

# Appendix F - Annual Report of Compliance with Corporate Governance Practices



## Audit and Risk Committee 147

### INTRODUCTION

According to the Bylaws, the responsibilities of the Board of Directors include approving Corporate Governance practices and to submit for the consideration of the Annual General Shareholders Meeting the report of compliance with Corporate Governance practices of the Company. Additionally, Audit and Risk Committee Charter establishes as one of the functions of the Audit and Risk Committee to support the Board of Directors in the review of the report

This report also complies with Superintendence of Finance, External Circular 029/2014 V, I, Part III, regarding to the implementation of the Corporate Governance Practices survey

Below we outline the assessment of Isagen's Corporate Governance practices for the period January 1 to December 31, 2021

### I. 2021 REPORT ON COMPLIANCE WITH CORPORATE GOVERNANCE PRACTICES

#### CORPORATE COMPLIANCE

- Activities were performed in accordance with the stated purpose of the Company and pursuant to applicable laws
- The Company complied with the requirements of Laws 142/1994 and 143/1194 and, all applicable regulation

#### FRAMEWORK FOR ACTION

- Dissemination and training activities were developed for workers and third parties on the Company's Code of Ethics, and the Anti-bribery, Anti-corruption and Antifraud Policy (ABC Policy). Additionally, allegations received through the Ethics Channel were assessed and attended in a timely manner by the Ethics Committee and reported to the Audit and Risk Committee and the Board of Directors
- The Audit and Risk Committee oversaw the execution of the 2021 compliance program and approved 2022 work compliance program

#### FAIR TREATMENT OF SHAREHOLDERS

- Investors were provided with the necessary information that would allow them to make decisions on investment in a thorough and timely manner
- Shareholders participated in the deliberations of the Annual and Extraordinary General Shareholders meetings and they had the company books and papers available to them prior to the meetings pursuant to the provision set out in the Bylaws and Law
- 53 shareholders' and 22 investors requests were received and 100% were attended
- The new transactions with the follow related parties complied to internal regulation and it made in order market conditions

## THE COMPANY AND ITS GOVERNANCE

- The Annual General Shareholders Meeting and the Board of Directors complied with current regulations, Bylaws and policies. Their composition can be consulted in the following link:  
<https://www.isagen.com.co/en/about-us/board-of-directors-and-management-team>
- The General Shareholders Meeting, held on March 25, 2021, approved the Board of Directors composition for the period March 2021 to March 2031, with a 100% vote in favor, with the representation of independent members and statutory reform related to decrease the number of shares and increase its nominal value
- The ordinary Board of Directors and extraordinary General Shareholders Meetings, held on November and December 2021, approved the update of the limits of the general delegation of authority established in the Authority Delegation Policy and the bylaws
- The Board of Directors and its committee met every three months over the year, according with the Bylaws, as well as two additional sessions by successive communications for decision making by the Board of Directors, in compliance with applicable Law provisions
- The percentage of attendance to the Board of Directors and the Audit and Risk Committee meetings over the year, by line, was 95%. The Chairmen and Secretaries fulfilled their functions and responsibilities in accordance with the provisions of the Bylaws and applicable Regulation. The compensation of the independents members of Board of Directors was made in accordance with the Compensation Policy, approved by the General Shareholders Meeting, which one was updated on 2021
- The information for decision-making was provided in a timely manner to the Board of Directors and Committee members
- The Audit and Risk Committee served in line with Law 964/2005 and in compliance of the Bylaws, regarding the committee's composition, responsibilities and operation
- A performance report on the Board of Directors and its committee was made
- The CEO fulfilled the functions and responsibilities as established in the Bylaws and his performance assessment was made by the Board of Directors
- In the selection and promotion processes for executives conducted over the year, in general the related internal policies were applied

## CONTROL MECHANISMS

- Isagen has kept the COSO framework (Committee of Sponsoring Organizations of the Treadway Commission) in order to improve its Internal Control System. According with internal and external audits, the system performed adequately
- An overview risk management strategy was presented to the Audit and Risk Committee
- Over the year, regulations issued by Superintendence of Finance and Superintendence of Public Utilities, that are applicable to Isagen, were complied with and requests made by the authority were responded to
- The Statutory Auditor attended 100% of the Audit and Risk Committee meetings, in compliance with Law 964/2005 and complied with Statutory Auditor's legal responsibilities
- The Statutory Auditor certified that income from professional services provided of the Company and/or its economic associates did not representing twenty five percent (25%) or more of his/her annual revenue, during the period
- The Audit and Risk Committee followed up on the established control mechanisms

## TREATMENT OF CONFLICTS OF INTEREST

- Isagen has an effective procedure for handling situations linked to potential conflicts of interest and employees were in compliance
- No disclosure of conflicts of interest were submitted by members of the Board of Directors and its Committee

## INFORMATION DISCLOSURE

- Disclosed information was in line with internal policies and external regulations as relevant information that Isagen must present to the market
- The implementation report of Corporate Governance Practices survey will be published on Isagen's website

## II. OVERALL CONCLUSIONS

Based the assessment made, it is evident that Corporate Governance practices defined in Isagen's Corporate Governance Code were fulfilled and regarding to the implementation of the Corporate Governance Practices Survey issued by the Superintendence of Finance, the measures adopted by Isagen were in compliance of the survey, the which one is available on Isagen's web site: <https://www.isagen.com.co/en/investors/corporate-governance>

Isagen's Board of Directors and employees complied with the corporate governance practices defined by the Company and established in Law