



## **AGREEMENT 127**

**(February 22, 2022)**

Whereby the dividend distribution policy of Interconexión Eléctrica S.A. E.S.P. - ISA is established.

The Board of Directors of Interconexión Eléctrica S.A. E.S.P. - ISA, in exercise of its statutory powers, and

### **WHEREAS:**

1. In 2021 Ecopetrol purchased 51.4% of the shares held by the Ministry of Finance in ISA, becoming its new majority shareholder.
2. This purchase constitutes a decisive action by Ecopetrol in its contribution to the energy transformation, where an important value generation is projected from ISA to the Ecopetrol Group, as a low emission business, capitalizing synergies at the business and process level and sharing best corporate governance practices.
3. It is important to give a solid and coherent message to the market about how we are adopting measures in Ecopetrol today, aimed at strengthening good corporate governance practices around the distribution of profits. Ecopetrol's dividend policy, approved by its Board of Directors, is to distribute between 40% and 60% of the Net Income of the previous period adjusted for Non-Cash Items (items that are not reflected in cash).
4. That in ISA, in the last 5 years, the dividend distribution has averaged 43% (ordinary dividends adjusted from the RBSE, equivalent to an average of 49% without adjustments), within the range of ISA's practice (40-50%).
5. Going forward, ISA will continue with the challenge of maintaining a balance between remunerating our shareholders adequately and securing the resources to leverage the growth of ISA and its companies framed in its Debt/EBITDA ratio of 4.5 times.
6. The profit subject to the definition of the effective payment of dividends will be the Adjusted Income, which is to say, the Net Income subtracting or adding the adjustments required for the "items not reflected in cash".
7. It is relevant, together with Ecopetrol, to continue articulating actions aimed at protecting and consolidating the healthy finances of our companies.

**THEREFORE, IT AGREES:**

**ARTICLE ONE:** to approve the following Dividend Distribution Policy of Interconexión Eléctrica S.A. E.S.P. – ISA:

Notwithstanding the provisions of Articles 155 and 454 of the Code of Commerce, the percentage of distribution of ordinary dividends that the Board of Directors will submit to the consideration of the General Shareholders' Meeting for approval will be between 40% and 50% of the Adjusted Income for the previous year, once the following aspects have been analyzed:

- Cash availability for the year of distribution.
- Fulfillment of ordinary business obligations (debt service, operating expenses),
- Securing resources for the committed investment plan and potential growth.
- Minimum cash required; and
- Compliance with debt indicators in accordance with the limits defined by the risk rating agencies or any other commitment in force.

**ARTICLE TWO:** This Agreement is effective as of the date of its issuance.

Signed by the Chairman of the Board of Directors and by the Secretary in Bogotá and as a record of the decision adopted at the Board of Directors meeting held on February 22, 2022.

[SIGNED]

**SANTIAGO MONTENEGRO TRUJILLO**

Chairman of the Board of Directors

[SIGNED]

**SONIA M. ABUCHAR A.**

Secretary of the Board of Directors