

The logo for isa, featuring the lowercase letters 'isa' in a blue, cursive font with a purple-to-orange gradient at the end of the 'a'.

CONNECTIONS THAT INSPIRE

Inspiring  
**the future**  
all together

Two parallel yellow horizontal lines with a small cross-like symbol on the left side.

Corporate Governance Report  
**2021**



## Corporate Governance

At ISA, corporate governance is the set of values, principles, policies, rules, means, practices and processes through which the company is managed, operated and controlled, seeking to achieve business efficiency, enhance growth and foster investor confidence in national and international contexts.

This is made possible through practices aimed at transparency and consistency in ISA's actions, respect for those who invest in it and compliance with commitments to stakeholders.

ISA is an example of corporate governance because, since its creation, it has been understood that this is one of the most important success factors. Consequently, shareholders, the Board of Directors and management have consistently advanced in the development of bylaws and practices in accordance with the best international standards that protect the way ISA and its companies are directed, managed and controlled.

Continued protection of this corporate governance, awarded and recognized at Latin American level, is one of the objectives that those of us who work at ISA share. These objectives are in the company's DNA, have always been part of ISA's culture and express in the way we live our daily lives, make decisions, and relate to the world.

Additionally, it is important to consider that in 2021 Ecopetrol acquired 51,4% of the shares that the Ministry of Finance had in ISA, becoming its new majority shareholder, which is also committed to the adoption of the best corporate governance practices in ISA, given that Ecopetrol also has the highest standards in terms of governance.

This report is prepared by the Board of Directors of ISA as a way of explaining the reality of the operation of corporate governance in the company and the relevant changes during the 2021. For this reason, this annual report, in addition to showing compliance with the provisions of the Corporate Bylaws and the Good Corporate Governance Code,

explains what has been established as a trend in ISA, which is the development of sustainable corporate governance.

It is important to highlight that ISA prepared and timely submitted to the Financial Superintendence of Colombia the report on the implementation of best corporate practices for 2021, which is published on the [website](#).



In this sense, ISA periodically reviews its regulations to incorporate the best corporate governance practices, in accordance with the recommendations and trends in good governance, both nationally and internationally.

In 2021, ISA carried out different actions to strengthen such governance, among them, the **bylaws reform** approved at the General Shareholders' Meeting of March 26, 2021, in which the following items were reinforced:

## Board of Directors

Throughout its history, ISA's Board of Directors has been fundamental in establishing and consolidating a corporate governance system that leverages the achievement of ISA's results and growth through management, administration, and control based on business, professional, and ethical criteria.

Therefore, it was decided to expressly state in ISA's Corporate Bylaws that the Board of Directors would be chaired by an independent member, as had been the case in practice for the past eighteen years. This results in a commitment of great importance on the part of the shareholders, added to the fact that the majority of the members of the



Board must be independent (five out of nine) and in practice this standard has been even higher than what is established in the Bylaws because since 2015 ISA has seven out of nine independent members. Likewise, Article 27 of the Company's Corporate Bylaws states that the chairmen of the Board of Directors' committees must also be independent members.

These good governance practices, which exceed the legal minimums, have strengthened

the independence and effectiveness of the Board of Directors as a collegiate body, since they strengthen the diversity of visions and competencies of the Board, which translates into better decision-making processes that (a) are in the interest of the company, (b) take into account the interests of all shareholders, (c) reduce the sources of conflicts of interest, and (d) guarantee

## Role of the Board's Chairman

Article 28 of the Company's Corporate Bylaws established the possibility for the General Shareholders' Meeting to establish a differentiated remuneration for the Chairman of the Board of Directors and the Chairmen of the Board Committees, in consideration of the special responsibilities and the greater time dedication required by such position.

This provision was materialized in the Remuneration Policy for Board Members and in the fees of the Board's Chairman, approved at the General Shareholders' Meeting of March 26, 2021.

## ISA CEO Selection Process

Pursuant to Article 37 of the Company's Corporate Bylaws and in accordance with the highest international standards of corporate governance, ISA's CEO is elected by the Board of Directors, based on criteria of suitability, knowledge, experience and leadership, with the assistance of a headhunter of the highest skills, who supports the Board in the identification and selection of the best candidates. The Board of Directors not only elects the CEO, but also, through the Organizational Talent Committee and the headhunter, plans the succession

process for this position. This ensures that ISA has a leader with the necessary competencies to execute the strategy and manage the social business in accordance with the guidelines defined by the Board of Directors.

Another important management in 2021 was the update of the Board of Directors Succession Policy, which had been adopted by the General Shareholders' Meeting of ISA since 2014, with the objective of defining the profiles and suitability requirements that the members of the Board of Directors must meet, to ensure their effective performance and contribution to the achievement of the organizational objectives.

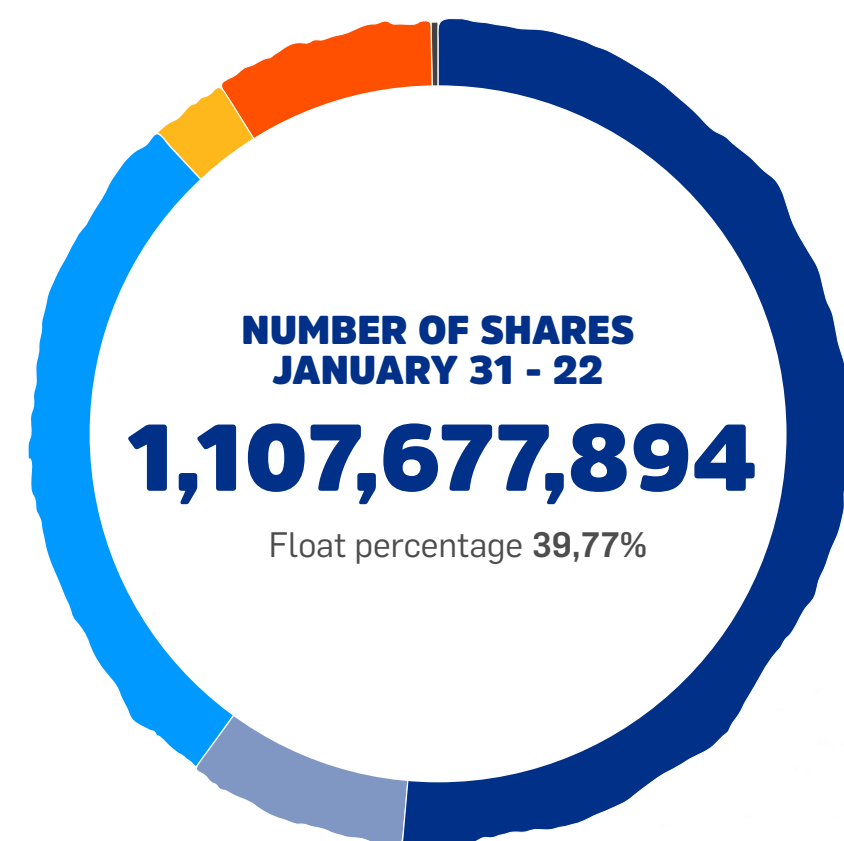
To this end, the definition of diversity criteria was included in the succession policy and the following competencies were added to the approved skill matrix for Board members, in line with the company's strategy:

- ▶ Information and communication technologies (ICT)
- ▶ Cybersecurity
- ▶ Innovation and entrepreneurship ecosystems
- ▶ Public-private partnerships and strategic alliances
- ▶ Business Administration
- ▶ Strategic direction
- ▶ Capital market
- ▶ Mergers, acquisitions, and international business
- ▶ Management of business groups
- ▶ Control and audit systems
- ▶ Relations with authorities

## Ownership structure

### Capital and ownership structure of the company

ISA is a Mixed Utility Company with state and private shareholders. Ecopetrol S.A. is ISA's majority or controlling shareholder, holding 51.41% of the capital stock.



Empresa colombiana de petróleos ecopetrol  
**569,472,561 | 51.41%**

Empresas públicas de medellin  
**97,724,413 | 8.82%**

Local Institutional Investors  
**308,504,381 | 27.85%**

Natural persons  
**35,554,315 | 3.21%**

Foreign investment funds  
**96,150,524 | 8.68%**

ADR program  
**271,700 | 0.02%**

SHAREHOLDER	Number of Shares (Free Float)	%
Personas naturales	35.554.315	3.21%
Fondos de pensiones	248.930.374	22.47%
Personas jurídicas	9.769.755	0.88%
Fondos de inversión extranjero	96.150.524	8.68%
Fondos mutuos de inversión	578.246	0.05%
Programa de ADR	271.700	0.02%
Fondos de valores	46.472.041	4.20%
Compañías de seguros	2.753.965	0.25%
<b>TOTAL</b>	<b>440.480.920</b>	<b>39.77%</b>

The list with the 25 main shareholders of ISA is published on the Company's [website](#)

### CAPITAL STOCK

Authorized capital	\$45,000,000,000 divided into 1,371,951,219 shares
Subscribed Capital	\$36,916,334,931 divided into 1,125,498,016 shares
Paid-in Capital	\$36,916,334,931 divided into 1,125,498,016 shares
Reacquired Shares	\$584,500,002 divided into 17,820,122 shares

All outstanding shares are common, registered, and dematerialized.

## **Ownership structure**

ISA is part of the business group whose parent company is Ecopetrol S.A. ISA will be in charge of the organization, supervision and strategic coordination of the companies in which it has a direct or indirect majority shareholding and in those in which ISA has the capacity to influence the management decisions of the company.

The companies in which ISA participates are located in Colombia and abroad and are mainly engaged in the Electric Power, Road Concessions, Telecommunications and ICT businesses.

Details of each of the companies in which ISA holds stakes are published on the [Company's website](#).

## **Information about shares held by members of the Board of Directors and the voting rights they represent**

No member of the Board of Directors holds ISA shares.

## **Relationships of a family, commercial, contractual or corporate nature existing between the owners of significant shareholdings and the company or between the owners of significant shareholdings and each other**

During 2021, work continued on the commitments acquired for the liquidation of Interadministrative Contract GSA 57 of 2009 - ISA 4000763, between the Nation (Ministry of Mines and Energy) and ISA, which comprises the technical assistance for the general administration and execution of the resources of the Financial Support Fund for the Energization of Non-Interconnected Zones (Fazni) for the construction of the Cauca - Nariño 115 kV interconnection and its associated substations, signed on October 13, 2009 and extended until June 30, 2018 through an addendum eighteenth (18), for a total value of COP 305.622 million.

## **Negotiations made by the members of the Board of Directors, Senior Management, and other Administrators with the shares and other securities issued by the company**

ISA's administrators are prohibited from trading, by themselves or through an intermediary, shares of the Company for speculative purposes and, in any case, require authorization from the Board of Directors, granted with the favorable vote of two thirds of its members, excluding that of the applicant, or from the General Shareholders' Meeting, with the favorable vote of the ordinary majority provided in the Corporate Bylaws, excluding that of the applicant, as set forth in the Code of Good Corporate Governance and in Resolution 60 of 2006 of the Board of Directors.

During the period, none of the directors requested authorization to trade ISA shares.


## **Summary of known agreements between shareholders**

The Company has not been notified of the existence of agreements between shareholders.

## **Treasury shares held by the company**

The number of treasury shares held by ISA is 17.820.122.

## Structure of the company's management

 Independent members, in accordance with the provisions of Law 964 of 2005 and the Company's Corporate Bylaws.

### Composition of the Board of Directors

The Board of Directors of ISA is elected annually at the General Shareholders' Meeting. It is composed of 9 main members, of whom seven are independent according to Corporate Bylaws, Law 964 of 2005, and the Company's Code of Good Governance.

No member of the Board holds executive positions in the organization and, in order to perform a better job as administrators of the companies in which ISA has a stake, some members of ISA's Board of Directors participate in the boards of such companies.

Likewise, no employee of ISA is a member of the Board of Directors and there are no labor ties between the members of the Board and the company.

	<p><b>Santiago Montenegro Trujillo</b> Nominated by Pension Funds </p>		<p><b>Felipe Bayón Pardo</b> Nominated by Ecopetrol S.A.</p>		<p><b>Jaime Caballero Uribe</b> Nominated by Ecopetrol S.A.</p>
<p><b>Ana Fernanda Maiguashca</b> Nominated by Ecopetrol S.A. </p>		<p><b>Andrés Felipe Mejía</b> Nominated by Ecopetrol S.A. </p>		<p><b>Jesús Aristizábal Guevara</b> Nominated by Ecopetrol S.A. </p>	
	<p><b>Rutty Paola Ortiz Jara</b> Nominated by Empresas Públicas de Medellín </p>		<p><b>Camilo Zea Gómez</b> Nominated by Pension Funds </p>		<p><b>Diego Muñoz Tamayo</b> Nominated by Pension Funds </p>

The skill matrix and the resumes of the members of the Board of Directors are published on the [corporate website](#).

When members of the Board believe that there is a conflict of interest with respect to a specific topic discussed, they must report it to the other members and refrain from participating in the discussion and decision-making process.

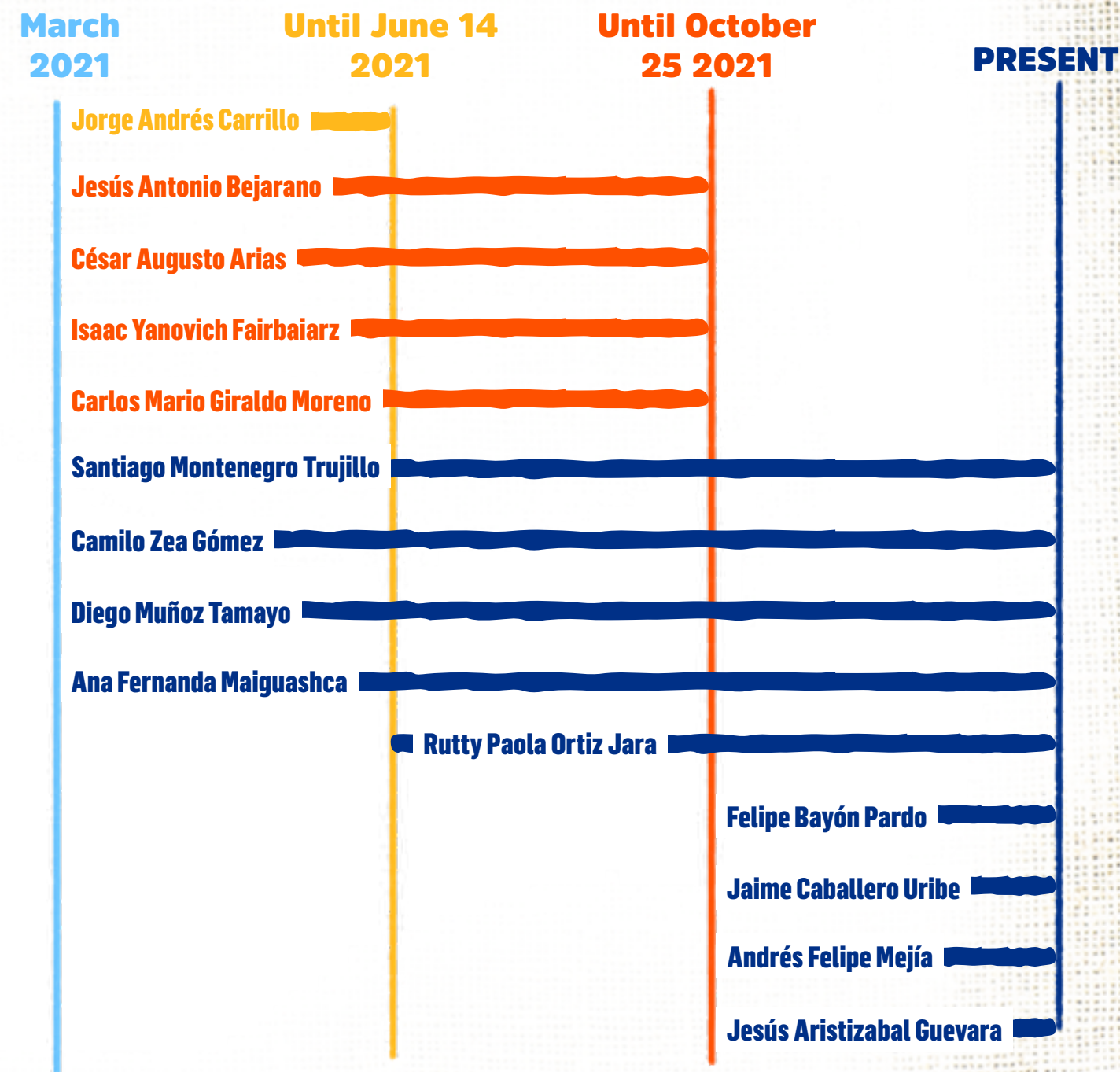
The following temporary conflict of interest occurred during the period: In meeting No. 9 of December 20, 2021, of the Corporate Governance, Sustainability and Risk Committee, Jesús Aristizábal expressed his conflict of interest in the item of the ruling of the Comptroller's Office for the Hidroituan-go case and, therefore, he was not present in said item of the agenda.

The definition of conflict of interest is included in the Corporate Bylaws, Code of Good Governance, and Code of Ethics and Conduct. To address conflicts of interest between the members of the Board of Directors and other administrators of ISA, the Board has approved some procedures, published on the [Company's website](#).

### Changes in the Board of Directors during the period

During this reporting period, there were changes in the composition of ISA's Board of Directors in the months of April, June and October 2021, which are detailed below:

- ▶ On April 29, Mr. Jorge Andres Carrillo resigned.
- ▶ On June 15, an Extraordinary General Shareholders' Meeting was held to elect Mrs. Ruty Paola Ortiz to replace Mr. Jorge Andrés Carrillo.
- ▶ On October 26, an Extraordinary General Shareholders' Meeting was held to appoint four new members to the Board of Directors: Felipe Bayón Pardo, Jaime Caballero Uribe, Andrés Felipe Mejía and Jesús Aristizábal.



## **Policies approved by the Board of Directors during the reporting period**

During 2021, the following policies were updated:

- ▶ Board of Directors Succession Policy
- ▶ Board of Directors Remuneration Policy

## **Process for nominating members to the Board of Directors**

For the nomination of candidates to form the Board of Directors and seeking a reasonable balance, complementarity and diversity for the sake of an adequate performance, it is taken into account that the candidates are not subject to legal disqualifications and incompatibilities and that they have the knowledge, experience, academic training, qualities, capabilities, independence of judgment and sufficient availability to be candidates to be members of the Board. The Board of Directors Succession Policy, approved by the General Shareholders' Meeting, establishes the prin-

ciples applied in the nomination of the best candidates to form ISA's Board of Directors and the knowledge and experience required to guarantee its effective operation and contribution to the achievement of its objectives; the complete text is available on the corporate [website](#).

Prior to the General Shareholders' Meeting, at which the Board of Directors was elected, the respective proposals containing the list of nominees and their resumes were published on the corporate website, indicating the shareholder nominating each nominee and their status as independent or non-independent.

The extracts of Minutes 111, 112 and 113 of the General Shareholders' Meetings held in the year 2021, published on the corporate website, contains each of the lists sent by the majority shareholder to the Chief Legal Office of ISA for the election of the Board of Directors in each Meeting.

The Board of Directors was elected using the electoral quotient system, taking into account

professional, suitability, and recognized moral solvency criteria, as established in the Succession Policy of the Board. The resumes of its members can be found at [Company's website](#).

After the election, the members stated, in writing, their acceptance and that they are not subject to disqualifications or incompatibilities to be members of the Board. This event was registered with the Medellín Chamber of Commerce for Antioquia, where the Company is headquartered. Independent members answered the questionnaire attached to Decree 2555 of 2010, which was previously submitted to the Pension Funds, shareholders of ISA.

The members of the Board of Directors who were appointed for the first time received the proper induction, in which they were provided with sufficient information to have a specific knowledge of ISA, its businesses and the sectors in which it participates, the responsibilities, obligations and attributions as members of the Board and the Company's documents whose knowledge is necessary for the compliance of their duties.

## Board of Directors Remuneration Policy

The Board of Directors Remuneration Policy, approved by the General Shareholders' Meeting, reviewed each year and published on the company's website, establishes the criteria for the adequate remuneration of its members, and it is the Ordinary General Shareholders' Meeting that approves each year the fees expressed in terms of tax value unit (UVT), consistent with the obligations and responsibilities of the members and the characteristics of the company, among other criteria. [See remuneration.](#)

## Remuneration to the Board of Directors and members of Senior Management

ISA does not use special payment or remuneration mechanisms in shares of the Company for members of the Board of Directors, and to trade these shares they must have the authorization of the Board. For attending the meetings of the Board and its committees, the members received a remuneration of 141 UVT per meeting, equivalent to COP 5.119.428, and the Chairman of the Board received a remuneration of 169 UVT per meeting, equivalent to COP 6.422.676.

The compensation of members of Senior Management is disclosed in the "Notes to the financial statements", in accordance with the provisions of the Commercial Code and the applicable accounting standards.

ISA neither uses special payment or remuneration mechanisms in shares of the Company, nor uses share options as payment to members of the Senior Management.

## Board of Directors Quorum

In order to validly deliberate, the Board of Directors requires a quorum of at least five members (deliberative quorum). Decisions are adopted by a majority of the votes present (deciding quorum). All meetings had a deliberative and deciding quorum.

## Attendance to Board Meetings and Committees

During the period April 2021 - March 2022, the Board met twenty times (twelve ordinary and eight extraordinary meetings). The average duration of each meeting was five hours and the agenda agreed upon for each session was always met. The attendance of the members of the Board of Directors was as follows:

The distribution of Board members by committee is currently as follows:

Name		Nominated by	Committees	Role in the Board	
Felipe Bayón Pardo		Ecopetrol S.A.			
Jaime Caballero Uribe					
Ana Fernanda Manguashca				Chairman of the Organizational Talent Committee	
Andrés Felipe Mejía				Chairman of the Audit Committee	
Jesús Aristizabal Guevara				Chairman of the Corporate Governance, Sustainability, and Risk Committee	
Rutty Paola Ortiz Jara			Empresas Públicas de Medellín		
Santiago Montenegro Trujillo			Fondos de pensiones y cesantías		Chairman of the Board of Directors and Chairman of the Business Committee
Camilo Zea Gómez					
Diego Muñoz Tamayo					



Corporate Governance, Sustainability, and Risk Committee



Business Committee



Corporate Audit Committee



Organizational Talent Committee



Independent Member

**Attendance of the Board of Directors**

Average  
**97.48%**

Meeting #	Month	Compliance	Attendees
<b>April 1 - June 14</b>			
843	apr-16	88.89%	MINHACIENDA General Deputy Minister, MINHACIENDA- Director of Public Credit and National Treasury, Isaac Yanovich Fairbairz, Carlos Mario Giraldo Moreno, Ana Fernanda Maiguashca, Santiago Montenegro, Camilo Zea, Diego Muñoz.
844	apr-23	88.89%	MINHACIENDA General Deputy Minister, MINHACIENDA- Director of Public Credit and National Treasury, Isaac Yanovich Fairbairz, Carlos Mario Giraldo Moreno, Ana Fernanda Maiguashca, Santiago Montenegro, Camilo Zea, Diego Muñoz.
845	apr-30	88.89%	MINHACIENDA General Deputy Minister, MINHACIENDA- Director of Public Credit and National Treasury, Isaac Yanovich Fairbairz, Carlos Mario Giraldo Moreno, Ana Fernanda Maiguashca, Santiago Montenegro, Camilo Zea, Diego Muñoz.
846	may-28	88.89%	MINHACIENDA General Deputy Minister, MINHACIENDA- Director of Public Credit and National Treasury, Isaac Yanovich Fairbairz, Carlos Mario Giraldo Moreno, Ana Fernanda Maiguashca, Santiago Montenegro, Camilo Zea, Diego Muñoz.
<b>June 15 - October 25</b>			
847	jun-25	100%	MINHACIENDA General Deputy Minister, MINHACIENDA- Director of Public Credit and National Treasury, Isaac Yanovich Fairbairz, Carlos Mario Giraldo Moreno, Ana Fernanda Maiguashca, Ruty Paola Ortiz, Santiago Montenegro, Camilo Zea, Diego Muñoz.
848	jun-30	100%	MINHACIENDA General Deputy Minister, MINHACIENDA- Director of Public Credit and National Treasury, Isaac Yanovich Fairbairz, Carlos Mario Giraldo Moreno, Ana Fernanda Maiguashca, Ruty Paola Ortiz, Santiago Montenegro, Camilo Zea, Diego Muñoz.
849	jul-30	100%	MINHACIENDA General Deputy Minister, MINHACIENDA- Director of Public Credit and National Treasury, Isaac Yanovich Fairbairz, Carlos Mario Giraldo Moreno, Ana Fernanda Maiguashca, Ruty Paola Ortiz, Santiago Montenegro, Camilo Zea, Diego Muñoz.
850	aug-02	100%	MINHACIENDA General Deputy Minister, MINHACIENDA- Director of Public Credit and National Treasury, Isaac Yanovich Fairbairz, Carlos Mario Giraldo Moreno, Ana Fernanda Maiguashca, Ruty Paola Ortiz, Santiago Montenegro, Camilo Zea, Diego Muñoz.
851	aug-04	100%	MINHACIENDA General Deputy Minister, MINHACIENDA- Director of Public Credit and National Treasury, Isaac Yanovich Fairbairz, Carlos Mario Giraldo Moreno, Ana Fernanda Maiguashca, Ruty Paola Ortiz, Santiago Montenegro, Camilo Zea, Diego Muñoz.
852	aug-27	100%	MINHACIENDA General Deputy Minister, MINHACIENDA- Director of Public Credit and National Treasury, Isaac Yanovich Fairbairz, Carlos Mario Giraldo Moreno, Ana Fernanda Maiguashca, Ruty Paola Ortiz, Santiago Montenegro, Camilo Zea, Diego Muñoz.

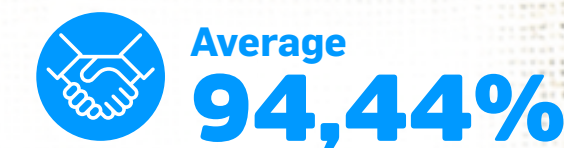
Meeting #	Month	Compliance	Attendees
853	sept-03	100%	MINHACIENDA General Deputy Minister, MINHACIENDA- Director of Public Credit and National Treasury, Isaac Yanovich Fairbairz, Carlos Mario Giraldo Moreno, Ana Fernanda Maiguashca, Ruty Paola Ortiz, Santiago Montenegro, Camilo Zea, Diego Muñoz.
854	sept-21	100%	MINHACIENDA General Deputy Minister, MINHACIENDA- Director of Public Credit and National Treasury, Isaac Yanovich Fairbairz, Carlos Mario Giraldo Moreno, Ana Fernanda Maiguashca, Ruty Paola Ortiz, Santiago Montenegro, Camilo Zea, Diego Muñoz.
855	sept-24	100%	MINHACIENDA General Deputy Minister, MINHACIENDA- Director of Public Credit and National Treasury, Isaac Yanovich Fairbairz, Carlos Mario Giraldo Moreno, Ana Fernanda Maiguashca, Ruty Paola Ortiz, Santiago Montenegro, Camilo Zea, Diego Muñoz.
856	oct-21	100%	MINHACIENDA General Deputy Minister, MINHACIENDA- Director of Public Credit and National Treasury, Isaac Yanovich Fairbairz, Carlos Mario Giraldo Moreno, Ana Fernanda Maiguashca, Ruty Paola Ortiz, Santiago Montenegro, Camilo Zea, Diego Muñoz.
<b>October 26 - March 31</b>			
857	oct-26	100%	Felipe Bayón Pardo, Jaime Caballero Uribe, Ana Fernanda Maiguashca, Andrés Felipe Mejía, Jesús Aristizabal Guevera, Ruty Paola Ortiz Jara, Santiago Montenegro Trujillo, Camilo Zea Gómez, Diego Muñoz Tamayo.
858	oct-29	88.89%	Felipe Bayón Pardo, Jaime Caballero Uribe, Ana Fernanda Maiguashca, Andrés Felipe Mejía, Jesús Aristizabal Guevera, Ruty Paola Ortiz Jara, Camilo Zea Gómez, Diego Muñoz Tamayo.
859	nov-09	100%	Felipe Bayón Pardo, Jaime Caballero Uribe, Ana Fernanda Maiguashca, Andrés Felipe Mejía, Jesús Aristizabal Guevera, Ruty Paola Ortiz Jara, Santiago Montenegro Trujillo, Camilo Zea Gómez, Diego Muñoz Tamayo.
860	nov-22	100%	Felipe Bayón Pardo, Jaime Caballero Uribe, Ana Fernanda Maiguashca, Andrés Felipe Mejía, Jesús Aristizabal Guevera, Ruty Paola Ortiz Jara, Santiago Montenegro Trujillo, Camilo Zea Gómez, Diego Muñoz Tamayo.
861	dec-20	100%	Felipe Bayón Pardo, Jaime Caballero Uribe, Ana Fernanda Maiguashca, Andrés Felipe Mejía, Jesús Aristizabal Guevera, Ruty Paola Ortiz Jara, Santiago Montenegro Trujillo, Camilo Zea Gómez, Diego Muñoz Tamayo.
862	jan-25	100%	Felipe Bayón Pardo, Jaime Caballero Uribe, Ana Fernanda Maiguashca, Andrés Felipe Mejía, Jesús Aristizabal Guevera, Ruty Paola Ortiz Jara, Santiago Montenegro Trujillo, Camilo Zea Gómez, Diego Muñoz Tamayo.
863	feb-22	100%	Felipe Bayón Pardo, Jaime Caballero Uribe, Ana Fernanda Maiguashca, Andrés Felipe Mejía, Jesús Aristizabal Guevera, Ruty Paola Ortiz Jara, Santiago Montenegro Trujillo, Camilo Zea Gómez, Diego Muñoz Tamayo.
864	mar-23	100%	Felipe Bayón Pardo, Jaime Caballero Uribe, Ana Fernanda Maiguashca, Andrés Felipe Mejía, Jesús Aristizabal Guevera, Ruty Paola Ortiz Jara, Santiago Montenegro Trujillo, Camilo Zea Gómez, Diego Muñoz Tamayo.

**Attendance to the Corporate Governance, Sustainability and Risk Committee**

Average **100%**

Meeting #	Month	Compliance	Attendees
<b>April 1 - June 14</b>			
1	April	100%	MINHACIENDA - General Deputy Minister, MINHACIENDA- Director of Public Credit and National Treasury, Carlos Mario Giraldo Moreno, Ana Fernanda Maiguashca, Santiago Montenegro
2	May	100%	MINHACIENDA - General Deputy Minister, MINHACIENDA- Director of Public Credit and National Treasury, Carlos Mario Giraldo Moreno, Ana Fernanda Maiguashca, Santiago Montenegro
<b>June 15 - October 25</b>			
3	June	100%	MINHACIENDA - General Deputy Minister, MINHACIENDA- Director of Public Credit and National Treasury, Carlos Mario Giraldo Moreno, Ana Fernanda Maiguashca, Santiago Montenegro
4	jul-01	100%	MINHACIENDA - General Deputy Minister, MINHACIENDA- Director of Public Credit and National Treasury, Carlos Mario Giraldo Moreno, Ana Fernanda Maiguashca, Santiago Montenegro
4	jul-29	100%	MINHACIENDA - General Deputy Minister, MINHACIENDA- Director of Public Credit and National Treasury, Carlos Mario Giraldo Moreno, Ana Fernanda Maiguashca, Santiago Montenegro
5	August	100%	MINHACIENDA - General Deputy Minister, MINHACIENDA- Director of Public Credit and National Treasury, Carlos Mario Giraldo Moreno, Ana Fernanda Maiguashca, Santiago Montenegro
6	September	100%	MINHACIENDA - General Deputy Minister, MINHACIENDA- Director of Public Credit and National Treasury, Carlos Mario Giraldo Moreno, Ana Fernanda Maiguashca, Santiago Montenegro
<b>October 26 - March 31</b>			
7	October	100%	Felipe Bayón Pardo, Jaime Caballero Uribe, Jesus Aristizabal, Ana Fernanda Maiguashca, Santiago Montenegro Trujillo
8	November	100%	Felipe Bayón Pardo, Jaime Caballero Uribe, Jesus Aristizabal, Ana Fernanda Maiguashca, Santiago Montenegro Trujillo
9	December	100%	Felipe Bayón Pardo, Jaime Caballero Uribe, Jesus Aristizabal, Ana Fernanda Maiguashca, Santiago Montenegro Trujillo
10	January	100%	Felipe Bayón Pardo, Jaime Caballero Uribe, Jesus Aristizabal, Ana Fernanda Maiguashca, Santiago Montenegro Trujillo
11	Febryary	100%	Felipe Bayón Pardo, Jaime Caballero Uribe, Jesus Aristizabal, Ana Fernanda Maiguashca, Santiago Montenegro Trujillo
12	March	100%	Felipe Bayón Pardo, Jaime Caballero Uribe, Jesus Aristizabal, Ana Fernanda Maiguashca, Santiago Montenegro Trujillo
13	March	100%	Felipe Bayón Pardo, Jaime Caballero Uribe, Jesus Aristizabal, Ana Fernanda Maiguashca, Santiago Montenegro Trujillo

**Attendance at the Business Committee**



Meeting #	Month	Compliance	Attendees
<b>April 1 - June 14</b>			
194	April	80%	Santiago Montenegro, Isaac Yanovich, Juan Pablo Zárate, César Augusto Arias, Henry Medina González
195	May	100%	Santiago Montenegro, Isaac Yanovich, Diego Muñoz Tamayo, César Augusto Arias, Jesus Antonio Bejarano Rojas
196	May	100%	Santiago Montenegro, Isaac Yanovich, Diego Muñoz Tamayo, César Augusto Arias, Jesus Antonio Bejarano Rojas
<b>June 15 - October 25</b>			
197	June	100%	Santiago Montenegro, Isaac Yanovich, Diego Muñoz Tamayo, César Augusto Arias, Jesus Antonio Bejarano Rojas
198	July	80%	Santiago Montenegro, Isaac Yanovich, Diego Muñoz Tamayo, César Augusto Arias
199	July	100%	Santiago Montenegro, Isaac Yanovich, Diego Muñoz Tamayo, César Augusto Arias, Jesus Antonio Bejarano Rojas
200	August	100%	Santiago Montenegro, Isaac Yanovich, Diego Muñoz Tamayo, César Augusto Arias, Jesus Antonio Bejarano Rojas
201	September	100%	Santiago Montenegro, Isaac Yanovich, Diego Muñoz Tamayo, César Augusto Arias, Jesus Antonio Bejarano Rojas
202	September	100%	Santiago Montenegro, Isaac Yanovich, Diego Muñoz Tamayo, César Augusto Arias, Jesus Antonio Bejarano Rojas
203	October	100%	Santiago Montenegro, Isaac Yanovich, Diego Muñoz Tamayo, César Augusto Arias, Jesus Antonio Bejarano Rojas
204	October	80%	Santiago Montenegro, Isaac Yanovich, Diego Muñoz Tamayo, César Augusto Arias
205	October	80%	Santiago Montenegro, Diego Muñoz Tamayo, César Augusto Arias, Jesus Antonio Bejarano Rojas
<b>October 26 - March 31</b>			
206	Julio	80%	Santiago Montenegro, Isaac Yanovich, Diego Muñoz Tamayo, César Augusto Arias
207	Julio	100%	Santiago Montenegro, Isaac Yanovich, Diego Muñoz Tamayo, César Augusto Arias, Jesus Antonio Bejarano Rojas
208	Agosto	100%	Santiago Montenegro, Isaac Yanovich, Diego Muñoz Tamayo, César Augusto Arias, Jesus Antonio Bejarano Rojas
209	Septiembre	100%	Santiago Montenegro, Isaac Yanovich, Diego Muñoz Tamayo, César Augusto Arias, Jesus Antonio Bejarano Rojas
210	Septiembre	100%	Santiago Montenegro, Isaac Yanovich, Diego Muñoz Tamayo, César Augusto Arias, Jesus Antonio Bejarano Rojas
211	Octubre	100%	Santiago Montenegro, Isaac Yanovich, Diego Muñoz Tamayo, César Augusto Arias, Jesus Antonio Bejarano Rojas

**Attendance to the Organizational Talent Committee**



Meeting #	Month	Compliance	Attendees
<b>April 1 - June 14</b>			
14	April	100%	Isaac Yanovich, César Augusto Arias, Carlos Mario Giraldo
15	May	100%	Isaac Yanovich, César Augusto Arias, Carlos Mario Giraldo
<b>June 15 - October 25</b>			
16	June	100%	Isaac Yanovich, César Augusto Arias, Carlos Mario Giraldo
17	July	100%	Isaac Yanovich, César Augusto Arias, Carlos Mario Giraldo, Ana Fernanda Maiguashca, Ruty Paola Ortiz
18	July	100%	Isaac Yanovich, César Augusto Arias, Carlos Mario Giraldo, Ana Fernanda Maiguashca, Ruty Paola Ortiz
19	August	100%	Isaac Yanovich, César Augusto Arias, Carlos Mario Giraldo, Ana Fernanda Maiguashca, Ruty Paola Ortiz
20	September	100%	Isaac Yanovich, César Augusto Arias, Carlos Mario Giraldo, Ana Fernanda Maiguashca, Ruty Paola Ortiz
21	September	100%	Isaac Yanovich, César Augusto Arias, Carlos Mario Giraldo, Ana Fernanda Maiguashca, Ruty Paola Ortiz
22	September	100%	Isaac Yanovich, César Augusto Arias, Carlos Mario Giraldo, Ana Fernanda Maiguashca, Ruty Paola Ortiz
23	October	100%	Isaac Yanovich, César Augusto Arias, Carlos Mario Giraldo, Ana Fernanda Maiguashca, Ruty Paola Ortiz
<b>October 26 - March 31</b>			
24	October	100%	Ana Fernanda Maiguashca, Ruty Paola Ortiz, Andres Mejia, Diego Muñoz, Felipe Bayón
25	November	100%	Ana Fernanda Maiguashca, Ruty Paola Ortiz, Andres Mejia, Diego Muñoz, Felipe Bayón
26	November	100%	Ana Fernanda Maiguashca, Ruty Paola Ortiz, Andres Mejia, Diego Muñoz, Felipe Bayón
27	November	100%	Ana Fernanda Maiguashca, Ruty Paola Ortiz, Andres Mejia, Diego Muñoz, Felipe Bayón
28	December	100%	Ana Fernanda Maiguashca, Ruty Paola Ortiz, Andres Mejia, Diego Muñoz, Felipe Bayón
29	December	100%	Ana Fernanda Maiguashca, Ruty Paola Ortiz, Andres Mejia, Diego Muñoz, Felipe Bayón
30	December	100%	Ana Fernanda Maiguashca, Ruty Paola Ortiz, Andres Mejia, Diego Muñoz, Felipe Bayón
31	December	100%	Ana Fernanda Maiguashca, Ruty Paola Ortiz, Andres Mejia, Diego Muñoz, Felipe Bayón
32	January	100%	Ana Fernanda Maiguashca, Ruty Paola Ortiz, Andres Mejia, Diego Muñoz, Felipe Bayón
33	January	100%	Ana Fernanda Maiguashca, Ruty Paola Ortiz, Andres Mejia, Diego Muñoz, Felipe Bayón
34	January	100%	Ana Fernanda Maiguashca, Ruty Paola Ortiz, Andres Mejia, Diego Muñoz, Felipe Bayón
35	January	100%	Ana Fernanda Maiguashca, Ruty Paola Ortiz, Andres Mejia, Diego Muñoz, Felipe Bayón
36	January	100%	Ana Fernanda Maiguashca, Ruty Paola Ortiz, Andres Mejia, Diego Muñoz, Felipe Bayón
37	February	100%	Ana Fernanda Maiguashca, Ruty Paola Ortiz, Andres Mejia, Diego Muñoz, Felipe Bayón
38	March	100%	Ana Fernanda Maiguashca, Ruty Paola Ortiz, Andres Mejia, Diego Muñoz, Felipe Bayón

### Attendance to the Audit Committee



Meeting #	Month	Compliance	Attendees
<b>April 1 - June 14</b>			
130	May	100%	Camilo Zea, Ana Fernanda Maiguashca
131	June	100%	Camilo Zea, Ana Fernanda Maiguashca
<b>June 15 - October 25</b>			
132	August	100%	Camilo Zea, Ana Fernanda Maiguashca, Ruty Paola Ortiz
<b>October 26 - March 31</b>			
133	October	75%	Camilo Zea, Jesus Aristizabal, Andres Felipe Mejía
134	November	100%	Camilo Zea, Jesus Aristizabal, Andres Felipe Mejía; Ruty Paola Ortiz
135	December	100%	Camilo Zea, Jesus Aristizabal, Andres Felipe Mejía; Ruty Paola Ortiz
136	January	100%	Camilo Zea, Jesus Aristizabal, Andres Felipe Mejía; Ruty Paola Ortiz
137	February	100%	Camilo Zea, Jesus Aristizabal, Andres Felipe Mejía; Ruty Paola Ortiz
138	February	100%	Camilo Zea, Jesus Aristizabal, Andres Felipe Mejía; Ruty Paola Ortiz
139	March	100%	Camilo Zea, Jesus Aristizabal, Andres Felipe Mejía; Ruty Paola Ortiz

### Agreements, policies, and procedures approved by the Board of Directors during the period

In 2021, the following agreements were approved:

- ▶ Agreement 122 of March 26, 2021: Whereby certain procedures are established for the holding of the General Shareholders' Meeting in its ordinary meeting, in person.
- ▶ Agreement 123 of May 28, 2021: Whereby some procedures are established for the holding of the General Shareholders' Meeting in its extraordinary meeting, under the virtual modality, to be held on June 15, 2021.
- ▶ Agreement 124 of July 30, 2021: Whereby the manual for the Comprehensive System for the Prevention of Money Laundering and Financing of Terrorism and the Proliferation of Weapons of Mass Destruction of Interconexión Eléctrica S.A. E.S.P. is modified.
- ▶ Agreement 125 of 2021: Whereby the Organizational Talent Committee of Interconexión Eléctrica S. A. E.S.P. is regulated.
- ▶ Agreement 126 of September 24, 2021: Whereby some procedures are established for the holding of the General Shareholders' Meeting in its extraordinary meeting, under the virtual modality, to be held on October 22, 2021.

## **Chairman of the Board Of Directors**

The Board of Directors, in session 845 of April 30, 2021, appointed Santiago Montenegro Trujillo, independent member, as its Chairman.

The functions of the Chairman are set forth in Article 28 of the Corporate Bylaws and in Agreement 105 of November 25, 2016, which regulates the operation of the Board of Directors, both of which are available on the [corporate website](#).

## **Secretary of the Board of Directors**

As established in the Corporate Bylaws, the Chief Legal Officer of the Company is the secretary of the Board of Directors.

The duties of the Secretary are set forth in Article 28 of the Corporate Bylaws and in Agreement 105 of November 25, 2016, which regulates the operation of the Board of Directors, available on the [corporate website](#).

## **Relationships between the Board of Directors and Statutory Auditor during the year**

During the last period, the statutory auditor presented to the Corporate Audit Committee the results of the review of the relevant controls for the preparation and presentation of the financial statements, as well as an opinion on their reasonableness.

## **External advice received by the Board of Directors**

In session 2 of the Corporate Governance, Sustainability and Risk Committee held on May 27, 2021, Juliana Susso, Chief Institutional Relations Officer, provided training on ESG indicators.

In session 861 of December 20, 2021, the training on "Foreign Corrupt Practices Act" was conducted by Miller & Chevalier.

## **Information management by the Board of Directors**

The Secretary of the Board of Directors, no less than five days prior to each meeting, made available,

through a server with exclusive access for the members of the Board, the documentation related to the topics to be discussed at the Board meetings and the additional information requested.

## **Board of Directors Committees**

According to the Regulations of the Board, at ISA, the Corporate Governance, Sustainability, and Risk Committee; the Business Committee; the Corporate Audit Committee; and the Organizational Talent Committee work institutionally.

## **Corporate Governance, Sustainability, and Risk Committee**

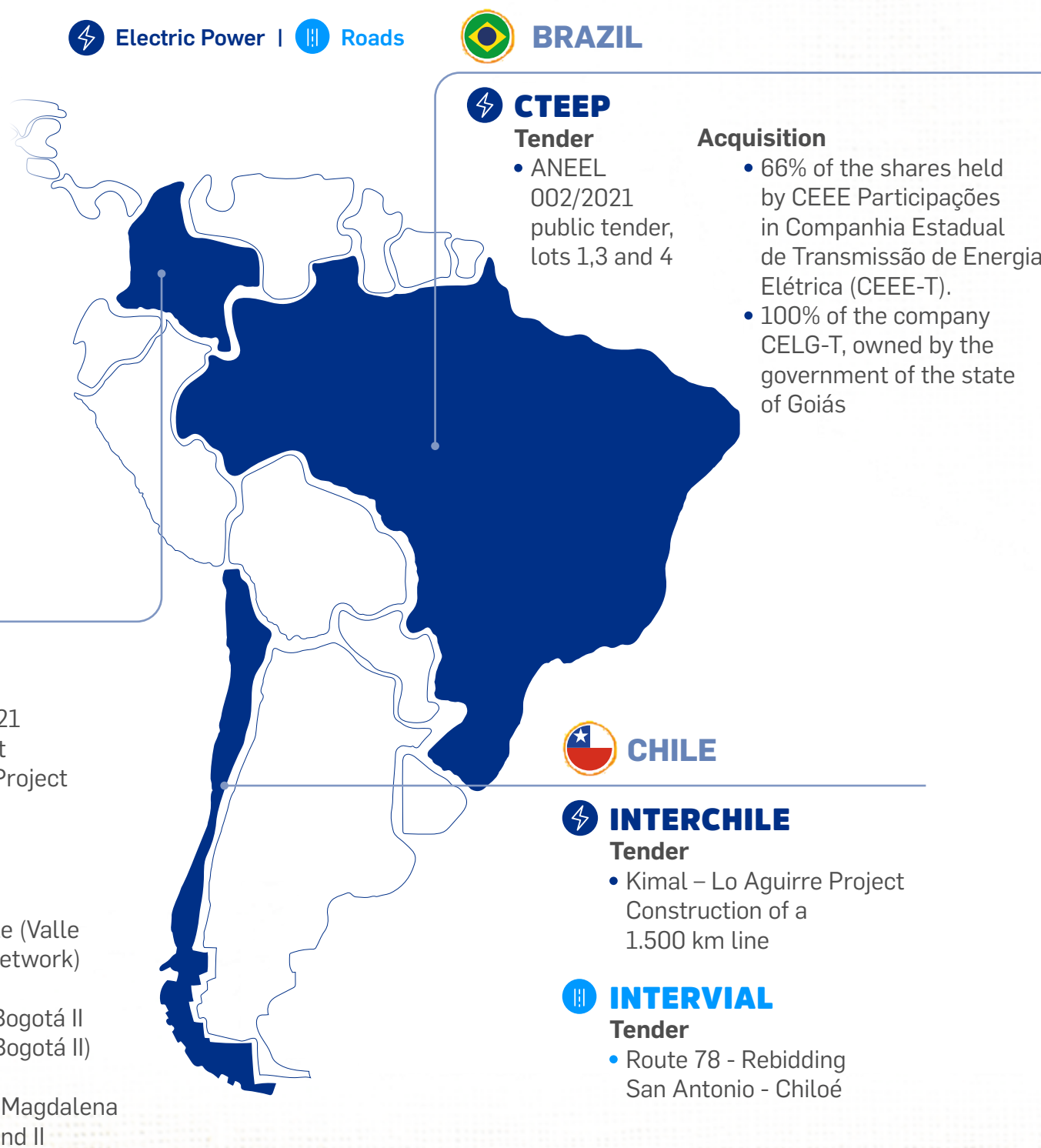
Its main responsibilities include to support management on strategic issues, sustainability, risk, human talent, information technology and corporate governance, as well as studying amendments to the Corporate Bylaws and making recommendations on the appointment and remuneration of members of the Board of Directors and Senior Management; it must also ensure compliance with the Code of Good Corporate Governance and the framework for action and evaluate the company's CEO.

The main topics discussed between April 2021 and March 2022 were sustainability, strategy, risk management, modifications to corporate documents to adopt best corporate governance practices, bylaw reform, innovation and cybersecurity.

## Business Committee

Its role is to analyze, make recommendations, or make decisions about investment initiatives considered in ISA and its companies' growth strategy. It also monitors the execution of businesses.

The business and projects reviewed by the Committee in 2021 include the following:



## Corporate Audit Committee

It is the guiding and facilitating body of internal control. Its functions include to ensure that the organization has an effective corporate control system, which includes the evaluation of accounting procedures, the relationship with the statutory auditor, the audit of the risk management system, among others. Its recommendations are related to the improvement of the controls established in governance, administrative, financial, technical and information technology matters, as well as ethical management and the money laundering and terrorist financing risk management system.

Between April 2021 and March 2022, the main topics discussed were as follows:

- ▶ Financial results reports
- ▶ Approval of regulatory matters Agreement 74 LAFT
- ▶ Statutory Auditor Policy
- ▶ Annual report on non-material commercial transactions with related parties - 2021
- ▶ Reports to external control entities
- ▶ Reports of the statutory auditor and independent auditors

- ▶ Comprehensive risk management reports
- ▶ Ethics and compliance management reports
- ▶ Follow-up of audit management.
- ▶ Internal audit reports prepared during the period
- ▶ Various topics of interest requested by the Audit Committee in order for ISA and its companies to have an effective internal control system. Requested topics: business operation, progress of infrastructure projects, progress of the transition with Ecopetrol.

### **Organizational Talent Committee**

The Organizational Talent Committee is responsible for making decisions, directing, supervising and/or supporting or advising the Board of Directors and management in relation to the management of the organizational talent (Senior Management and employees) of ISA and its companies.

The main topics discussed between April 2020 and March 2021 were:

- ▶ Organizational talent strategy
- ▶ Approval of the Diversity and Inclusion Policy
- ▶ Work Force Planning 2021-2030 Update
- ▶ Evolution of Occupational Health and Safety Programs - Cultura Segura
- ▶ Selection process of the company's CEO
- ▶ Senior management succession planning
- ▶ Organizational climate measurement
- ▶ Equipares Seal Recognition
- ▶ TO (organizational talent) Dashboard
- ▶ ISA CEO's evaluation
- ▶ Evolution of legal-labor processes and management of labor relations.
- ▶ Advances in learning and knowledge management

### **Information on the performance of the evaluation processes of the Board of Directors and Senior Management, as well as a summary of the results.**

The performance evaluation of the Board of Directors and its committees is part of the ISA Board's commitment to continuously improve its corporate governance practices, according to local and international standards.

Following the recommendation of best practices in this area, to alternate between methodologies such as self-evaluation and evaluation by external consultants for the April 2021 - March 2022 period, the company conducted a qualitative self-evaluation of the Board of Directors to measure its effectiveness as a collective body.

The self-evaluation included a sample of 9 people, with the following results:

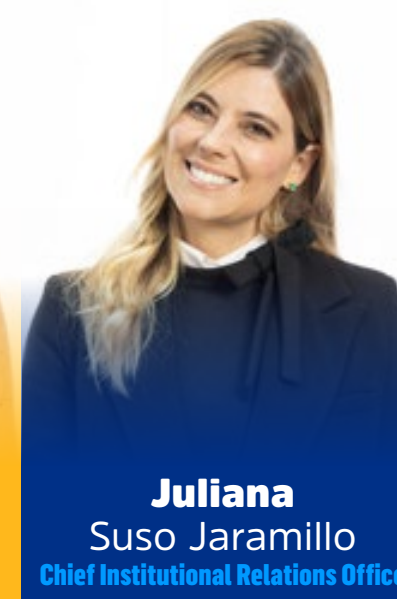
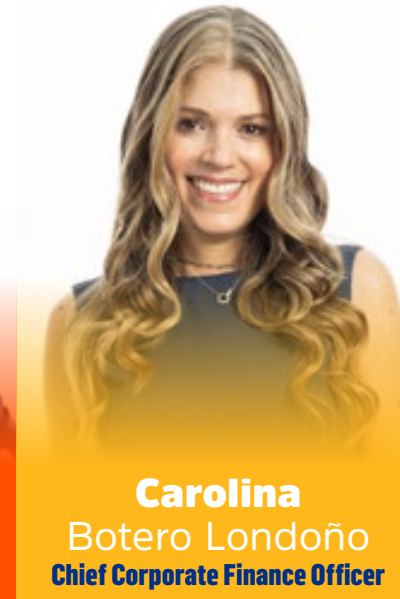
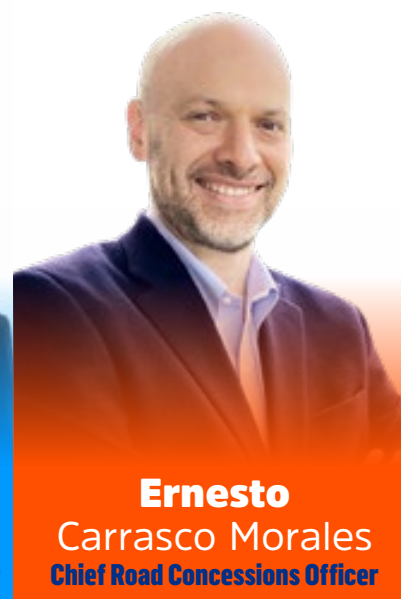
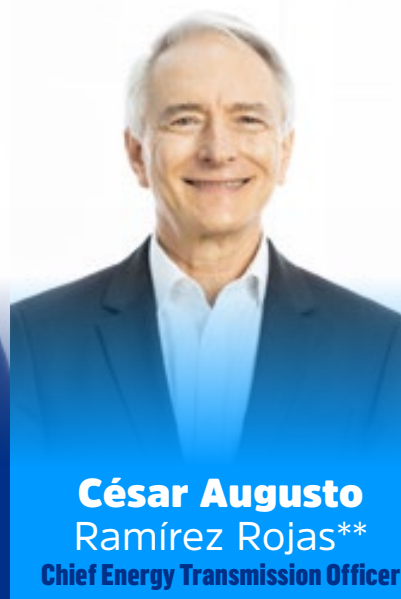
- ▶ Individual performance of the members of the Board of Directors, 95.78%.
- ▶ Group performance of the Board of Directors, 92.12%.
- ▶ Group performance of the committees, 93.71%.
- ▶ Performance and participation of Management, 90%.

The following continue to be highlighted as strengths: constructive participation, independence, depth, co-responsibility and constructive dialogue between the Company's management and the Board.

There are improvement opportunities in seeking greater prioritization and frequency of strategic issues, ESG policies, socio-political risk, monitoring of stakeholders and the integration process between Ecopetrol and ISA.

In accordance with the Corporate By-laws, Senior Management includes the CEO and senior management. Details about the professional quality and work experience of ISA's executives can be found on the webpage.

**SENIOR MANAGEMENT**



\* Resigned on January 26, 2022.  
\*\* Acting CEO as of January 27, 2022.

In accordance with the Regulations of the Organizational Talent Committee, the function of this committee is to annually evaluate the CEO's performance. This evaluation was carried out in a session held on February 21, 2022 and approved by the Board of Directors in session 863 of February 22, 2022.

*"Like the previous year, 2021 was a challenging year for all of humanity. A year in which, in addition to responding to the challenges posed by the pandemic in terms of public health and the impact on economic and social activities, it was crucial to resume business growth, guarantee operational continuity and care for people.*

*During this year, the leadership of Bernardo Vargas Gibsone, as the Company's CEO, can be described on the following fronts:*

*The ISA 2030 Strategy made satisfactory progress in meeting the goals set for the strategic objectives of Shareholder Value and So-*

*cial and Environmental Impact, highlighting: the progress in investment in current and new businesses and geographic areas; the increase in EBITDA; and the reduction of tons of carbon equivalent. In terms of the established Business Sustainability goals, progress was around laying the groundwork for future investment in ventures and new energy businesses.*

*This is evidenced by the compliance of the indicators of the Balanced Management Dashboard (TBG), some of which had a compliance above the target value. Such is the case of adjusted EBITDA, net income, reduction in tons of CO2 equivalent and the achievement of the main milestones of the strategic initiatives. Compliance with the annual base CAPEX of Power Transmission projects and the accident frequency index, given the occurrence of three fatal accidents in Brazil, did not have the desired performance, and will be part of the renewed efforts of this company to continue on the path of improvement in 2022.*

*In financial matters, ISA had positive results that demonstrate the soundness of the business. Consolidated net income was COP 1,7 trillion, up 8,4% compared to the previous year, and ROE reached more than double digits at 11,6%. EBITDA totaled COP 7,1 trillion, up 8,4% versus the previous year and positively impacted by the efficient management of costs and expenses (AOM). The maximum share value in 2021 was COP 29.250 and averaged COP 22.821 higher than in 2020, reflecting the Company's strong financial performance and investor confidence. On the other hand, consolidated assets totaled COP 61,7 trillion; 13,8% more (COP 7,5 trillion) compared to the same period of the previous year.*

*Digital transformation and innovation, two of the organizational capabilities of ISA and its companies, were fundamental enablers to achieve business goals, generating solutions, efficiencies and optimizations in accordance with the challenges of the company and the environment.*

*In terms of environmental challenges, Conexión Jaguar continued to be ISA's flagship program to contribute to climate change mitigation, conserving biodiversity and con-*

tributing to the development of rural communities. Likewise, the ISA Volunteer initiatives allowed the involvement of a group of employees who donated hours of work and talent in different projects with different lines of action. Lastly, ISA also made progress in its Connections for Development program with the United Nations Development Programme (UNDP) and Fundación Barco.

In 2021, significant financial and human resources were allocated to continue to ensure the physical, mental and emotional health of employees in the context of the pandemic. No effort was spared in COVID-19 prevention and in the adaptation of spaces to advance in the return to offices and end the year with 65% of employees working under a hybrid model. It should also be noted that 98% of the employees have already been vaccinated. It is not surprising then that the work climate favorability index recorded by employees in the 2021 climate survey has continued to be a clear strength of the organization.

Diversity and Inclusion was another important initiative in 2021. The Ministry of Labor awarded the Equipares Seal for Diversity Management in the silver category to ISA and some of its companies.

Consistent and solid management has a direct impact on ISA's reputation and employer brand. In this regard, the results of the Corporate Reputation Business Monitor (MERCOCOL) stand out, in which the company improved four positions and for the first time occupied first place in the sector ranking. Likewise, for the seventh consecutive year, the company was included in the Dow Jones Sustainability Index, in which ISA is positioned as one of the best electric power utilities in the ranking.

Lastly, in terms of management, the acquisition of ISA by the Ecopetrol Group was a major milestone, expanding the strategic opportunities for ISA and its companies. This transaction involved enormous complexities and challenges. At the

end of 2021, we can attest to the success of the transaction itself and the good management of the transition and the change it entailed.

For all of the above reasons, the members of the Board of Directors highlight Bernardo Vargas Gibsone's performance in 2021. In the same way, they are grateful for all the contributions made as ISA's CEO, during the period 2015-2021, leading the company in building a future inspired by sustainable value."

## Related-party transactions

### **Responsibilities of the Board of Directors with regards to this type of transactions and conflicts of interest**

On October 29, 2020, the Corporate Governance, Sustainability and Risk Committee of the Board of Directors approved the Corporate Guideline for Related-Party Transactions, applicable to ISA and its companies, and the Procedure for the Identification, Valuation, Approval, Disclosure and Monitoring of Business Transactions between ISA and its related parties, applicable to ISA. In this procedure, ISA's related parties are determined in accordance with international standards and the regulations applicable to the company. Likewise, transactions that require approval by the Board of Directors and/or the Shareholders' Meeting are defined.

In accordance with Article 34, paragraph 41 of the Corporate Bylaws and the Procedure for the Identification, Valuation, Approval, Disclosure and

Supervision of Business Transactions between ISA and its related parties, the Board of Directors has the power to approve transactions with such parties that exceed one percent (1%) of the market capitalization, and to ensure that they are carried out under market conditions.

In accordance with the Corporate Guideline for related-party transactions, managers and employees involved in the assessment and approval of related-party transactions are subject to the criteria for addressing conflicts of interest established in the Anti-Corruption and Anti-Bribery Management Guide and in the regulations applicable to each company. The procedures for the management of conflicts of interest of ISA's administrators establish the functions of the Board of Directors in relation to situations of this type of conflict.

### **Detail of the most relevant transactions with related parties in the opinion of the Company**

Details of ISA's related party transactions can be found in the Financial Statements.

As a Mixed Public Utility Company, ISA is subject to the disqualifications and incompatibilities regime applicable to government contracts, which prohibits the execution of contracts between the company and the members of the Board of Directors, their relatives up to the second degree of consanguinity or affinity or first civil degree, their spouses or permanent partners and the legal entities in which they have an interest or hold management positions, under the terms defined by law.

### **Conflicts of interest and actions by the members of the Board of Directors**

There were no conflicts of interest in connection with related party transactions.

## Risk management systems

### Explanation of the Internal Control System (SCI) of ISA and its companies and its modifications during the fiscal year.

The company, in its permanent monitoring and control process, responded efficiently and timely in providing information and/or documents to governmental control entities.

Maintaining the continuous strengthening of the Internal Control System and, in particular, of its Ethics practices, during 2021 different activities were carried out from the Ethics and Compliance Corporate Program, which allowed strengthening, mainly, the mechanisms for detection and response to the possible occurrence of improper acts. For this purpose, new measures were implemented to properly address the materialization of the compliance risk.

In 2021, Ecopetrol purchased 51,4% of the shares held by the Ministry of Finance in ISA, becoming its new

majority shareholder. In this regard, it should be noted that this acquisition did not generate changes in ISA's internal control for the 2021 period.

### Internal Control Bodies

The internal control system of ISA and its companies is based on the international standard of the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Through this standard the company seeks to reasonably guarantee the achievement of corporate objectives, strengthen confidence in the integrity of the information provided to the different stakeholders, adequate monitoring and timely response to business risks, as well as corporate governance instruments and transparency practices.

In accordance with the annual plan, the Chief Corporate Audit Office assesses the controls of the prioritized processes under the risk approach, maintaining the principles of impartiality, objec-

tivity and independence necessary for the fulfillment of its function, as dictated by international auditing principles and practices. To this end, it agrees on work plans with the audit committees of each company, which, according to their risk levels and particularities, provide the guidelines and strategies to be followed in the area of internal control.

During 2021, audits were conducted on business units operating processes, as well as evaluations of the administrative, technological and financial processes that support them. The evaluations carried out by the audit areas of each ISA company confirmed compliance with both the internal and external regulatory framework, and did not evidence significant or material deviations that put the continuity of ISA's business at risk, an assessment that is in line with the evaluations of the external control entities, which issued favorable opinions on the Internal Control System.

Likewise, and in line with the company's principles, the ethical culture has been strengthened as a fundamental part of the control environment, supported, among others, by fraud, corruption and bribery risk management. To this end, a new Code of Ethics and Conduct was approved in 2021, which explicitly included FCPA definitions<sup>1</sup>, and a Corporate Ethics and Compliance Program is applied, to which new procedures and monitoring tools have been defined to keep it in line with the guidelines of Senior Management, business development, international best practices and the laws of the countries where we operate.

ISA began the project to implement the Sarbanes-Oxley Act (SOX), a law to which it is obliged to comply since it is part of the Ecopetrol Group and which requires the filing of financial reports and management evaluation of internal controls with the SEC (Securities and Exchange Commission). We are confident that the implementation of SOX will raise the standards and maturity of internal control at ISA and its companies.

## External control bodies

ISA submitted reports requested by the following external entities:

- ▶ National Agency for the Legal Defense of the State.
- ▶ Banco de la República
- ▶ Chamber of Representatives of the Congress of the Republic.
- ▶ General Accounting Office
- ▶ Comptroller General of the Republic
- ▶ Energy and Gas Regulatory Commission
- ▶ Colombia Compra Eficiente (SECOP)
- ▶ National Administrative Department of Statistics.
- ▶ National Tax and Customs Directorate
- ▶ Ministry of Finance and Public Credit
- ▶ Financial Superintendence of Colombia
- ▶ Superintendence of Industry and Commerce.
- ▶ Superintendence of Household Utilities

The firm CASO Auditores served as external auditor of management and results for the 2021 period. In its evaluation report for the 2020 period, published in the national press on June 29, 2021, it expressed the result that: a) *"In accordance with what is indicated in paragraph 5.1.2 of Resolution No SSPD-20061300012295 of April 18, 2006,*

*the Company's risk level as of December 31, 2020 is low, given the positive result of the financial indicators established by the CREG".* b) *"We do not observe situations that may endanger the Company's financial viability, provided that the established assumptions are met".*

Between April 2021 and March 2022, the firm Deloitte carried out the statutory audit; in compliance with its legal duty, the firm will present to the General Shareholders' Meeting an opinion on the Company's management, financial statements and administration.

The risk rating agencies at ISA perform qualitative and quantitative analyses of the financial situation, business management and other issues they consider relevant in the companies active in the capital market; this, with the purpose of reviewing the capacity and willingness to pay and determine the rating that allows potential investors to know how safe their investment in ISA companies

is and, at the same time, provides the companies with access to the supply of local and international markets.

The corporate risk and local and international bond issue ratings, granted by the most recognized national and international agencies to ISA and its companies in 2021, ratify the financial strength and soundness of each one of them.

ISA ratings in 2021 reflect:

- ▶ The company's low risk profile, a characteristic of the electric power transmission business.
- ▶ The solid geographic and business diversification of its revenue stream which, together with the high predictability of operating cash flow (OCF), translates into a strong financial profile.
- ▶ The company's adequate liquidity and growth strategy.

In Colombia, the Program on Issuance and Placement of Securities of ISA's Internal Public Debt has maintained the highest credit risk rating of AAA for bonds and F1+ (col) for commercial papers granted by Fitch Ratings Colombia. Likewise, Moody's and Fitch Ratings, international

rating agencies, ratified the investment grade level of the international rating granted to ISA at the end of 2021 and granted this same rating to the first international bond issue carried out in November 2021, for USD 330 million.

ISA COMPANIES	Agencias calificadoras de riesgos	MOODY'S	Fitch Ratings	Feller.Rate	APOYO & ASOCIADOS	PCR	MOODY'S LOCAL	Humphreys
ISA	Corporate	Baa2 (Stable) Sep. 2021	BBB (Stable) Jul. 2021					
	Local bond issuance		AAA (Stable) Apr. 2021					
	Commercial papers		F1+ Apr. 2021					
	Internal bond issuance	Baa2 (Stable) Nov. 2021	BBB (Stable) Nov. 2021					
ISA TRANSELCA	Local bond issuance		AAA (Stable) Mar. 2021					
ISA CTEEP	Corporate		AAA (Stable) Aug. 2021					
	Bond issuance		AAA (Stable) Ago. 2021					
CONSORCIO TRANSMANTARO	International bond issuance	Baa3 (Stable) Feb. 2021	BBB (Stable) Jun. 2021					
ISA REP	Bond issuance				AAA (Stable) May. 2021		AAA (Stable) May. 2021	
RUTA DEL MAIPO	Bond issuance	Baa3 (Stable) Sep. 2020	BBB-(Stable) Aug. 2021	A+ Jun. 2021				A+ Jun. 2021
RUTA DEL BOSQUE	Bond issuance	Baa3 (Stable) Oct. 2020	A+ Aug. 2021	A (Stable) Jun. 2021				
RUTA DEL LOA	Bond issuance			A (Stable) Jan. 2021				A (Stable) Jan. 2021

For the information and analysis of shareholders and investors, the statutory auditor's report, the external auditor's opinion and the evaluation of the risk rating agencies are published on the company's website.

The following procedures were carried out before the Chamber of Commerce of Medellín: the financial statements were submitted, the commercial register and single bidders register were renewed, the election and acceptance of the members of the Board of Directors, the Statutory Auditor, the legal representatives and alternates were registered, and ISA's shareholding in its companies was updated.

It is important to add that during the period there were no requests from shareholders or investors for specialized audits or investigations involving ISA by oversight and control entities.

### **Description of the Risk Policy and its application during the period**

ISA and its companies comply with the Corporate Policy for Comprehensive Risk Management, through which it seeks to generate and protect the value of ISA and its companies, the integrity of corporate resources, the continuity and sustainability of the business, through the identification, assessment and implementation of measures for the management of the risks to which they are exposed.

Each company has its own risk map and assesses them based on the probability of occurrence and the impact of their consequences on business resources, prioritizing the most relevant for the development of its operations and the achievement of its strategy. It also monitors their condition and defines and implements measures to improve their management. Periodically, the companies present the progress made in Comprehensive Risk Management and the main events that have materialized.

ISA publishes its risk map, the most significant events and the main management measures implemented to prevent and mitigate their impact on the website and in the 2021 Integrated Management Report.

### **Materialization of risks during the period**

This information is detailed in the "Strategy" chapter, subchapter "Comprehensive risk management" of the 2021 Integrated Management Report, available on the company's website.

### **Response and supervision plans for the main risks**

This information is detailed in the "Strategy" chapter, subchapter "Comprehensive risk management" of the 2021 Integrated Management Report, available on the company's website.



## General shareholders' meeting

### **Meeting operation differences between the minimum quorum regime pursuant to current regulations and the regime defined by the Company's Corporate Bylaws and Board regulations.**

For the Ordinary General Shareholders' Meeting of March 26, 2021, the call made by the Company's CEO was published on February 21, 2021, on the website and by means of a press notice in El Colombiano and El Tiempo, newspapers of wide national circulation, and the reminder thereof was published in the same newspapers and on the website, on March 21, 2021.

For the Extraordinary General Shareholders' Meeting of June 15, 2021, the call made by the Company's CEO was published on May 30, 2021, on the website and by means of a press notice in El Colombiano and El Tiempo, newspapers of wide national circulation, and the reminder was published in the same newspapers and on the website on June 13, 2021.

For the Extraordinary General Shareholders' Meeting of October 22, 2021, the call made by the Company's CEO was published on October 3, 2021, on the website and by means of a press notice in El Colombiano and El Tiempo, newspapers of wide national circulation, and the reminder was published in the same newspapers and on the website on October 17, 2021.

Additionally, in order to facilitate the exercise of the shareholders' right to information and encourage their participation, ISA disclosed on the corporate web page, the notices of call, the agendas, the proposals submitted for consideration of the shareholders' meetings and the lists and resumes of those nominated to form the Board of Directors. In addition, the information related to the granting of proxies to be represented therein was published.

In the call of the Ordinary General Shareholders' Meeting of March 26, 2021, ISA enabled an exceptional procedure, approved by the respective authorities, whereby a proxy with

voting instructions could be granted through one of the proxies available for this purpose.

For the Ordinary Meeting, the shareholders had at their disposal the documents established in the Corporate Bylaws and in the Law for the exercise of the right of inspection for a period of fifteen (15) business days.

The Ordinary Meeting had the quorum required by the Law. Topics approved in the agenda were submitted for consideration of the shareholders and the decisions were made according to the majorities required in the Corporate Bylaws. The information on attendance to the General Shareholders' Meeting can be found in the extract of Minutes 111 of March 26, 2021, published on the website. The Ordinary General Shareholders' Meeting was streamed live on the Internet, and proxies attended in-person.

The extraordinary shareholders' meetings had the quorum required by the Law; the items approved in the agenda were submitted for consideration of the shareholders and the decisions were made in accordance with the majorities required by the Corporate Bylaws. The information on attendance to the Extraordinary General Shareholders' Meetings can be found in the extracts of Minutes 112 and 113 of 2021, published on the website. The meetings were streamed live and shareholders were able to enter a virtual room where they could participate in the meeting and exercise their voting rights.

The Corporate Bylaws, the Operating Regulations of the General Shareholders' Meeting, and the Code of Good Corporate Governance dictate good practices aimed at strengthening and improving the right of information and participation of shareholders in the meetings, among which are highlighted:

- ▶ The General Shareholders' Meeting should be called not less than thirty (30) calendar days in advance, and extraordinary meetings should be called not less than fifteen (15) calendar days in advance.
- ▶ Use electronic means of communication, such as the corporate website and the sending of messages, among others, to disseminate all information related to the General Shareholders' Meeting, from the call to the agenda, the proposals and the decisions taken once the meeting is held.
- ▶ The items on the agenda shall be expressed in a clear and precise manner, in such a way as to facilitate their understanding and analysis by the shareholders. Items or proposals shall be jointly voted only when there is unity in the subject matter and when they are directly related.
- ▶ The right of shareholders regardless of their shareholding to request, at least five (5) business days prior to the General Shareholders' Meeting the information or clarifications they deem appropriate through traditional channels and/or, where applicable, through new technologies; and the right to ask in writing the questions they deem necessary regar-

ding items included in the agenda of the General Shareholders' Meeting.

- ▶ The right of shareholders, regardless of their shareholding, to propose including one or more items to be discussed in the agenda of the General Shareholders' Meeting, within five (5) calendar days following the publication of the call, and as far as the request for new items is justified.
- ▶ To minimize blank votes without voting instructions, ISA actively promotes the use of authorization templates that are available on the Company's website. The template includes the items of the agenda and the corresponding Agreement proposals that will be submitted for consideration of the shareholders, so that shareholders (if they deem appropriate) give the voting instruction to their proxy or representative.
- ▶ The members of the Board of Directors and the CEO of the Company will attend the Meeting to address the concerns of shareholders.

- ▶ The right that a number of shareholders, representing at least twenty percent (20%) of the total number of subscribed shares of the Company, requests the CEO or the Statutory Auditor to call extraordinary meetings of the General Shareholders' Meeting.

### Information to shareholders and communication with them

The Code of Good Governance adopted by the Board of Directors establishes communication channels for shareholders to address requests and requirements, including the telephone hotline and the shareholder attention office. Additionally, the Company's website, [www.isa.co](http://www.isa.co), Inversionistas (Investors) section, contains everything related to shareholder and investor relations mechanisms.

### Number of requests and issues about which the shareholders have requested information to the company.

#### Report of cases by source

inquiries to management unit and call center between 01-01-2021 and 12-31-2021

**Total 10,219**



**Hotline**  
**7,285**  
71.29%



**E-mail**  
**898**  
8.79%



**Chat**  
**1,925**  
18.84%



**Voice mail**  
**51**  
0.50%



**Outbound call**  
**15**  
0.15%



**Contact with ISA**  
**19**  
0.19%



**Internet**  
**2**  
0.02%



**Supervalores**  
(superintendence of the securities market)  
**Request**  
**1**  
0.01%



**Letter-fax**  
**12**  
0.12%



**Right of petition**  
**1**  
0.01%

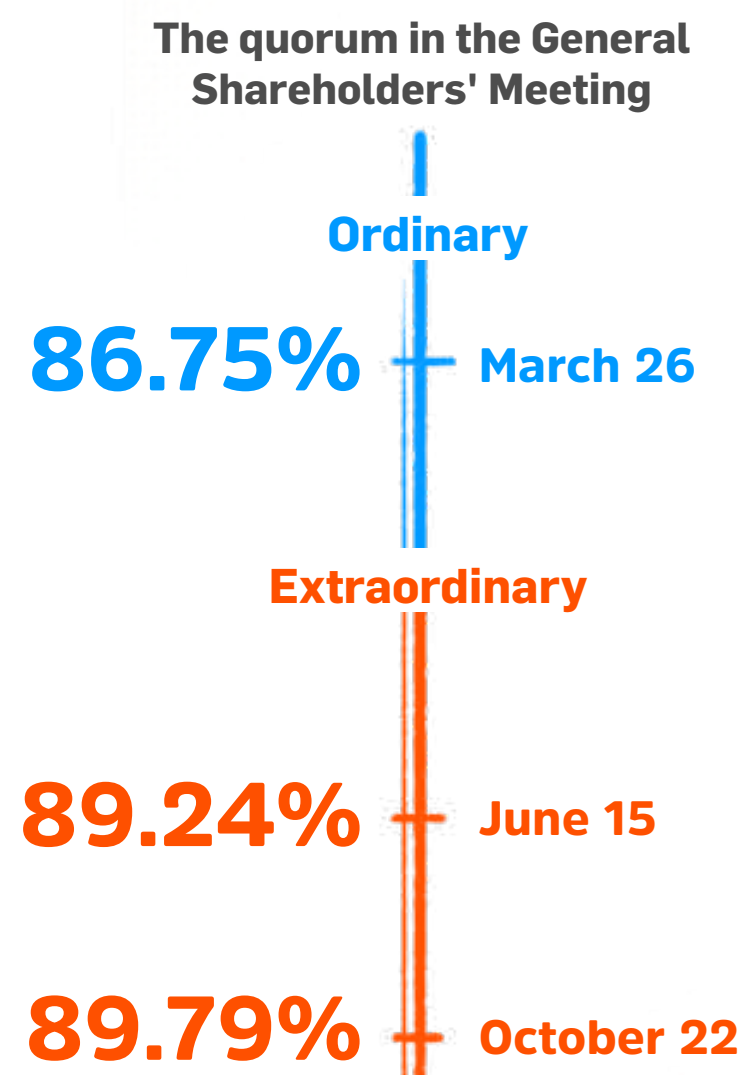


**Call to Medellín Office**  
**9**  
0.09%



**Tutela** (writ for protection of fundamental rights)  
**1**  
0.01%

## Information on attendance to the General Shareholders' Meeting



## Detail of the main agreements entered into

Besides analyzing and deciding on the matters relevant to the ordinary meetings pursuant to the Bylaws and the Law, the Ordinary General Shareholders' Meeting approved the Board of Directors Succession Policy, Remuneration Policy and fees. The above, adopting the recommendations of the Country Code in terms of good corporate governance practices, aimed at generating value and promoting investors' confidence.

During the Ordinary General Shareholders' Meeting held on March 26, 2021, the Board of Directors was elected for the period April 2021 - March 2022, which was again elected on June 15, 2021 and October 22, 2021, through Extraordinary Shareholders' Meetings.

The Minutes of the meetings were signed by the Chairman of the meeting and Legal Representative, the Secretary of the Meeting, and the respective commission. It contained the topics discussed, the approvals and authorizations granted

by the Meeting, and observations and comments of the shareholders. In addition, the minutes were registered with the Chamber of Commerce of Medellín, and a copy of the minutes of the Ordinary General Shareholders' Meeting was sent to the Financial Superintendence of Colombia and the Superintendence of Household Utilities.

For shareholders' information, extracts of Minutes 111, 112 and 113 of 2021, corresponding to the Ordinary General Shareholders' Meeting of March 26, 2021 and Extraordinary Shareholders' Meetings of June 15 and October 22, 2021, are published on the corporate website.

## Stakeholders

ISA publishes its commitments to stakeholders and presents compliance mechanisms and relationship key aspects in the Integrated Management Report. News and events that are relevant to stakeholders are published on the website.

To maintain trusting relationships with shareholders and investors, supported by the provision of timely and reliable information, ISA carried out the following activities:

- ▶ ISA published quarterly financial statements and, through virtual meetings, presented them to the financial community.
- ▶ ISA participated in ongoing meetings with local and foreign investors and analysts.
- ▶ The company participated in 10 events organized by stockbrokers, both sell-side and buy-side, where it had access to more than 500 local and foreign investors.

- ▶ ISA intensified meetings with the sell side, promoting a better understanding of ISA and its companies.
- ▶ It also conducted training to local and international analysts on the valuation kit, facilitating the exercise of calculating the target price of ISA's shares.
- ▶ It utilized relational marketing strategies: e-mails, newsletters and tax certificate mailings.
- ▶ Through the Shareholder Attention Center, it processed and solved close to 10.219 cases.

## Compliance with the code of good governance

During 2021, the company monitored its compliance. The central axes of verification of this Code are: the supply of information through the website, reports submitted before surveillance and control agencies, and reports submitted before the Board of Directors and the Shareholders' Meeting. Additionally, the commitments compiled in the Code are monitored through external and internal evaluations.

Shareholders and the general public did not report any violation of the Code through the phone lines or mailboxes available:

### Ethics Line (Toll-Free)

01 8000 941341

[lineaetica@isa.com.co](mailto:lineaetica@isa.com.co)

### Line for Shareholder Attention (Toll-Free)

National: 01 8000 115000

Medellín: (574) 4442555

[accionesisa@isa.com.co](mailto:accionesisa@isa.com.co)

It must be pointed out that, in addition to the bodies mentioned above, the Financial Superintendence of Colombia is available to shareholders, especially minority shareholders. This entity has the power to implement the relevant measures to avoid violations of rights and ensure the return to balance, and the principle of equal treatment for every shareholder.

**Santiago Montenegro Trujillo**  
Chairman of the Board of Directors