



CONEXIONES QUE INSPIRAN

Good Corporate Governance Code

Table of Contents

> INTRODUCTION	5
> INTRODUCTORY TITLE	7
1. Corporate Governance	7
2. Code objective and scope of application	7
3. Corporate Reference Framework	8
4. Corporate sustainability and stakeholder commitments	8
> TITLE 1: SHAREHOLDERS' RIGHTS AND EQUAL TREATMENT	9
1. Rights of shareholders	9
2. Principle of equal treatment	10
3. Information and communication with shareholders	11
4. Proposals to the Board of Directors	11
5. Investor rights in Company's securities different from shares	12
6. Special report for transactions that may result in dilution	12
> TITLE 2: GENERAL ASSEMBLY OF SHAREHOLDERS	13
1. Functions and Powers	13
2. Call	13
3. Right to information, clarifications and questions	14
4. Right to submit proposals to the Agenda	15
5. Regulations of the General Assembly of shareholders	16
6. Representation in Shareholders meetings	16
7. Attendance of the members of the Board of Directors and the Chief Executive Officer of the Company	17
8. Right of shareholders to request calls to Assembly	17

Table of Contents

> TITLE 3: MANAGEMENT BODIES	18
1. Functions of the Board of Directors	18
2. Structure of the Board of Directors	18
3. Independence	20
4. Operating Regulations of the Board of Directors	21
5. Duties and rights of members of the Board of Directors	22
6. Chairman of the Board Of Directors	24
7. Secretary of the Board of Directors	24
8. Committees of the Board of Directors	25
8.1 Board and Corporate Governance Committee	25
8.2 Business Committee	26
8.3 Corporate Audit Committee	26
9. Remuneration	26
10. Evaluation	27
11. Senior Management	27
11.1 Chief Executive Officer	27
11.2 Officers and Corporate Directors	28
11.3 Directors	29
12. Administrators	29
13. Comprehensive Management Framework	29
14. Conflicts of interest	30
> TITLE 4: CONTROL ARCHITECTURE	31
1. Control Environment	31
2. Internal Control Bodies	31
2.1 Board of Directors	31
2.2 Corporate Audit Committee	31

Table of Contents

2.3 Chief Executive Officer	32
2.4 Chief Audit Officer	32
3. Risk Management	32
4. Control Activities	33
5. Information and communication	34
6. Monitoring of the Control Architecture	34
7. External control bodies	34
7.1 External Auditor	34
7.2 Superintendence of Domestic Public Utilities	35
7.3 Financial Superintendence	36
7.4 Superintendence of Companies	36
7.5 Comptroller General of the Republic	36
7.6 General Accounting Office of the Nation	37
7.7 Audits requested by investors	37
8. Risk Rating Agencies	38
> TITLE 5: TRANSPARENCY AND FINANCIAL AND NON-FINANCIAL	39
1. Disclosure of information	39
2. Relevant information	40
3. Information and communication disclosure mechanisms	40
4. Corporate website	41
5. Annual Report of Corporate Governance	41
> TITLE 6: COMMERCIAL TRANSACTIONS BETWEEN ISA AND ITS RELATED PARTIES	42
1. ISA's Related Parties	42
2. Guidelines for transactions between Related Parties	43

Table of Contents

3. Identification of the main shareholders	44
4. Negotiation of ISA's securities by administrators and employees	44
5. Policy of share repurchase	45

> TITLE 7: CONFLICT RESOLUTION	46
> TITLE 8: COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE	47
> TITLE 9: VALIDITY, REFORMS AND DISCLOSURE	48

Introduction



Interconexión Eléctrica S.A. E.S.P., hereinafter ISA or the Company, is a mixed-capital public utility company, related to the Ministry of Mines and Energy. ISA is the parent company of a corporate group in Colombia and abroad, which mainly develops business of electric power transmission, road concessions, telecommunications transport and intelligent management of real-time systems.

Since its foundation in 1967, ISA has been characterized by the efficient and reliable benefit of its services, within a framework of respect to human rights and protection to environment, in order to foster competitiveness and regional sustainability, the improvement of quality of life and the development of the societies where ISA operates, all thanks to a highly qualified and committed human team.

ISA combined its role as parent company of the corporate group by directly providing services such as electric power transmission service, management, operation and maintenance of power transmission systems. In 2012, ISA began a strategic update process led by its Board of Directors, which resulted in the revision of main choices and internal reorganization, separating corporate strategic functions from operation and maintenance issues.

Consequently, from January 2014, ISA (as a parent company) focuses on addressing the performance of the corporate group, the profitable management of the growth opportunities portfolio, the definition of large corporate choices, the competitive guidance and the establishment of the framework for action that characterizes the management and practices to be applied in the relevant processes of its companies. On the other hand, INTERCOLOMBIA (which is a

subsidiary of ISA) was founded to focus on the management, operation and maintenance of power transmission systems in Colombia.

Since ISA has state and private investors, its stocks and bonds are traded on the Colombian Stock Exchange and it has Level I ADRs traded on the USA OTC (Over The Counter) market, its management applies high standards of transparency, efficiency and corporate governance that provide protection and confidence to investors, fostering their sustainable growth.

Since 2001, ISA has been gradually and responsibly adopting the best corporate governance practices and, in line with this, ISA has incorporated the recommendations of the Code of Best Practices - Country Code - of the Financial Superintendence of Colombia, through the reform of its Corporate Bylaws, the issuance of agreements, policies, guidelines, procedures and this Good Governance Code.



Introductory Title



1. Corporate Governance

In ISA, corporate governance is the set of values, principles, policies, rules, means, practices and processes, through which ISA is directed, operated, and controlled, looking for business efficiency, growth enhancement, encouragement of investors' confidence in national and international contexts by means of practices aimed at transparency and coherence of ISA actions. In addition, ISA looks for obtaining better funding conditions by the perception of lower risk by creditors and investors, the respect of those who invest in the Company and the fulfillment of commitments with its various stakeholders.

2. Code objective and scope of application

SA's Board of Directors approves this Corporate Governance Code in order to compile standards and

establish practices for the proper Governance of the Company. The provisions of this code complement the provisions of the [Corporate Bylaws](#) published in the corporate website www.isa.co, the legal regulations applicable to ISA and the internal regulations of the Company.

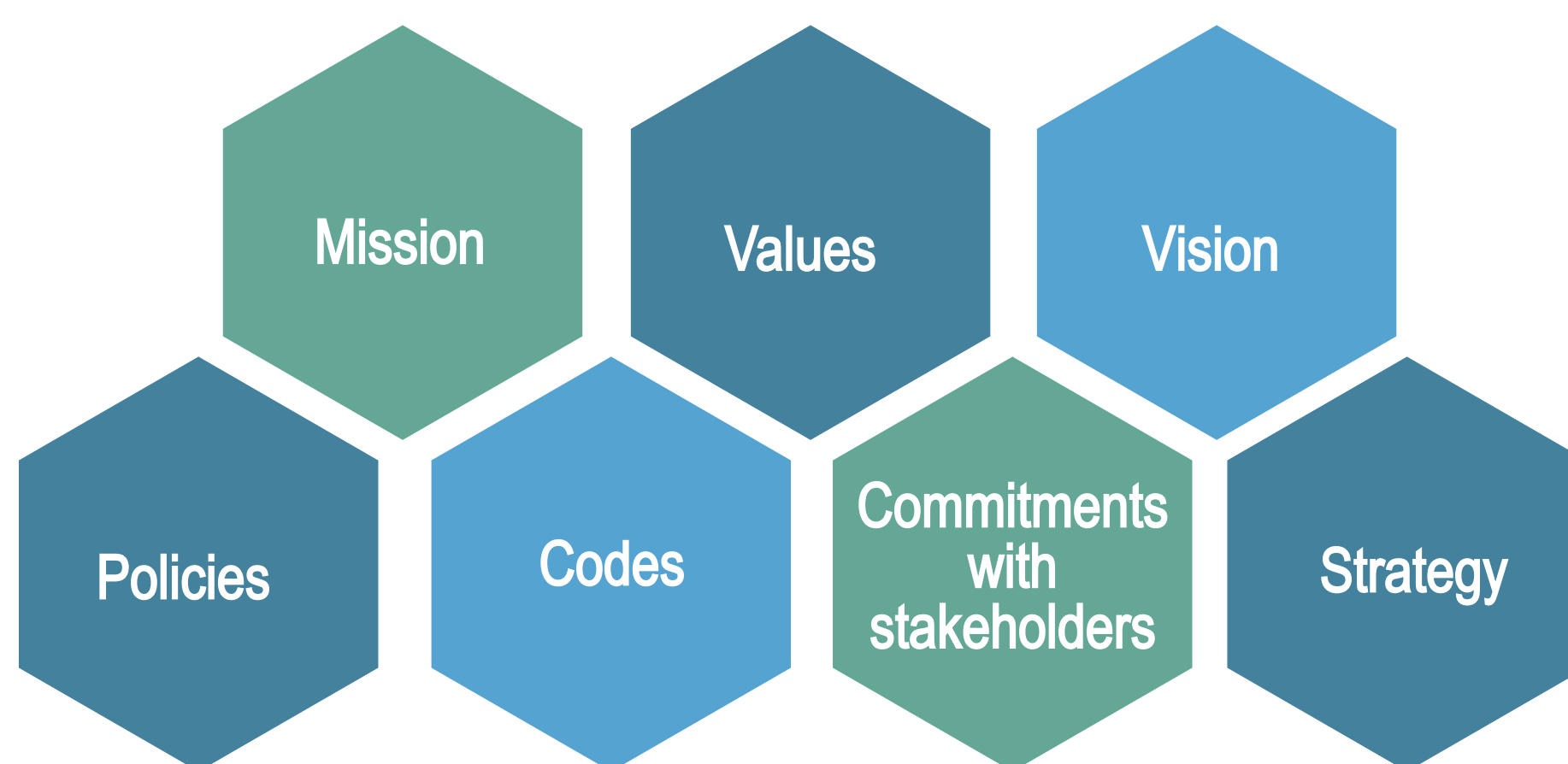
ISA (as parent company) will advocate the unity of purpose and direction among the companies comprising the corporate group, promoting the adoption of specific measures with respect to their Governance, their conduct and their information. The above is based on the policies and guidelines established in this Corporate Governance Code, the Corporate Reference Framework, and taking into account the applicable regulations in the countries where the companies are domiciled.

The corporate group comprises ISA (as parent company) and the companies under its direct or indirect control, among which there is unity of purpose and direction. The situation of the corporate group is determined and registered in accordance with Colombian law. The certificate of existence and legal representation of ISA, issued by the Medellín Chamber of Commerce, counts for the companies making up the group.

The structure of the [Corporate Group](#) is published on the corporate website www.isa.co.

3. Corporate Framework

It defines the framework for action that guides ISA management, its goals and the behavior of its managers and employees. It is established by the Board of Directors of ISA. It is also periodically reviewed in accordance with business dynamics and market demands. The corporate reference framework is published on the corporate website www.isa.co and includes:



4. Corporate sustainability and stakeholder commitments

ISA manages its business with a corporate sustainability approach, in a responsible, transparent and ethical manner. This is how ISA manages opportunities, risks and impacts inherent in the economic, environmental and social development to create value for its stakeholders and contribute to the development of societies where it is present.

The corporate website www.isa.co includes corporate goals that guide ISA's management and its commitments with stakeholders.



Title 1

Shareholders' Rights and Equal Treatment

ISA recognizes the importance of its shareholders and, accordingly, with social responsibility, ISA not only looks for the profitability of its investment and the increase of the Company's value, but also to ensure the exercise of rights and the fulfillment of its obligations.

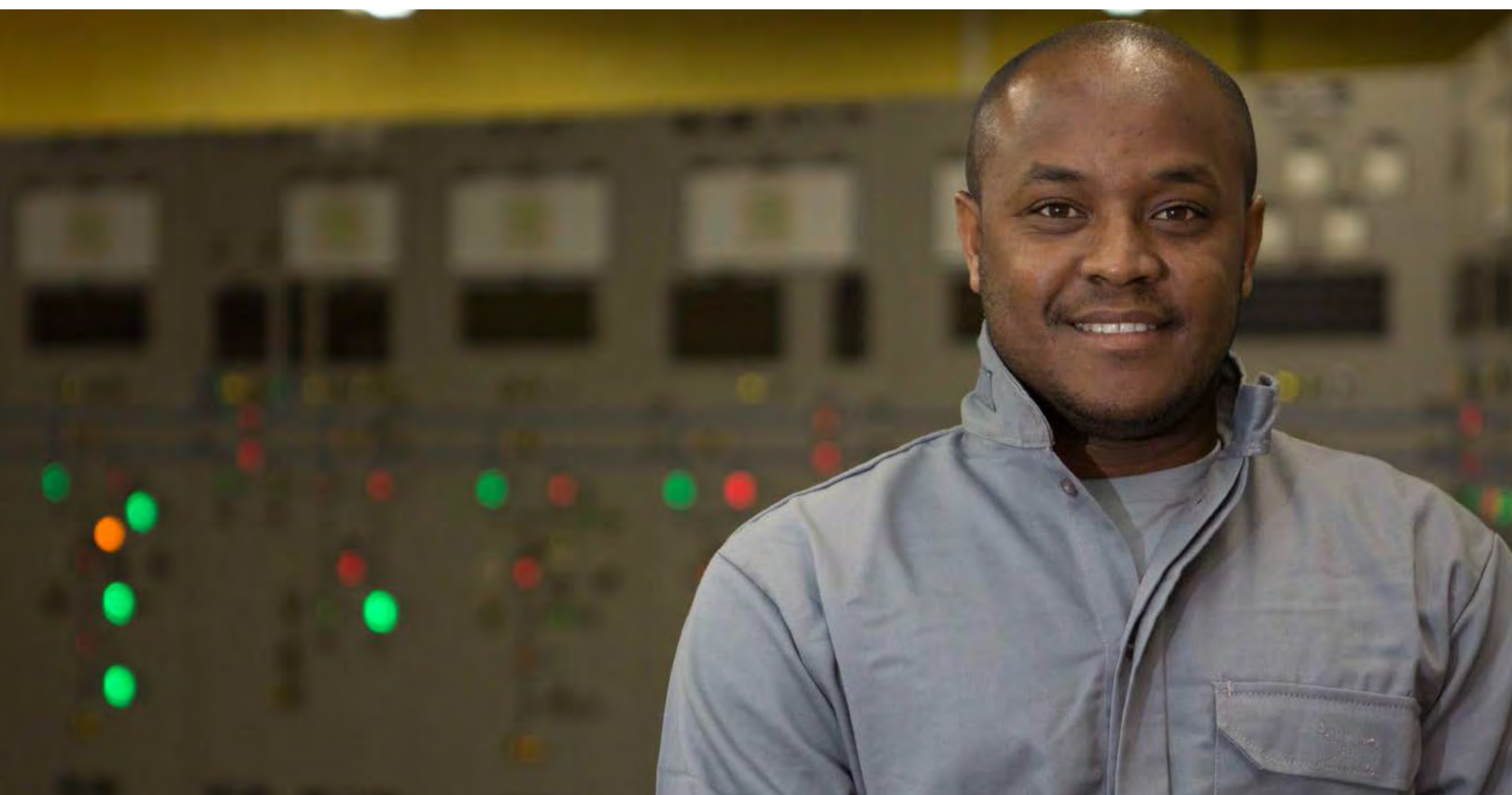
ISA recognizes and respects the property rights of all its shareholders regardless of the value of their investment or number of shares they are representing. The property rights of shareholders authorize them to influence the Company through their participation and vote in ordinary or extraordinary meetings of shareholders, their participation in the Company's benefits and the right to receive and request information.



1. Rights of shareholders

The main rights of shareholders are:

1. Participate in deliberations of the General Assembly of Shareholders and vote.
2. Receive the proportional part of the social benefits established in balances ending the financial year, subject to the provisions of the Corporate Bylaws and the Law, and under the conditions established by the General Assembly of Shareholders.
3. Negotiate their shares in the terms indicated in the Corporate Bylaws and the applicable law.
4. Freely inspect, within fifteen (15) business days prior to the meetings of the General Assembly of Shareholders, where balances ending the financial year, company's books, and other documents related to Articles 446 and 447 of the Colombian Commerce Code are taken into account.
5. Receive a part of the corporate assets in proportion to the value of their shares, at the time of liquidation and after the payment of the Company's external liabilities.
6. To be represented in the Company by a written



document, indicating the name of the legal representative and the duration of the representation.

7. Request information and clarifications in relation to the General Assembly of Shareholders and submit proposals against the agenda.

8. Request the call for an extraordinary meeting of the General Assembly of Shareholders, under the conditions defined in the Corporate Bylaws.

9. Request audits specializing in the conditions defined in the Corporate Bylaws.

10. Exercise the right of withdrawal, when greater responsibility is imposed or their property rights are worsen as a result of the transformation, merger or split of the

Company or the voluntary cancellation of the registration of ISA shares in the National Registry of Securities and Issuers, and when the shareholder had not participated in the decision or voted against it. The above is according to the terms and conditions set forth in the trade Colombian law.

11. Submit proposals to the Board of Directors on the conditions set forth in this Code.

In [Title 2 - General Assembly of Shareholders-](#) of this Code, the particular conditions applicable to the exercise of shareholders' rights related to Assembly meetings are established.

2. Principle of equal treatment

All ISA shareholders, depending on the nature of their shares, enjoy the rights established by law, the Corporate Bylaws, the placement regulations of applicable actions and the Good Governance Code.

ISA provides the same treatment of request, complaint and information for all shareholders who (holding the same class of shares) are under the same conditions, without it supposes access to privileged information of some shareholders in relation to others.

3. Information and communication with shareholders

ISA promotes the general principle that "information should go to shareholders and not that shareholders should go to information", for which ISA has direct and flexible communication channels to guarantee and strengthen the right of shareholders to receive and request information, such as the corporate website, social networks, sending messages to the mailboxes registered by shareholders, presentations, as well as face-to-face and virtual events.

ISA has a telephone helpline for the shareholder and a shareholder attention office as mechanisms of permanent access and use addressed exclusively to shareholders. However, in accordance with the evolution of the market and the Information and Communication Technologies (ICT) practices, the Company may provide mechanisms different from the previous ones that perform the same function.

Through different communication channels listed here, shareholders have access to financial and non-financial information related to ISA and their businesses, can express their views, and raise concerns or suggestions related to their status as shareholders.

The right to information related to the [General Assembly of Shareholders](#) is developed in [Title 2](#) of this Code.

4. Proposals to the Board of Directors

A number of shareholders representing at least five percent (5%) of the subscribed shares can submit proposals to the Board of Directors, indicating the address and the name of the person to which the response will be sent and with whom the Board of Directors will interact if deemed necessary. The Board of Directors shall consider these proposals and answer them in writing to the persons who posed those proposals, clearly indicating the reasons that motivated the decisions.

Such proposals may not be intended to topics related to industrial secrets or strategic information for the development of the Company.

These proposals must be made through the shareholders attention office or the mechanism for access and use exclusively directed to shareholders, to submit them to the Corporate Board and Governance Committee for their study and recommendation of acceptance or not to the Board of Directors.

When addressing these proposals, in accordance with Corporate Bylaws and this Code, the Board of Directors

should refrain from supplying restricted information or that may put at risk ISA's business, affect the rights of third parties, or if disclosed could be used to the detriment of the Company.



5. Investor rights in Company's securities different from shares

ISA recognizes and respects the rights of natural or legal persons that invest in bonds, commercial documents or other debt securities of the Company, strictly complying with the rules of stock market, Corporate Bylaws, prospects of information and any other documents that govern the issuance, placement and negotiation of the respective securities.

Rights, guarantees and provisions included in this Code on behalf of the shareholders shall apply as far as possible to the investors indicated herein, excepting those legal rights that are exclusive to shareholders.

6. Special report for transactions that may result in dilution

In case the of transactions which may result in the dilution of capital of minority shareholders these will be explained in advance and in detail to the shareholders through a report from the Board of Directors, accompanied by the opinion of an independent external advisor of recognized solvency which assesses the terms of the transaction (fairness opinion). The advisor will be appointed by the Board of Directors.

This report and the opinion of the independent advisor will be made available to the shareholders 15 business days before the General Shareholders' Meeting at which the respective transaction will be considered.

Title 2

General Assembly of Shareholders

The General Assembly of Shareholders is the supreme direction and governing body of the Company, formed by all natural and legal persons who are holders of the shares subscribed, present or represented, gathered in ordinary or extraordinary Assembly.

In addition to be the main means for the provision of information to shareholders, the General Assembly of Shareholders is the mechanism of effective control by shareholders on the progress of the Company, and therefore, of the performance of the Board of Directors and other administrators of the Company.

1. Functions and Powers

The functions of the General Assembly of Shareholders are those defined in the Colombian commercial law and the Corporate Bylaws.

2. Call

To facilitate the exercise of shareholder's right to information, Corporate Bylaws establish that ordinary sessions of the General Assembly of Shareholders should be convened not less than thirty (30) calendar days in advance, and extraordinary meetings should be convened not less than fifteen (15) calendar days in advance.

The call may be executed by any suitable means of communication, specifically the corporate Company's website www.isa.co and/or the notice in a newspaper of national circulation. The publication on the corporate website will remain until the day of the Assembly.

When deemed appropriate, ISA will use email, social networks or other electronic means of communication to strengthen the publicity of the call. A call notice will be sent to the email (registered at ISA) of shareholders domiciled abroad, or by any suitable means.

The Sunday before the date of the ordinary or extraordinary meeting, the Company will recall (by using a means of wide dissemination) the date of the meeting of the General Assembly of Shareholders.



3. Right to information, clarifications and questions

ISA uses electronic media such as the corporate website and sending messages, among others, to disclose all information related to the General Assembly of Shareholders (since the call to the Agenda date), proposals and decisions, once it is carried out.

The Company's documents, on which shareholders may exercise the right of inspection, will be available for consultation at the headquarters of ISA in Medellin, in accordance with the provisions of Colombian legislation.

The Agenda items shall be expressed in a clear and precise manner to facilitate their understanding and analysis by shareholders. Efforts will be made to make a joint vote on issues or proposals only if there is unity of matter and they are directly related.

In order to strengthen and guarantee the right of inspection and information of shareholders, Corporate Bylaws establish the right of shareholders (regardless of their stock ownership) to request within not less than five (5) business days in advance to the celebration of the General Assembly of Shareholders:

> The information or clarifications they consider relevant (through traditional channels and/or where appropriate) of new technologies.

> Pose written questions that they deem necessary in

relation to the matters included in the Agenda of the General Assembly of Shareholders.

ISA will not provide information that can be described as unreasonable, irrelevant, confidential or when its disclosure endangers the competitiveness of the Company. In these cases, ISA will give response to the requests of shareholders stating the reasons for the refusal.

When the answer provided to a shareholder can put it in advantage over the others, ISA will take necessary actions forward to ensure that other shareholders have access to such response simultaneously, using the means of communication which ISA considers relevant.

In case of qualifications in the [External Auditor's Report](#), these and the actions that the Company proposes to resolve the situation will be subject to a statement by the Chairman of the Board of Directors before the General Shareholders' Meeting.

When faced with qualifications or emphases of matter of the External Auditor, the Board of Directors considers that it must maintain its criteria, this position will be adequately explained and justified by a written report to the General Assembly of Shareholders, specifying the content and scope of the discrepancy.

4. Right to submit proposals to the Agenda

Corporate Bylaws recognize shareholders' right, regardless of their stock ownership, to propose the introduction of one or more points for discussion on the agenda on

the day of the General Assembly of Shareholders within five (5) calendar days following the publication of the call and provided that the request for the new issues is accompanied by a justification.

The Board of Directors will consider all requests. In case of rejected requests, the Board of Directors will respond in writing those requests supported, at least by a percentage of shares equivalent to five percent (5%) of the share capital, explaining the reasons that motivate their decision and informing shareholders the right to raise their proposals during the celebration of the General Assembly of Shareholders.

In the event that the Board of Directors accepts the request, after the time for the shareholders to propose issues has

elapsed, a complement to the call of the General Assembly of Shareholders will be published, at least fifteen (15) days prior to the meeting.

In the same term of five (5) calendar days following the publication of the call, shareholders may submit on solid basis new proposals for resolutions of Agreements on issues previously included in the agenda, and the Board of Directors will perform as indicated in the previous procedure.

Subject to the foregoing, the proposals to elect members of the Board of Directors must be attached (within the above period) the following documents:

- > Written communication of each candidate expressing their acceptance to be included in the corresponding list and the statements established to this purpose as per the Board of Directors Operating Regulations and this Code.

- > In case of independent members, the written communication of each candidate where he/she states his/her compliance with the independence requirements provided in the second paragraph of Article 44 of Law 964 of 2005.



5. Regulations of the General Assembly of shareholders

ISA has a Regulation of the General Assembly of Shareholders that controls all issues of it. This regulation allows shareholders to be informed about the rules that govern the development of the Assembly's meetings. This regulation complements the provisions of the Commercial Code and the Corporate Bylaws, and it includes:

- > The definitions of the terms used in the General Assembly of Shareholders.
- > The types of meetings: ordinary and extraordinary.
- > The term for the call according to the type of meeting and the suitable means of communication for its publication.
- > The content of the call and the Agenda.
- > The period to exercise the right of inspection of shareholders.
- > The right of shareholders to propose the introduction of the Agreements' issues and proposals in the Agenda, the term and conditions for exercising this right.
- > The procedure to be followed by the Board of Directors against proposals from shareholders which are related to the Agenda.
- > The method of voting the statutory reforms.
- > People who can attend meetings and their rights.

- > The documents to be submitted by shareholders who personally attend meetings.
- > The right of shareholders to be represented at the meetings and the conditions of representation, form, and power requirements.
- > The quorum for deliberating and majorities required for decision-making.
- > The formation and functions of the Board.
- > The commissions that may be created to the development of the Assembly and their functions.
- > The conditions for interventions, debates and behavioral rules.
- > The formal requirements of the minutes of the General Assembly of Shareholders and their method of approval.

The Regulation of the General Assembly of Shareholders is published in the corporate website.

6. Representation in Shareholders meetings

Shareholders may be represented at the General Assembly of Shareholders, and they may delegate their vote to anyone, whether shareholders or not, by power granted in writing, indicating agent or legal representative, the person that may be replaced by the latter, in the event, date or time of the meeting or meetings for which it is vested.

Additional formalities regarding the previous ones will not be required for the powers granted abroad.

ISA minimizes the use of blank vote delegations, without voting instructions, actively promoting the use of a **proxy template** which is available on the corporate website www.isa.co and which may be used by shareholders for the meetings of the Assembly. The model includes the issues of the agenda and the corresponding Agreement proposals that will be submitted for consideration by shareholders, with the aim that the shareholder (if he/she deems appropriate) indicates the reason of his/her vote to his/her agent or representative.

Each shareholder, whether a natural or legal person, may designate only a primary or legal representative before the General Assembly of Shareholders, regardless of the number of shares he/she holds.

The representative or attorney in fact of a shareholder cannot split the vote of his represented person, which means that he/she is not allowed to vote with one or more represented shares, in a certain way or by certain people, and with one or other shares in different sense or by other people. This individuality of voting does not oppose that the representative of several shareholders may vote in each case, following in a separate way the instructions given to him/her by each person or each group represented or client.

The power may be submitted through electronic, optical or similar means, provided that the requirements established in Law 527 of 1999 and the rules that add, modify or replace it are fulfilled.

7. Attendance of the members of the Board of Directors and the Chief Executive Officer

The members of the Board of Directors and the Chief Executive Officer will attend the Assembly to respond to the concerns of shareholders.

8. Right of shareholders to request calls to Assembly

Corporate Bylaws establish the right that a number of shareholders (representing at least twenty percent (20%) of the total number of subscribed shares in the Company) requests the Chief Executive Officer or the External Auditor to convene extraordinary meetings of the General Assembly of Shareholders.



Title 3

Management Bodies



The Board of Directors is the supreme management body of the Company, which is in charge of the general functions of strategic definition, supervision of key issues and control of the regular course of business and governance.

The Board of Directors is fully competent to ask the execution or conclusion of any act or contract understood within the corporate purpose, and to take the necessary decisions so the Company accomplishes its purposes, within the framework of the powers set forth in the Corporate Bylaws.

To execute its functions, the Board of Directors may create Committees that can formally delegate the exercise of certain functions, without exceeding the powers of the Board of Directors. Likewise, the Board of Directors may delegate in the Senior Management of the Company those functions that Law and Corporate Bylaws allow to delegate.

1. Functions of the Board of Directors

The functions of the Board of Directors are those assigned by Law and [Corporate Bylaws](#).

Respecting the autonomy of the governing bodies of the companies that are part of the corporate group, the functions of the Board of Directors of ISA have a group vision and are developed through general policies or guidelines that foster the unity of purpose and direction of the corporate group.

2. Structure of the Board of Directors

ISA's Board of Directors will be composed of nine (9) members, without alternates, of which at least five (5) must be independent.

The members of the Board of Directors are elected by the General Assembly of Shareholders, by the electoral quotient system, for a period of one (1) year, and may be reelected or removed at any time by the Assembly. The designation as a member of the Board of Directors of ISA may be executed in a personal capacity or in a particular position.

No employee of ISA may be a member of the Board of Directors.

The Board of Directors of ISA reflects the diversity of knowledge and accurate experience to perform its functions with efficiency, objectivity and independence. However, as collegiate

body, the Board of Directors should aspire to align the particular positions of its members in the common pursuit of corporate interest.

To structure the Board of Directors, criteria of professional competence, suitability and acknowledged moral solvency are taken into account. In the [Policy of Succession of the Board of Directors](#), the General Assembly of Shareholders sets the criteria for structuring the Board, which is published on the corporate website.

Before the meeting of the Assembly of General Shareholders, the Corporate Board and Governance Committee will assess the suitability of the candidates proposed by the shareholders and their availability of time and dedication necessary for the performance of their duties, in accordance with the Policy of Succession of the Board of Directors. Likewise, the Committee will verify the quality of independent candidates proposed as such.

People postulated to be members of the Board of Directors must accept in writing this candidature, demonstrating that they meet the requirements to be a

member of the Board of Directors and that they are not in any inability or incompatibility, or have legal impediments to be candidates. Moreover, they shall manifest that they are not in permanent conflict of interest with respect to all operations of the Company.

The Corporate Board and Governance Committee shall report the Board of Directors about those candidates who may adversely affect the functioning of the Board of Directors or the reputation of the Company, in particular, when staying in one of the cases of disability, legal prohibition or a permanent conflict of interest with respect to all operations of the Company.

Before the meeting of the General Assembly of Shareholders where the Board of Directors will be elected, the Company will make available to shareholders the information related to the proposed candidates to integrate it.



The corporate website includes the structure of the Board of Directors and the résumés of its members.

3. Independence

It will be considered independent who, in addition to complying with the requirements for independence established by law 964 of 2005 and additional regulations which modify it or replace it, meet the following conditions:

1) Neither this member nor his/her Close Relatives are employees or executives of ISA or any of its subsidiaries or affiliates or parent (Nation), nor have they had such quality during the year immediately prior to the appointment, except in the case of re-election of an independent person.

2) Is not a shareholder of ISA who directly or by virtue of agreement directs, steers or controls the majority of the voting rights of ISA or determines the majority composition of the administrative, management or control bodies of ISA.

3) Neither this member nor his/her Close Relatives are partners or employees of associations or companies which provide services or supply goods to ISA or to the companies that belong to their business group, when the income for such concept represents for these associations or companies, twenty percent (20%) or more of their Operating revenues.

4) Neither this member nor his/her Close Relatives are employees or directors of a foundation, association or society which receives important donations from ISA.

Important donations are those representing more than twenty percent (20%) of the total donations received by the respective institution.

5) Neither this member nor his/her Close Relatives are administrators of a company whose Board of Directors includes a legal representative of ISA.

6) does not receive any compensation from ISA other than the fees as a member of the Board of Directors, the Audit Committee or any other Committee established by the Board of Directors.

7) Neither this member nor his Close Relatives are partners or employees of the statutory auditor firm or external audit which audits ISA or its subsidiaries and affiliates and personally work in the audit of said companies.

Close relatives will be understood as: spouses or permanent companions, relatives up to the third degree of consanguinity, second of affinity and sole civil relation.

The foregoing independence requirements are established without prejudice to the inabilities and incompatibilities applicable to the contracting of ISA as a Mixed Private-Public Utilities Company.

4. Operating Regulations of the Board of Directors

By agreement, the Board of Directors approved the regulations governing its organization, functions, responsibilities and rights. This regulation complements the provisions of the Commercial Code and the Corporate Bylaws, and it includes:

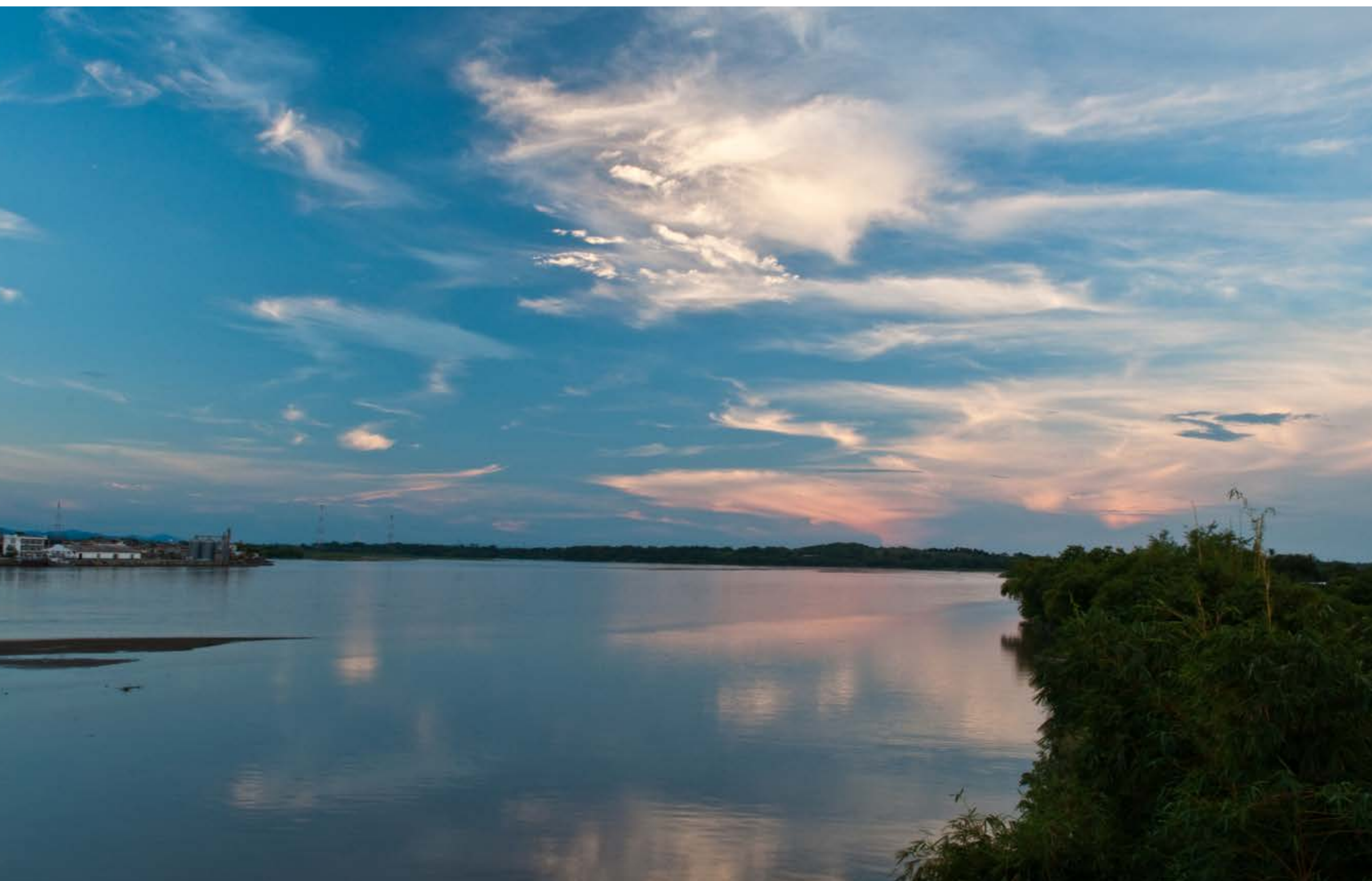
- > Structure of the Board of Directors and the powers of its members.
- > Disabilities and incompatibilities to which they are subject.
- > Conditions for the acceptance of the application.
- > Commitment of confidentiality which they must sign in order to protect the reserved or confidential information of the Company.
- > Period of the Board of Directors.
- > Determination of member's remuneration.
- > Functions of the Board of Directors.
- > Specific rights and duties.
- > Evaluation mechanisms.
- > Conditions for the waiver.
- > Definition of conflict of interest and the procedure to be followed by members who are facing this type of situation.
 - > Conditions for the acquisition or alienation of Company's shares by members of the Board of Directors and the procedure for carrying out such operations.

- > Types of meetings: ordinary, extraordinary, non-presential and vote in writing.
- > Schedule of meetings and conditions for the call of the different types of meetings, the formalities for the provision of information to the members of the Board of Directors, the order of business and the meetings' agenda.
- > Induction to the members designated for the first time.
- > Training programs for members.
- > Designation of the Chairman of the Board of Directors and his/her functions.
- > Designation of the Secretary of the Board of Directors and his/her functions.
- > Conditions for deliberations and voting, and quorum to deliberate and decide.
- > Conditions for the suspension of meetings.
- > Possibility of requesting the hiring of experts or external consultants.
- > Conditions of the minutes and their registration in the Minutes Book, depending on the type of meeting.



- > Issues rated as outstanding by the Board of Directors, as well as their management and follow-up.
- > Determination of the confidentiality of information of its decisions.
- > Creation of Board Committees, types of committees (institutional and occasional), their incorporation, general conditions for their call and meetings, appointment of Secretaries, minutes and their content, duties and general responsibilities of the members of the Board Committees.

The [Operating Regulation of the Board of Directors](#) is published on the corporate web page.



5. Duties and rights of members of the Board of Directors

In addition to the duties of administrators according to Law, the members of the Board of Directors have specific duties set forth in the Corporate Bylaws and Agreements of the Board of Directors:

> **Duty of loyalty:** It means to act in good faith to promote the success of the Company and the satisfactory development of its corporate purpose. They should give priority to the interests of ISA over their own interest or that of third parties, taking into account the interests of the Company's shareholders.

> **Due diligence:** They must act with prudence and care in the performance of their duties, by informing themselves in advance to make a reasonable judgment. Their decisions shall be taken with independence and autonomy.

Due diligence implies performing an appropriate follow-up to the management of the Senior Management, the fulfillment of its functions and the legal and statutory provisions. In case of finding irregularities or risks that may affect or cause harm to the Company or that imply a violation of law or statutes, they must inform the Board of Directors so this Collegiate Body will take measures and



corrective actions necessary to prevent or mitigate harms to the Company.

> **Duty of no competition:** They shall not participate directly or indirectly in activities that compete with the Company, or take advantage of ISA business opportunities or its companies, of which they are aware by their status as members of the Board of Directors.

> **Duty of secrecy:** They must guard and protect the commercial and industrial reserve of the Company and refrain from improper use of privileged information.

> **Duty of participation:** They shall attend the meetings of the Board of Directors and Committees, effectively contributing to the formation of the will of the corporate body.

> **Duty of not to improperly use the corporate assets:** The use of assets and resources of the Company will be in order to satisfy its own interests.

> **Duty to perform the assigned tasks:** They must accept and perform the tasks specifically recommended by the Board of Directors, provided that they are reasonably included within their commitment to dedication.

> **Duty of resignation:** They will submit their resignation if they are elected without meeting the requirements or if they are cause of any assumption or circumstance that may adversely affect the operation of the Board of Directors or the reputation of the Company, including conflict situations of permanent interest with respect to all operations of the Company.

The rights of the members of the Board of Directors are:

> **Right to information:** They will have access to full and timely information for the performance of their duties.

> **Right to obtain assistance of experts:** They have the right to request to the Presidency of the Company the procurement of services from experts or



services from experts or external advisors, when they deem it necessary for the performance of their duties.

> **Right to Remuneration:** They have the right to an adequate remuneration, which shall be determined by the General Assembly of Shareholders, in accordance with the criteria established in the Policy of Remuneration of the Board of Directors adopted by the Assembly.

> **Right to induction and training:** The Company will execute at least one induction meeting for the members of the Board of Directors appointed for the first time. Also, the Company will make available sufficient information so they can have a specific knowledge of the Company, its business and sectors it is involved. Likewise,

they will be informed of the responsibilities, obligations, rights and powers derived from their position, and they will be handed out the Company papers necessary for the exercise of their position. Moreover, they have the right to receive, on behalf of ISA, trainings on topics related to their roles as administrators, as well as ISA activities and its companies.

6. Chairman of the Board Of Directors

The Chairman of the Board of Directors shall be elected among the members of the Board of Directors at the next session following the election of the Board of Directors by the General Assembly of Shareholders for the respective period.

The functions of the Chairman of the Board of Directors, which go beyond presiding over the meetings of the corporate body, are those set forth in the [Corporate Bylaws](#) and in the [Operating Regulations of the Board of Directors](#), which are published on the corporate website.

7. Secretary of the Board of Directors

The Chief Legal Officer is the Secretary of the Board of Directors, whose functions are set forth in the [Corporate Bylaws](#) and in the [Operating Regulations of the Board of Directors](#), which are published on the corporate website.

The Secretary is responsible for the legal advisory of the Board of Directors. Consequently, the members of the Board of Directors may ask him/her questions related to their duties and responsibilities as administrators and those questions deemed necessary to ensure the legality of their actions and compliance with the Corporate Bylaws and internal regulations of the Company.

The Secretary will take a list of questions made by the Board of Directors or its members, and the responses provided to them.

8. Committees of the Board of Directors

The Board of Directors, by means of Agreement, may create specialized Committees to act as organs of study and support on specific issues, with the ability to present proposals to it and exercise powers with decisive character delegated by the Board of Directors.



The Committees of the Board of Directors may be occasional or institutional. The first Committees are for analysis, study or research of a specific case, while the second ones operate on a permanent basis. Each institutional Committee has an internal regulation, which regulates the details of its structure, functions, responsibilities and operation.

The Committees of the Board of Directors may obtain temporary or permanent support from members of Senior Management with experience on the matters of their competence and/or external experts.

For the integration of its Committees, the Board of Directors takes into account profiles, knowledge and professional experience of the members in connection with the matter subject to the Committee.

Without prejudice to the future creation of other Committees, the Institutional Committees of the Board of Directors of ISA are the following and their structure is published on the corporate website.

8.1 Board and Corporate Governance Committee

This Committee supports the Board of Directors in the exercise of its functions on a decision-making or advisory

nature related to the appointment and remuneration of the members of the Board of Directors and the Senior Management, the politics of human management of the Company, the compliance with the rules of corporate governance, the analysis and approval of the strategy, the guidelines and policies for the management of risks, the involvement of the factors of sustainability in the development of

the corporate strategy, and the addition of value for stakeholders. Likewise, it is responsible for the topics related to the governance of ISA and its companies.

The Corporate Board and Governance Committee has the general clause of competence to know any matter that is not specifically assigned to another institutional or temporary Board Committee.

The structuring, functions and internal regulation of this Committee are contained in the [Operating Regulations of the Board and Corporate Governance Committee](#) approved by Agreement of the Board of website. Directors, published on the corporate

8.2 Business Committee

This Committee has as main function the analysis of new business and investments of ISA and its companies, as well as the follow-up of the businesses that are under execution.

The structuring, functions and internal regulation of this Committee are contained in the [Operating Regulations of the Business Committee](#) approved by Agreement of the Board of Directors, published on the corporate website.

8.3 Corporate Audit Committee

This Committee assists the Board of Directors in its supervision function by evaluating the accounting procedures, the relation with the Fiscal Auditor and, in general, the revision of the control system of the company, including the audit of the risk management system implemented by the Company. Likewise, this Committee is responsible for monitoring the management and effectiveness of the corporate group's internal control.

The structuring, functions and internal regulation of this Committee are contained in the [Operating Regulations of the Corporate Audit Committee](#) approved by Agreement of the Board of Directors, published on the corporate website.

9. Remuneration

The members of the Board of Directors will be remunerated in accordance with the [Policy of Remuneration of the Board of Directors](#) approved by the General Assembly of Shareholders, which is published on the corporate website.

10. Evaluation

The members of the Board of Directors will perform a self-assessment according to mechanisms defined by the same Board of Directors, without prejudice to other evaluation mechanisms determined by it. The Chairman of the Board of Directors shall inform the General Assembly of Shareholders the results of the evaluation.

The self-assessment seeks to determine the degree of compliance with the duties and responsibilities of each of the members of the Board of Directors, the value of their performance added to ISA and the recommendations to make the Board an effective body.

The Board of Directors will alternate the technique of internal self-assessment with the external evaluation carried out by independent advisors.



11. Senior Management

The Senior Management is composed of the Chief Executive Officer and the employees of the first management level reporting directly to the Chief Executive Officer, who occupy the positions of Officers and Corporate Directors. The Board of Directors delegates the ordinary business in Senior Management.

The [Organizational Structure](#) of the Company and the profiles of the members of Senior Management are published on the corporate website.

11.1 Chief Executive Officer

The Chief Executive Officer leads the Senior Management and he/she is responsible for executing the decisions and orders of the General Assembly of Shareholders and the Board of Directors, directing, administering the Company and exercising its legal representation.

The Chief Executive Officer is elected by the Board of Directors as well as his/her alternates, according to criteria of suitability, knowledge, experience and leadership. Candidates are evaluated previously by the Board and Governance Committee, which is responsible for proposing the designation and removal of the Chief Executive Officer.

The remuneration of the Chief Executive Officer is defined by the Board of Directors, taking into account the

complexity of the Company, the position's responsibility and the referencing with the market. This is without prejudice to the authority of the General Assembly of Shareholders to approve the Remuneration Policy of the Senior Management, when ISA's share-based payments or share options are recognized to the latter. (1)

The functions of the Chief Executive Officer are set forth in the [Corporate Bylaws](#) available on the corporate website. The Board of Directors, through the Corporate Board and Governance Committee, is responsible for evaluating annually the Chief Executive Officer, taking into account the results of the [Comprehensive Management Framework](#)

11.2 Officers and Corporate Directors

They support the Chief Executive Officer and are responsible for leading and directing the Company in order to ensure its sustainability, profitability and make feasible the implementation of the strategy. Their main functions are:

- > Lead the implementation of strategic objectives and identify the need for change when directing.
- > Define and address the development plan and the business plan of their areas.
- > Ensure that the members of their working teams know and act in accordance with the [Corporate Reference Framework](#) in their daily lives.

- > Ensure cooperation and integration of plans, activities and resources of their teams with other areas.
- > Create conditions for development and comprehensive satisfaction of human talent.
- > Ensure the efficient use of the Company's resources with the application of cost-benefit criteria and ensure continuous improvement.
- > Identify risks and create conditions for their effective management.
- > Contribute to the creation of the economic value of the company.

The Chief Executive Officer is responsible for designating the Officers and Corporate Directors, considering the criteria for the recruitment of Senior Management approved by the Board and Governance Committee. Likewise, the Chief Executive Officer evaluates the performance of Officers and Corporate Directors, taking into account the results of the [Comprehensive Management Framework](#), the evaluation of performance management made annually and the valuation of transversal skills and leadership required for the position performed by each of them. The results of the evaluation are reported to the Board of Directors.

The remuneration of the Officers and Corporate Directors is approved by the Chief Executive Officer, considering the Policy of Remuneration of Senior Management.

11.3 Directors

They support Officers and are in charge of leading the human, administrative and technical comprehensive management of resources under their responsibility. Their main functions are:

- > Ensure that the members of their working teams know and act in accordance with the [Corporate Reference Framework](#) in their daily lives.
- > Participate in the definition of the development and business plans of their areas.
- > Ensure cooperation and integration of plans, activities and resources of their teams with other areas.
- > Implement actions and stimulate the comprehensive development of human talent under their charge.
- > Ensure the efficient use of the Company's resources with the application of cost-benefit criteria and ensure continuous improvement.
- > Identify risks that may affect the normal development of processes under their responsibility, propose and implement appropriate management measures.

Officers designate directors, according to the criteria for the recruitment of managerial staff defined by the Chief Talent Officer. Likewise, the Officers evaluate the performance of Directors, considering the results of the Comprehensive Management Framework, the evaluation of performance management made annually and the valuation of

transversal skills and leadership required for the position performed by each of them.

The remuneration of Directors is approved by the Chief Executive Officer based on the criteria defined for the compensation of human talent.

12. Administrators

The members of the Board of Directors, the Chief Executive Officer, Officers, Corporate Directors and Directors are ISA administrators and, as such, are subject to the duties and responsibilities of administrators established by law and [Corporate Bylaws](#).

13. Comprehensive Management Framework

The Comprehensive Management Framework aims to mobilize the organization to achieve the results proposed in the strategic objectives through their relation to initiatives, indicators and methodical and systematic measurements.

Its planning stage defines targets to measure and expected results in order to address individual and collective behaviors, so it is favorable for the Company, and essential to achieve compliance with the scope, the corporate objectives and the implementation of the

defined strategy, taking into account the four (4) perspectives of management: Financial, Customer and Market, Productivity and Efficiency, and Learning.

The Comprehensive Management Framework allows the evaluation of the results obtained to compare them with the targets set. The design and monitoring of the Comprehensive Management Framework is a process that deploys and applies to all levels of the organization and is related to the management of individual performance.

14. Conflicts of interest

All persons linked to the Company must act with due diligence and loyalty. Administrators and employees of ISA are in a situation of conflict of interest when due to their functions they must make a decision, or perform or omit an action, and they are able to choose between the interests of ISA, and their own interest or that of a third party, so when choosing any of these last two, they would be compromising their objectivity or independence.

In order to protect legal property as transparency, objectivity and independence in decision-making and the exercise of the functions of ISA's administrators, the Board of Directors has approved the [Procedure for the management of conflicts of interest of Administrators](#), which is published on the corporate website.

No employee will participate in negotiations or contracts when there is a conflict of interest or their relatives have an interest up to the fourth degree of consanguinity, second degree of affinity and first degree of civil relationship. The employee, as soon as he/she becomes aware of the conflict of interest, shall immediately inform his/her hierarchical superior supervisor so the latter designates the employee that will continue the process.



Title 4

Control Architecture

Control Architecture brings together all related to the corporate control system in relation to the control environment, control bodies, risk management, control activities, information and communication and monitoring in order to provide reasonable assurance regarding the achievement of business objectives.

The information on the [Corporate Control System](#) is published on the corporate website.

1. Control Environment

Senior Management encourages and promotes the principle of self-regulation, understood as the capacity of the people involved in the processes for considering the control as an inherent part of their responsibilities, fields of action and decision-making, and the culture of identification, communication and risk management. Control Environment is the basis of other control components covered in this title, allowing the provision of discipline and structure for corporate control and influence how:

- > Business activities are structured.
- > Authority and responsibility are assigned.
- > Staff is organized and developed.
- > Values and beliefs are shared and communicated.
- > Staff becomes aware of the importance of control.

The [Corporate Policy of Control](#) is published on the corporate website.

2. Internal Control Bodies

2.1 Board of Directors

The Board of Directors of ISA seeks a solid system of internal control covering all enterprises, promoting a culture of risk and control management across the corporate group.

The Board of Directors aims at the existence and management of an effective system of corporate internal control, which contributes to:

- > Achieve efficiency, effectiveness and economy of ISA operations and its corporate group.
- > Protect resources, looking for their proper administration.
- > Ensure the opportunity and reliability of the information.
- > Ensure the correct evaluation and monitoring of the management.
- > Ensure compliance with legislation and regulation, policies, rules and internal procedures.

2.2 Corporate Audit Committee

It is responsible for monitoring the components of the Control Architecture involving the internal audit and the Fiscal Auditor in matters within its competence, especially with regard to financial information. This Committee

ensures the proper management and the effectiveness of the group's internal control.

The Corporate Audit Committee approves the [Audit Statute](#), which sets the fundamental corporate guidelines for the development of the internal audit in the corporate group. It is published on the corporate website.

2.3 Chief Executive Officer

ISA's Chief Executive Officer, as responsible executive of the internal control, must ensure the design, implementation, evaluation and follow-up of the Company's internal control.

2.4 Chief Audit Officer

The Chief Audit Officer is responsible for the evaluation and monitoring of internal control delegated by the Chief Executive Officer. It is responsible for designing, implementing and ensuring the effective functioning of the audit model for the business group, aligned with best practices. Its main function is to assist the Senior Management of the corporate group through the evaluation of corporate governance, control and risk management, providing proposals for its improvement.

Its main functions are found in the [Audit Statute](#) of the corporate group..

3. Risk Management

The corporate group has a [Corporate Policy of Comprehensive Risk Management](#), through which ISA and its companies declare their commitment to the appropriate risk management to which they are exposed to. This Policy is published on the corporate website.

Pursuant to its policy, the companies of the corporate group identify and value their risks, define and implement measures for the management of these risks, and monitor the implementation of these measures. Likewise, they communicate the main changes in risk status and progress in management measures to the parent company and their own Boards of Directors, Directorates or Administrative Boards, as appropriate.

Risk management supports the strategic decision-making, including decisions related to new investments.

ISA's Board of Directors continuously monitors the model of comprehensive risk management and the consolidated risks



of the corporate group, proposing additional management measures for priority risks.

The information about [Corporate Risks](#) and their comprehensive management is published on the corporate website.

The prospectuses for issuance and placement of bonds, shares and other securities, as well as reports issued by rating agencies of national and international risk, reveal the risks. This documentation is public and is available on the corporate website in the section entitled [Investor Relations](#).

4. Control Activities

They consist of the design and implementation of policies, standards, processes and procedures that help to ensure that the necessary measures are taken to manage the risks that may affect the achievement of ISA's objectives and the instructions from Senior Management in the area of internal control.

Control activities occur throughout the organization with the interaction of all staff according to their different roles and responsibilities, and in accordance with the principle of self-regulation.

5. Information and communication

ISA has mechanisms that allow the identification, registration and communication of information related to risk management and corporate control system, with clarity and opportunity necessary to facilitate employees to comply with their responsibilities and objectives.

Through the Ethics Line, complaints or queries related to actual or potential breaches to the Ethics Code and that may perform all interest groups, are channeled in a confidential and independent way.

The **Ethics Code** is published on the corporate website.

The main features of the Ethics Line are:

- > The channel is served by outside staff.
- > It guarantees confidentiality when the complainer requests it.
- > It has a Committee to handle complaints or consultations received.
- > Selection of several mechanisms of attention:

Free Online Ethics : 018000941341

Email: lineaetica@isa.com.co

Corporate website: <http://www.isa.co/es/Paginas/linea-etica.aspx>

6. Monitoring of the Control Architecture

Monitoring the effectiveness of the internal control system of the Company and risk management are conducted through supervision and evaluation activities, within which the follow-up carried out by the Board of Directors, Board Committees and other internal committees defined in the Company for specific purposes, is executed.

Also, there are internal mechanisms as the follow-up to management tools, organizational climate, survey of organizational environment, satisfaction survey to customers, reputation survey, among others.

7. External control bodies

7.1 External Auditor

The Company will have an External Auditor with his/her respective alternates, who must be public accountants and will replace the Fiscal Auditor if he/she in his/her absolute, temporary, or accidental absences. This External Auditor is elected by the General Assembly of Shareholders, who will set his/her fees.

The Fiscal Auditor should be a Firm of recognized prestige that meets the requirements of the law, the

Corporate Bylaws and those established by ISA funders, if apply. The External Auditor maintains an independence from the corporate group and the Company, which is declared in the External Auditor's report.

As soon as possible, the External Auditor shall be the same for all Companies of the corporate group. The [Policy for ISA group's Fiscal or External Auditor](#) is published on the corporate website.

Considering the requirements established for the External Auditor, the Company requests offers and anticipates the recruitment procedure in accordance with the [Regulation for the Procurement of Goods and Services](#) approved by the Board of Directors. The Corporate Audit Committee carries out the evaluation and presents it to the General Assembly of Shareholders, which establishes an order of eligibility.

The maximum period of permanence of the External Auditor is seven (7) years. The rotation of the External Audit Firm's partner assigned to the Company and his/her working team will be set to a maximum of four (4) years from the beginning of the period.

The functions and responsibilities of the External Auditor are those provided by Law and the [Corporate Bylaws](#).

The External Auditor may not contract professional services other than those of the own financial audit

and other functions recognized in the current regulations. This prohibition extends to persons or entities related to the External Audit's Firm, which includes companies within its group, as well as companies including a broad coincidence of its partners or administrators with those of the External Audit's Firm.

On a permanent basis, ISA will keep available (to the market, shareholders and investors) [External Auditor's Reports](#) on its corporate website.

7.2 Superintendence of Domestic Public Utilities

As mixed - capital public utility company, ISA is subject to the control, inspection and surveillance of this superintendence and has the legal obligation to hire an external audit of management and results. The External Auditor on Management and Results is hired by ISA in accordance with the Regulation for the Procurement of Goods and Services approved by the Board of Directors, but he/she reports to the Superintendence of Domestic Public Utilities

those situations that may endanger the financial viability of the Company, the failures of internal control, and in

general, the perceptions about the management of the audited company. The External Audit on Management and Results works both for the Company and its shareholders, and the users who receive the service.

The External Auditor on Management and Results is elected for periods of one (1) year, and can be removed at the request of the Superintendence for Domestic Public Utilities or the Company, upon approval of the entity's control.

The results of this audit and the results of the management plan are presented to the Superintendence of Domestic Public Utilities.

7.3 Financial Superintendence

As issuer of securities, ISA is subject to concurrent control of this superintendence and is obliged to permanently inform the Financial Superintendence and the Colombia's Stock Market about the situation of the Company and its businesses, thus sending information related to the end of the financial year, quarterly information and relevant information.

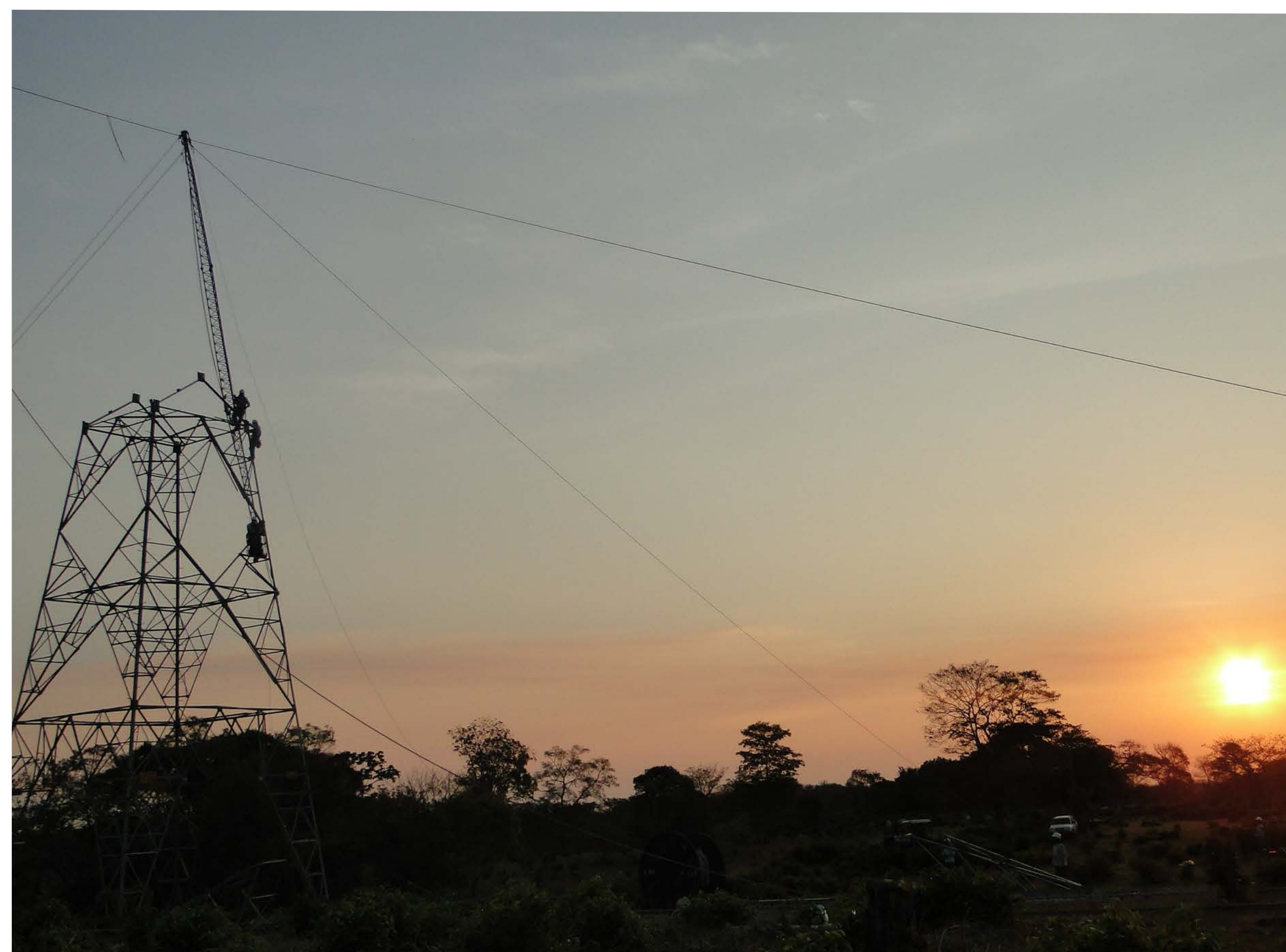
7.4 Superintendence of Companies

The Superintendence has residual competition on ISA in respect of matters whose follow-up has not been expressly attributed by law to other Superintendence.

Therefore, ISA is obliged to provide information required by the Superintendence in relation to matters within its competence.

7.5 Comptroller General of the Republic

Due to the mixed composition of its capital, ISA is subject to the fiscal control of the Comptroller General of the Republic, which acts as caretaker of the State investment. Its control is performed on the contributions and acts related to the efforts of the State as a shareholder, and not on the Company. Such entity carries out an evaluation and presents its report to the management of the Company.



7.6 General Accounting Office of the Nation

By its legal nature, ISA should report to this entity the financial and economic information through systems it has for this purpose.

7.7 Audits requested by investors

A number of shareholders representing at least five percent (5%) of the subscribed shares, or a number of

investors whose investment is equal or greater than five percent (5%) of ISA's market capitalization at the time of submitting the request, may apply to the Board of Directors the execution of specialized audits, whose cost and responsibility shall be in charge of the shareholders and investors who requested the audit.

The request to perform specialized audits shall be in writing, stating the reasons that motivate its execution, facts and operations to be audited, the duration, and shall specify three (3) firms recognized by their reputation and career. When the percentage necessary to request the specialized audit is due to a plural number of shareholders, in their application, they shall designate a representative with whom the entire procedure will be executed.

After ten (10) business days, the Board of Directors shall respond to the request, indicating which of the submitted Firms is selected to carry out the audit and its starting date. If the Board of Directors refuses to perform the specialized audit, it shall express the reasons for its decision.

The results of the specialized audit will be announced to the Board of Directors and the control and supervision institutions. In the case there is the possibility of violations of the legal norms, the corresponding judicial and investigative authorities will decide on such matters.



8. Risk Rating Agencies

Risk Rating Agencies at local and international level discuss the economic and financial situation of the Company, the sectors in which it participates, the operation of its business, its corporate policies, among others, to determine the rating of ISA and/or the securities it issues. The rating is a tool that allows creditors and investors to know how safe their investment is as well as the capacity of the Company to pay the capital and interest of its obligations in a timely manner. The company is committed to maintain updated the [rating of risk assessment firms](#) at a local and international level to publish it on the corporate website.



Title 5

Transparency and financial and non-financial information

Disclosure of financial and non-financial information is the main mechanism of ISA to contact its stakeholders and the market as a whole. This information aims to allow an appropriate knowledge by such groups on an ongoing and status basis of the Company and have sufficient judgment for decision-making in an informed way.

Policy of Information and Knowledge that recognizes the strategic value of information and knowledge in the development of the business.

The [Corporate Communication Policy](#) and the [Corporate Policy of Information and Knowledge](#) are published on the corporate website.

ISA classifies its information as follows:

1. Disclosure of information

ISA has a Corporate Communication Policy aimed at ensuring a transparent, timely, clear and consistent communication at ISA and the corporate group, which contribute to the achievement of the strategy, strengthen relationships with key audiences and preserve the good reputation of the companies. It also has a Corporate

RESERVED OR CONFIDENTIAL INFORMATION: It is related to issues regarding the competitive advantages and the corporate strategy that compromises the security or integrity of employees, administrators or corporate assets and that defined as such by current regulations.

PUBLIC INFORMATION: It is information of general use not classified as reserved or confidential.



2. Relevant information

As issuer of securities, ISA reports in a truthful, clear, sufficient and timely manner to the market, through the Colombia's Financial Superintendence, relevant information on the financial and accounting, legal, commercial and labor, corporate crisis, and security issuance situations, as well as other information required by stock market regulations.

ISA's [Relevant Information](#) is available for consultation by shareholders, investors and market in general on the corporate website.



3. Information and communication disclosure mechanisms

ISA has communication channels with its stakeholders, such as the corporate website, social networking, newsletters, presentations, and face-to-face and virtual events, and tends to the implementation of strategies and communication tools defined by the market as best practice to facilitate stakeholders' access to Company's information.

In order to ensure timely, consistent and accurate delivery of public information, the Company has procedures and responsibilities defined for the supply and consolidation of information, report preparation, and attention to requirements of external control bodies, authorities, shareholders, investors, and media.

The financial information of the Company is prepared and submitted in accordance with current regulations.

ISA will not disclose confidential information which put at risk the business of the Company or affect the rights of third parties.

In order to inform that its interest groups are informed of the results of the corporate management, projects, investments, as well as administrative, financial and legal situation, ISA publishes annually its *Corporate Reports*, which are available on the corporate website.

4. Corporate website

ISA has a corporate website www.isa.co, through which all its stakeholders can access updated information of the Company, the corporate group, their businesses, financial

statements, investor relations, corporate governance, ethics and sustainability, news, documents, press releases, among others.

Public information not supplied through the corporate website must be requested in writing to the Chief Executive Officer, expressing the reasons for the request and the information.

The Chief Executive Officer, within the following ten (10) working days, should decide on the request. The refusal to the request submitted may be taken in consideration of the Board of Directors at the written request of the applicant.

5. Annual Report of Corporate Governance

ISA shall annually prepare a *Corporate Governance Report* that describes how corporate governance practices adopted by the Company were fulfilled during the year. This report is published on the corporate website.



Title 6

Commercial Transactions Between ISA and ITS Related Parties

Interactions between ISA and the companies that comprise the corporate group, such as those derived from addressing, follow-up and control exercised by ISA as the owner does not have the nature of commercial transactions.

1. ISA's Related Parties

In accordance with international standards and regulations applicable to ISA, the following "Related Parties" are considered natural or legal persons:

1.1 Shareholders who, directly or indirectly, have a share equal to or exceeding twenty per cent (20%) of ISA's share capital.

1.2 Members of the Board of Directors and members of the Senior Management, as well as their close relatives¹ and/or companies where any of the members of the Board of Directors and the members of the Senior Management exert control or joint control.

1.3 Companies in which ISA has direct or indirect control or joint control, as well as those joint businesses or companies in which ISA has (directly or indirectly) a

participation equal or superior to twenty percent (20%), or companies in which ISA has power to intervene in the decisions of financial and operating policy.

Commercial transactions between ISA and the members of the Board of Directors, the Senior Management and other administrators (and/or the permanent relatives, spouses or partners of them) are subject to the legal regime of incapacities and incompatibilities applicable to ISA's contracting as mixed - capital public utility company, which prohibits such administrators to enter into contracts with the Company.

The corporate website includes the [informative list of such incapacities and incompatibilities](#) provided by Colombian legislation.



2. Guidelines for transactions between Related Parties

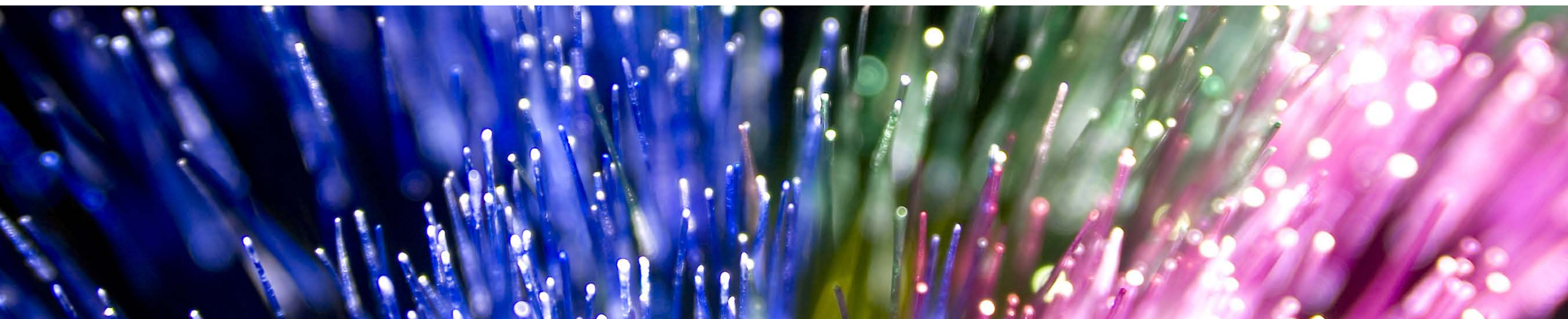
ISA will make efforts so commercial transactions executed with its Related Parties will generate benefits and the achievement of the strategic objectives of the corporate group. Also, such transactions shall respect the rights of all shareholders and creditors of the group's companies.

Transactions between Related Parties will take place under conditions and at market prices, i.e., in the terms and conditions that would be carried out with unrelated third parties, honoring the principles of transparency included in this Corporate Good Governance Code and in accordance with the Corporate Bylaws and applicable accounting, tax and commercial standards.

The Board of Directors must approve transactions between Related Parties whose value exceeds the provisions of the Corporate Bylaws for transactions between ISA and its subordinates, whose approval is competence of such body, and ensure that they are carried out under the above conditions.

Transactions between Related Parties shall be disclosed in the financial statements of the Company in accordance with regulations in force.

If a conflict of interest arises among administrators, derived from transactions between Related Parties, the [Procedure for the management of conflicts of interest of ISA's Administrators](#) shall be fulfilled, and published on the corporate website.



3. Identification of the main shareholders

The corporate web site includes information about the [Ownership Structure](#), indicating the people with greater number of shares.

4. Negotiation of ISA's securities by administrators and employees

The capital of the Company consists of nominal and ordinary shares that circulate in dematerialized form and are registered in the National Registry of Securities and Issuers and the Colombian Stock Market. The Company may issue ordinary and privileged shares.

As per Article 404 of the Code of Commerce, the Company's administrators may not neither by themselves nor by an intermediary, dispose of or acquire Company's shares while they are in their positions, but in the event of operations beyond reasons of speculation and with the authorization of the Board of Directors, granted with the favorable vote of two-thirds of its members, excluding the vote of the requester, or the vote of the Shareholder Assembly, with the favorable vote of the ordinary majority provided in the Corporate Bylaws, excluding the vote of the requester.

The Board of Directors, by means of Agreement, established the [Procedure for the negotiation of shares of the Company by its Administrators](#), defining the extension of the concept of speculation in the same document.

Administrators and employees may not buy or sell directly or indirectly, through a third party, shares of the Company from the moment they become aware that relevant operations are being carried out, such as takeover bids, mergers or spin offs, until the transaction has been completed and the closing of the transaction has been disclosed to the market as relevant information.

Administrators and employees of the Company may not buy or sell Company's Securities, well either in the open market or in private transactions, when they possess Company's substantial information not disclosed to the public. Administrators and employees must refrain from disclosing such information to a third party. Neither may they recommend to third parties, the purchase or sale of Company's securities on such information.

Substantial information means the information that a usual market investor would take into account for making the decision to sell, buy or retain a security. If there is doubt about the substantial nature of the information, the administrator or employee will not perform operation until the Board of Directors (in the case of members of the Board and the Chief Executive Officer), or the immediate superior (in the case of other employees of the Company) express an opinion on the matter. For this purpose, the requester will expose in a

clear and detailed manner the characteristics of the operation, the information he/she has, and how he knew such information.

The immediate superior must inform the decision taken to the Chief Executive Officer and the Board of Directors.

5. Policy of share repurchase

The General Assembly of Shareholders is responsible for ordering the repurchase of own shares and their subsequent disposal, creating the respective reserve using funds taken from net profits,

provided that shares to purchase are fully paid as set forth by law, and establishing the parameters under which the Board of Directors shall define the conditions and requirements of repurchase and disposal of repurchased shares.

Shares repurchased by the Company do not count for defining majorities, nor confer right to participate and vote at the General Assembly of Shareholders, nor receive any economic benefit.



Title 7

Conflict Resolution

Conflicts that arise between the Company and shareholders, between shareholders and administrators, and those related to challenging decisions, shall be solved in the first instance by direct settlement. If an agreement has not been achieved within a period of sixty (60) days, conflicts shall be subject to the binding decision of an Arbitration Court, which will rule according to law and will be composed of three (3) arbitrators, appointed by the Center for Conciliation and Arbitration of the Medellin Chamber of Commerce for Antioquia.

When the topic subject of controversy is an amount less than or equal to nine thousand (9,000 UVT) Tax Value Units, the arbitrator will be one only, who also will be appointed by the Center for Conciliation and Arbitration of the Medellin Chamber of Commerce for Antioquia. For all legal purposes, regulations in force at the time of the call request will be applied in aspects not specifically defined.



Title 8

Compliance With the Corporate Governance Code

The Board of Directors, through the Corporate Board and Governance Committee, and the Chief Executive Officer, is responsible for monitoring the permanent enforcement of specific measures with respect to the Company's governance, its behavior and information, provided for in the Corporate Governance Code.

Shareholders and investors may claim from the Board of Directors the effective implementation of the Corporate Governance Code, submitting their request in writing and duly supported. The Board of Directors may appoint a special Committee for the awareness of these matters.

Additionally, the External Auditor may know the complaints submitted by violation of shareholders and investors' rights, and the results of such research will be transferred to the Board of Directors, to inform the Shareholder Assembly.

When deemed appropriate, the Chief Audit Officer may execute the audit in compliance with the Corporate Governance Code. The most relevant aspects of this audit will be reported to the General Assembly of Shareholders in the Annual Report of Corporate Governance.



Title 9

Validity, Reforms and Disclosure

This Good Governance Code rules from its approval by the Board of Directors of ISA.

Policies, guidelines, or Agreements that in terms of Corporate Governance are approved by the General Assembly of Shareholders or the Board of Directors, in accordance with their statutory powers, will be incorporated and/or automatically amend this Corporate Governance Code. The Chief Executive Officer is authorized to make any necessary updates to the Corporate Governance Code, derived from the above, by just presenting the quotation of the minutes or act showing such additions or modifications.

The Code and its amendments, modifications or additions will be promptly published on the corporate website and will be disclosed to the market as relevant information, through the mechanisms established by the Colombian Financial Superintendence.



Amedments and Additions

- (1) Title 3 section 11.1 updated according to Public Deed 669 of April 29, 2016, by which the partial reform of the Company's Bylaws was approved by the Ordinary General Shareholders' Meeting held on March 31, 2016 .
- (2) Title 3 sections 2 and 3 updated according to Public Deed 3253 of May 4, 2018, by which the partial reform of the Company's Bylaws was approved by the Ordinary General Shareholders' Meeting held on March 23 of 2018.
- (3) Title 1 section 6, Title 2 section 3 and Title 6 section 4 updated as approved by the Board of Directors at its meeting No. 813 of December 14, 2018.





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