediment or conflict of interest, and that could affect the due monitoring and surveillance of the contract, they must report it to the Audit and Planning Management or whoever acts on their behalf, so that they carry out the relevant actions to undermine the situation or promote the change to the designated supervisor before the person authorized for contracting, as applicable.

The appointment of the supervisor must be communicated once the contract or collective agreement is signed and the guarantees are approved.

Employees from any of the Grupo Energía Bogotá companies can be designated as supervisor, provided that there is a prior agreement between the companies which allows this.

Supervisors can be changed with a new appointment stated in a written communication. The outgoing supervisor must deliver the contractual file up to date, including the contractor assessments, and a detailed report of the state of Execution of the contract. Breach of this obligation can give rise to the start of disciplinary, tax and/or criminal acts, as applicable.

Audit contracts must have the same duration as the validity of the contract whose Execution shall be controlled, so that they cover the Execution period and the period established for its liquidation. Therefore, when managing the extension of a contract which shall be audited, the audit contract must also be extended.

The Originating Department, headed by the Manager, Director, or Vice President, can expressly request that the audit contract not be continued. This request must be widely justified and shall require the approval of the corresponding Contracting Committee.

In the event of the definite or temporary absence of the supervisor due to vacations, leave, disasters, suspensions, sickness, permissions, or any other situation that impedes the auditor of the contract or collective agreement continuing with their work, this work shall be understood as the responsibility of the hierarchal superior who is designated as supervisor, who shall directly undertake the corresponding activities, or via the appointment of a new supervisor who shall be responsible for them, or until the auditor/supervisor of the contract or collective agreement returns. Notwithstanding the foregoing, the person Authorized for Contracting shall have the power to appoint a new supervisor in these cases.

### **4.4 Actions Prohibited for the Supervisor or Auditor**

Notwithstanding the provisions that regulate the incompatibilities, disqualifications, and impediments, according to the Law and the Company's Contracting and Execution Control Manual, likewise, conflicts of interest in accordance with the provisions of the Company's ethics and compliance policies that can affect the objective and impartial exercise of the auditor, the following prohibitions are considered:



1. Amend the contract or suggest agreements deriving from it without complying with the established procedure, to request works, services, or goods that exceed the contracted object.
2. Recommend to the contractor staff to be added to the work team.
3. Request contractual amendments, additions, suspensions, or transfers without first checking whether the same are necessary, in line with the market values, and sufficient to comply with the contractual object and obligations.
4. Request the contractor's staff to support activities different to those derived from the contractual obligations.
5. Guarantee, permit, or omit any action that could infringe, put at risk, or constitute a violation of human rights or that constitute discrimination or abuse.

#### **4.5 Rules for the Appointment of a Supervisor due to Absence or Permanent Change**

For the appointment of a new supervisor of a contract or collective agreement due to absence or permanent change, the following aspects must be considered:

The new appointment shall be carried out via the technological tool made available by the Company and with the formalities established in the contract.

The outgoing and incoming supervisors must sign a certificate which indicates the technical, administrative, financial, accounting, legal, workplace safety, environmental, and corporate status of the contract or collective agreement.

The supervisor to be replaced must formally and materially deliver to the new appointed supervisor all the documents and information related to the contract or collective agreement. This shall be a requirement for the approval of vacations, permissions, good standing or changes of functions within the Company.

If the employee who acted as supervisor resigns, the administrative file must be delivered ordered and in line with the document management system. This shall be a requirement for the acceptance of their resignation.

If the contractor has no supervisor for any reason, the immediate supervisor shall be responsible for the supervision functions until a new employee is appointed as supervisor.

### **Chapter V: Contractual Events**

Contractual events are situations that arise during the Execution of the Contract, which require formal treatment by the contracting party.

Amongst others, the following are indicated:

#### **5.1 Suspension:**

The Execution of the contract shall be interrupted temporarily by mutual agreement for reasons of force majeure, fortuitous case, for reasons of public interest, or due to any circumstance outside of the contractor's responsibility, ensuring in all events that it does not violate compliance with the principles of public function.

For this, a certificate shall be signed by the contractor and the Supervisor and/or Auditor, indicating the causes, the period, or condition deemed necessary to overcome the contingency, the statements that the parties consider relevant regarding the suspension or effects of the same regarding compliance with the contractual period and obligations.

The parties can partially suspend contracts, provided that the obligations are divisible. For this, in addition to the indications of the certificate of suspension, the obligations object of the suspension must be detailed. In the case of partial suspensions, the general period of Execution of the contract shall not be interrupted.

When the suspension is of the general contract period, the period of suspension shall not be counted for in this period when expressly agreed. In these cases, it must be understood that the Execution period shall be automatically extended, up to the same period that the contract was suspended.

In the event the suspension is subject to a condition, and such condition materializes, the contract shall be resumed by means of a document signed by the parties expressly indicating the reasons for ending the suspension and the end date of the contract Execution Period.

In these events, when the suspension is subject to a period, once the established period ends, the Execution of the contract shall be resumed, without the need to issue restarting minutes between the parties.

When the suspension of the contract occurs during a situation of force majeure or fortuitous case, and the parties cannot agree on the signing of the respective document in a timely manner, they shall hereby evidence this and shall provide the documents that allow for it to be shown the date from which the circumstances that impeded the Execution of the contract occurred, when signing the certificate of suspension or restarting minutes.

During the suspension of the contract, the contractual guarantees be kept current and cannot be modified to reduce or suspend their scope and period.

### **5.2 Restarting**

Restarting is understood as the continuation of the Execution of the contract, once the period and/or conditions set in the suspension certificate have been fulfilled.

By common agreement, the parties can restart the contracts, provided that the grounds that gave rise to the suspension have been overcome and it is possible to continue with the Execution of the object, scope, and obligations agreed in the contract or collective agreement.

This situation must be materialized via a certificate signed by the parties complying with the Company's internal policy.

When the contract is restarted, the guarantees must be extended, if applicable.

It shall not be necessary to sign a restarting certificate when the suspension certificate establishes the date that the contract shall restart.

### 5.3 Transfer

This is the transfer of the contractor's rights and obligations to a third person so that they can take the position of contractor and continue with the execution of the contract under the same originally agreed conditions. The transfer can be carried out without the transferee undertaking subsidiary or joint responsibility with the transferring contractor, provided that this is indicated in the document that authorizes the transfer of the contract and the relevant committee authorizes this provision.

Transfers must have the prior, express, and written authorization of the relevant sourcing committee, according to the recommendations and justification of the contract supervisor and/or auditor.

The transfer must be requested by the contractor and authorized by the Company, unless the transfer is the Company's own initiative. The authorization for the transfer must be preceded by a technical and legal analysis regarding the suitability and experience requirements for the transferee. The transferee must have the same or better qualities than the transferrer. The Supervisor and/or Auditor will confirm this in the request.

The transfer shall have effect regarding the transferred contracting party from their notification, with prior contractual amendment documenting the transfer of the contract and signed by the parties.

The transfer of economic rights without a change in the contractual position shall not require amendment to the contract, unless the contract has agreed any condition that must be amended.

The transfer of the contract implies the transfer or constitution of new guarantees, except in the transfer of the economic rights without change to the contractual position.

### 5.4 Amendments to Contracts

The assessment of the timeliness, convenience and requirements for the amendment must be approved by the Contracting Committee within its competencies.

The Company's contracts can be amended. The amendments may contain the following agreements, amongst others:

- **Modification of the Execution Period - Extension;** when the amendment refers to the execution period which shall require justification of the motivating circumstances.
- **Modification of the value - Addition:** This must be duly justified and accredited that the cost-benefit relationship of the original contract and the market conditions, if applicable, are maintained.
- **Addendum.** Amendment to the contract clauses to clarify, substitute, or modify an existing stipulation or agree a new one.
- **Modification of the Object:** this shall be exception and cannot affect the nature of the originally signed contract nor violate the principle of equality of all participants in the selection.

Amendments to contracts must be signed by the person authorized to contract and the contractor. Additions can only be signed when the contractor obtains a good or higher result in their performance assessment.

## **5.5 Contractual Payments:**

Contracts or collective agreements, in accordance with the agreed method of payment, provided that the contractor or associate complies with the obligations and activities and the Company receives the invoiced goods, works, or services to their satisfaction.

This procedure must be fulfilled in accordance with the internally issued guidelines and comply with all the documents required for its correct processing.

The need to request the certificate of partial or final delivery must be considered, in addition to the deliverables or reports to file the payment when the contract so requires.

## **5.6 Higher and Lower Quantities of Work**

The execution of higher and lower quantities of work shall be defined according to the items agreed in the contract when unforeseen situations occur that require change to the initially agreed conditions.

Higher or lower quantities of work shall be stated in writing in the certificate that must be signed by the contract auditor or supervisor and the contractor's representative.

In the event of the agreement of items that were not initially indicated, the market conditions review process must be exhausted and a contractual amendment must be signed to enable its contractual Execution.

In the event that higher quantities of work result in a higher value of the contract, the contract value must be amended for the corresponding amount.

## **5.7 Reports**

The reports or deliverables agreed in the contract or agreement accredit the Execution of the object and the obligations and as a result compliance with the same. These informs must be reviewed and guaranteed by the auditor or supervisor. If inconsistencies are found, they must state this to apply the measures to which there are recourse. Therefore, the reports are part of the monitoring supporting documents that allow for the determination of breaches by the contractor.

# **Chapter VI: Contractual Breach**

## **6.1 Contractual Breach**

The difference between the contract object or obligations and their real Execution by the Contractor, whose immediate effect is failure to satisfy the Company's interest regarding the contracted object or any of the agreed obligations.

The breach may be total when on the date of termination of the contract the agreed obligations have not been fulfilled, especially those related to transparency or respect for human rights; or partial when within the Execution Period they do not comply with the dates established for the receipt of deliverables or there is breach of agreed milestones or obligations.

## 6.2 Serious Breach

This is a breach whose magnitude affects the utility, purpose, interest, results, or benefits that motivated the contract and which reasonably shows that it cannot be overcome under the agreed conditions.

The breach shall give rise to the penalty clause for enforcement and the criminal penalty clause.

For this, the procedure established by the Company for this purpose must be followed.

Contractors who have incurred in total breach cannot be contracted by the Company within the 2 years following the date of termination of the breached contract.

## 6.3 Management of Delays

Delays generated by the contracts must be identified and handled by the supervisors and auditors via official communications, requirements for plans of action, and where necessary the application of the procedure established for this.

This Management shall be carried out with the assistance of the Audit Management, the legal department, and the Insurance Management, who must be up to date with the development of the contract for the timely adoption of the measures required within the process.

## 6.4 Penalty Clause for Enforcement

In the event of delay and or partial breach of the obligations defined in this Contract, the Company will initiate the procedure to make effective the enforcement penalty.

This provision is intended to urge the Contractor to fulfill its obligations, and consequently it may be validly applied during the Contract Execution Period.

Breaches are classified as follows:

- a. Breach of any of the obligations acquired by the contractor pursuant to the Contract, different to those related to the work or delivery schedule.  
The contractor shall pay the Company the value agreed for each day that passes and the breach continues, or the delayed payment interest up to a maximum of forty-five (45) days.
- b. Breach of the work schedule, in the case of general breach of the contract period or the periods established in the Delivery Program Schedule, the contractor shall pay the Company the value agreed for each day of delay until the breach is ended.

## 6.5 Criminal Penalty Clause

In the event that the Contractor does not comply, completely or partially, with the obligations included in this Contract by, it shall pay the Company, by way of penalty clause, the agreed percentage of the total value of the Contract.

The above is notwithstanding the Company's rights to claim comprehensive remediations for damages caused for any amounts greater than the penalty clause, or to demand

fulfillment of the principal obligation. The Company can deduct the value of the penalty clause from any sum that they owe or demand its payment from the contractor.

## **6.6 Claim of the Policies**

The policies shall be claimed as the result of a contractual breach that is managed with the support of the supervision of the Insurance Management or whoever acts on their behalf and the legal department if necessary. The applied value shall be the contractually established value.

## **Chapter VII: Contractual Controversies**

### **7.1 Claims**

A request submitted by the contractor which seeks for the recognition of excess executed works, services, or goods which have not been considered within the terms of the contract nor in its amendments or for excess costs caused by an economic imbalance due to motives outside their good performance and management.

The values claimed or disputed as an imbalance must be unequivocally support and proven by the Contractor.

For this, the Company can set up a direct settlement board with the contractor or resort to any of the Alternative Conflict Solution Mechanisms, MASC (according to its Spanish initials).

### **7.2 Direct Settlement Mechanism.**

Direct settlement is the mechanism used by the Company via which meetings are held with contractors in order to reach pre-agreements on claims, identifying the concepts that can be recognized, or when not all the evidence, supporting documents, or arguments are available that allow for the economic reward to be supported.

The Company's Audit and Planning Management must participate in this mechanism as process moderator, along with the contract auditor/supervisor, a representative of the Company's Legal Vice President, and the Company's technical advisors or external experts with the Contractor or their designated deputy, duly enabled and with the ability to make decisions.

The contract supervisor/auditor shall be responsible for consolidating the documents of the attendance lists, meeting minutes, reports, and supporting documents for the negotiation with shall be used to present the claimed and accepted items to the Legal and Extra-Legal Matters Committee, for their corresponding acceptance or rejection.

In the framework of the direct settlement, technical boards can be set up in order to analyze the parties' arguments from a technical viewpoint and, if applicable, reach a technical consensus on the claim.

### **7.3 Transaction as a Controversy Solution Mechanism**

Transactions are contracts in which the Parties, via reciprocal transfers, extra-legally terminate a pending lawsuit or prevent an eventual lawsuit.

The amounts recognized in the transaction contract imply the existence of resources for their payment and for this they must have prior validation from the Financial Department or whoever acts on their behalf.

The transaction contract is a document used to legally recognize the agreement on a claim and supporting the payment of the value defined within the direct settlement boards, with prior approval from the Company's legal and extra-legal matters committee.

## **Chapter VIII: Termination and Liquidation of Contracts.**

### **8.1 Termination of Contracts.**

Contracts terminate due to expiry of the agreed period. They shall be liquidated in the cases of contracts where the provision of services continue, in contracts whose Execution or compliance is extended and in those instant Execution contracts when recognitions or statements of resolved or unresolved claims must be made.

The liquidation, when applicable, must be carried out within the 6 months following the termination of the contract Execution Period, unless for a complexity of the same, a different period is agreed on.

For contracts that are not liquidated, a statement shall be left by the supervisor/Auditor of the satisfactory receipt or compliance with the compensation agreed in the object.

Contracts may be terminated for one of the following reasons:

#### **8.1.1 Expiry of the Agreed Execution Period or Materialization of a Condition.**

This occurs when the agreed Execution period ends without it being extended first, or when the conditions contractually established for this occur.

#### **8.1.2 Early Termination by Mutual Agreement.**

Early termination is submitted via a document signed by the Person Authorized for Contracting, the auditor/supervisor and the contractor, which terminates by mutual agreement the contract or collective agreement prior to the end of the agreed Execution Period.

In this case, it must be determined and certified whether the termination results in harm for the Company that must be imputed to the compliance policy.

#### **8.1.3 Unilateral Termination**

Unilateral termination is submitted via a document signed by the Person Authorized for Contracting and the auditor/supervisor. It shall occur in events in which the Company decides to resolve the contract, based on any of the grounds indicated in the Contract, having exhausted the due process.

### **8.2 Liquidation of Contracts**

Liquidation is the procedure via which, once the contract has concluded, a legal, technical, economic, and accounting balance is carried out in which the parties offset accounts regarding their reciprocal obligations, to declare themselves in good standing in all matters.

The liquidation must include all the matters related to the provisions derived from the contract and its Execution. The certificate of liquidation must state the obligations and rights at the cost and in favor of the parties resulting from the Execution of the contract. The liquidation can state compliance with the obligations and also include the obligations that arise from the parties during its signature.



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Likewise, the liquidation must state the recognitions and adjustments derived from the Execution of the contract as applicable, and the agreements, conciliations, and transactions reached by the parties in order to finish their differences and declare themselves in good standing.

The objective of the liquidation is to determine whether the parties can declare themselves in good standing or whether there are obligations to fulfill and the way in which these must be fulfilled. For this reason, the liquidation proceeds after the termination of the Execution of the contract, and can end with:

- The signature of the certificate of liquidation, which can be complete or contain conditions;
- With the document that states that it was not possible to reach an agreement regarding the contents, or,
- With the document that states that the Contractor did not appear after the summons or notice.

The bilateral liquidation presupposes an agreement of understanding between the Company and the Contractor regarding the final contract balance and the corresponding certificate is a definitive, obligatory, legal transaction between the parties.

The Contractor's failure, for more than 60 calendar days, counted from the delivery of the document for their signature, to present objections to the certificate of liquidation or to sign it shall be interpreted as tacit consent and shall result in the respective certificate of liquidation considered as signed by the contractor, provided that this is established in the contract.

Contracts below 200 SMMLV and instant Execution contracts shall be exempt from liquidation.

## **Chapter IX: Management of Auditors, Supervisors, Contractors, and Suppliers**

### **9.1 Performance Assessments and Contractual Certifications**

Performance assessments shall be carried out via the tool made available by the Company for this purpose, under the terms established within the instructions or procedure adopted for this. These assessments are part of the supporting documents that show compliance by the contractors during the Execution stage and shall be determining to make decisions regarding amendments and newly contracting the same.

### **9.2 Training for GEB Auditors and Supervisors**

The auditors and supervisors shall be trained in matters applicable to the Execution of the contracts or collective agreements for which they are responsible. Likewise, they have the permanent assistance of the internal and external advisors for technical, legal and administrative matters related to the Execution and termination stages of the sourcing model.

### **9.3 Lessons Learned**

Lessons learned are used as a methodology to identify the causes of situations that have affected the correct development of the Company's processes in the Execution and termination stages and with which the Company seeks to develop and implement measures that allow for the correction and improvement of the procedures, contracts, risk matrices, and any aspect of the contractual processes or the contracts to be entered into.

From the lessons learned, an anti-legal damage prevention policy shall be issued, which shall be adopted by the Legal and Extra-Legal Matters Committee. This must be widely distributed to the whole Company in order to establish in the contracting risk map the corrective actions to which there are recourse.

# **Final Provisions**

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## TITLE 4

### FINAL PROVISIONS

#### 1. Transition

The selection processes and contracts ongoing when this Manual comes into force shall continue to be subject to the regulations applicable at the time of its initiation.

Likewise, the auditors designated under the amended regulation shall continue exercising control of the Execution of the contracts under their responsibility until their finalization, unless prior analysis dictates otherwise.

This Contracting and Execution Control Manual shall enter into force in a period of two (2) months from its approval by the Board of Directors, once the aspects stated in paragraphs 1 to 4 of this paragraph have been developed.

1. Adjustments to the sourcing process with their respective subprocesses and procedures in the management system.
2. Adjustments to the structure and strengthening of the Sourcing Management in order to establish the controls and manage the knowledge of the company's employees.
3. Adoption of the manual to exercise control of the Execution of contracts, by the GEB CEO.
4. Adjustment of the roles of the labor positions that participate in the process.
5. Standardization of contractual documents.
6. Setting of the parameters of systems and applications, implementation of development, and automation of contractual documents.
7. The other activities required for the correct implementation of this document including the adjustments or adoption of the transparency, sustainability, ethics, risk, etc. policies.

The Company shall have a period of six (6) months for the development of the aspects subject of paragraphs 5 and 7, and ten (10) months for paragraph 6.

The provisions of this Manual must be interpreted comprehensively and systematically, in accordance with the regulations of the Code of Commerce and the Civil Code, in addition to the regulations that regulate special legal transactions; Jurisprudence, doctrine and the general principles of law are supporting criteria for the interpretation and Execution of this Manual.

The Contracting and Execution Control Manual shall only be developed and interpreted via the procedures adopted for the development of the Contracting Process and its Subprocesses.

#### 2. Applicable Regime

The Company can enter into all types of legal transactions derived from the autonomy of the will of the parties, according to the regulations of the Civil Code, the Code of Commerce,

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and their provisions, in addition to this Manual and the special provisions that apply to Grupo Energía Bogotá.

Contracts entered into or that must be performed abroad may be ruled by the regulations of the country agreed to by the parties.

### 3. Repeal

This Manual entirely repeals and replaces Presidential Decision: No. 00000039 of May 6, 2016, and its amendments, formalized via Presidential Decision 0004 of 2019, all the guides, instructions, and internal provisions that develop them and in general any contrary internal provision.

This Contracting and Execution Control Manual was submitted and approved in the Board of Directors Meeting No. 1654 of April 29, 2021

#### Document Control

Version No.	Version date	Certificate of approval of documentation	Reason for update
1	May 06, 2016	Presidential Decision 00000039 of 2016.	Creating the document and adopting the Energía de Bogotá S.A. E.S.P. Contracting Manual
2	September 02, 2019	Presidential Decision 0004 of 2019.	The Contracting Manual has been modified in order to adapt it to the version of the Company's Strategic Sourcing Model, in particular, the parts corresponding to its policies and regulations axis.
3	June 30, 2021	Presidential Decision 004 of 2021.	Modifying and integrating the Contracting and Execution Control Manuals considering the two stages of the Contracting Process.

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Form OGE-PRO-004-F-002 GEB Manual Version 01 is part of procedure OGE-PRO-004 Document creation, update or deletion.

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# **Contracting and Execution Control Manual**

Grupo Energía Bogotá