

**Decree No. 645**

**April 26, 2022**

**Whereby the Rules of Procedure of the Board of Directors of Empresas Públicas de Medellín E.S.P., Annex 5 of the Code of Corporate Governance, are amended.**

**THE BOARD OF DIRECTORS OF EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P.**, in exercising its legal and statutory powers, especially the power included in Clause b) of Article 17 of Agreement 12 of 1998 of the Council of Medellín, and

**WHEREAS**

1. By means of Decree 472 of September 24, 2019, the Board of Directors of Empresas Públicas de Medellín E.S.P. adopted the Code of Corporate Governance of this entity and its annexes.
2. The Rules of Procedure of the Board of Directors are Annex No. 5 of the mentioned Code.
3. Adjusting the Rules of Procedure of the Board of Directors is required to adapt it to the dynamics and operation of the collegiate body, align the practices and functions of the Board and its support committees and comply with the best corporate governance practices in terms of the structure and content of the Rules of Procedure.
4. The Code of Corporate Governance compiles the practices applied within the company on this matter.
5. Clause 12.3 of the Code establishes the provisions corresponding to amendments to the code and provides that governance bodies may adopt the standards or practices they consider convenient, in line with Corporate Governance principles, which shall be an integral part of the Code.
6. On April 18, 2022, The Management Committee recommended the Board of Directors to approve the amendment to the Rules of Procedures. The Board of Directors, in the

meeting on April 26, 2022, followed the Management Committee's recommendation and, pursuant to the above:

### **HEREBY DECREES**

**Article 1.** To modify Annex 5 of the Code of Corporate Governance of Empresas Públicas de Medellín E.S.P., which consists of the Rules of Procedure of the Board of Directors.

**Article 2.** To compile Annex 5 of the Code of Corporate Governance of Empresas Públicas de Medellín E.S.P., which consists of the Rules of Procedure of the Board of Directors, in this Decree.

**Article 3.** The text of the Code of Corporate Governance of Empresas Públicas de Medellín E.S.P., as well as the other annexes thereto, are not amended and remain in effect.

**Article 4.** This Decree is in effect as of its issuance and repeals Decree 579 of June 29, 2021.

Issued in Medellín on April 26, 2022.

**CHAIRMAN,**

**DANIEL QUINTERO CALLE**

**SECRETARY,**

**MARÍA CRISTINA TORO RESTREPO**

## **Empresas Públicas de Medellín E.S.P.**

### **Rules of Procedure of the Board of Directors**

This document, which is part of the Code of Corporate Governance of Empresas Públicas de Medellín E.S.P. as one of its annexes, is a company bylaw on the functioning of the Board of Directors and was issued based on the powers stated in Clause b) of article 90 of Law 489 of 1998. It establishes, among others, adopting the entity's bylaws and any amendment introduced to them as a function of the boards of directors of industrial and commercial State companies.

By means of the Rules of Procedure of the Board of Directors of Empresas Públicas de Medellín E.S.P., the regulations that shall govern the organization, functioning and dynamics of this collegiate body are established, aiming at achieving its highest effectiveness and for decisions to be made objectively and responsibly. The regulations included herein are applicable to both members and the Entity's Management and their employees, with respect to preparing and presenting information.

#### **Article 1. STRUCTURE AND APPOINTMENT**

##### **1.1 Structure**

In developing the provisions of Law 142 of 1994, the Bylaws establish that the Board of Directors of Empresas Públicas de Medellín E.S.P. shall be comprised of the following people:

- a) The Mayor of Medellín, who is the chairman, or a delegate they appoint to replace them in the event of a temporary absence. The delegate must be an official of the municipal administration.
- b) Five (5) people appointed freely by the Mayor of Medellín, as independent members, in accordance with the Framework Agreement on Relations signed on April 23, 2007, between the Municipality of Medellín and Empresas Públicas de Medellín.
- c) Three (3) people chosen by the Mayor of Medellín from among the control spokespersons registered by the Social Control and Development Committees of Residential Public Utilities.

## **1.2 Appointment of its members.**

The members of the Board of Directors shall be appointed by the Mayor of Medellín, taking into account the requirements established in the Code of Corporate Governance and Framework Agreement on Relations, as well as current guidelines regarding the functional and personal profiles and composition required by the Board of Directors and the regime on disqualifications and incompatibilities established by the Law.

When a new member of the Board of Directors is incorporated, Management shall make the necessary information available to them for them to acquire specific knowledge on the Company and the activities it performs. They shall be provided an induction on the Board's functioning and their responsibilities. These activities shall be coordinated by the General Secretary and be performed with the support of the Company's other Vice-presidencies. Attendance to these activities shall be mandatory for new Board members.

## **Article 2. MEETINGS**

### **2.1 Participation**

The CEO, General Secretary and other officials to whom the Board grants this power may participate with a voice but without a vote in the meetings of the Board of Directors. In addition, any public servant of the Company may attend as a guest to provide the reports requested by the Board, as well as the people considered necessary and appropriate for the meeting's development.

### **2.2 Ordinary Meetings**

The Board of Directors shall meet ordinarily at least once (1) a month, during the day, at the agreed upon time and place. This regular schedule may be modified when there are reasons for it, and the General Secretary must communicate the new date and place to the members of the Board.

Similarly, and by exception, the Board may hold remote meetings and make decisions through each member's statement of the vote in writing, in the terms and conditions provided by articles 19 and 20 of Law 222 of 1995.

### **2.3 Extraordinary Meetings**

When necessary, the Board of Directors may be called to extraordinary meetings by the Chairperson, *ex-officio* or at the CEO's request. In addition, according to article 11 of the Bylaws, the Chairperson shall be obliged to call a meeting when requested by the majority of the Board's members.

## **2.4 Agenda**

Once quorum has been verified at each meeting, the agenda, breaking down each topic to be discussed, shall be submitted for the Board of Directors' approval. The agenda and supporting documentation for each topic must be shared with the Board of Directors eight (8) calendar days before the meeting through the Board of Directors' information system.

### **Article 3. DELIBERATIVE AND DECISION-MAKING QUORUM**

The deliberative quorum for meetings of the Board of Directors shall be formed with the majority of its members. An equal majority shall be required to validly decide upon the topics of its competence. Each member of the Board of Directors shall have one vote for decision-making.

### **Article 4. DUTIES OF THE CHAIRPERSON**

The following are the main responsibilities of the Chairperson of the Boards of Directors:

1. Freely appointing and removing Board members. To this end, they shall follow the current guidelines regarding the composition and functional and personal profiles defined by the Board of Directors.
2. Making sure the Board of Directors efficiently sets and implements the strategic planning of the company.
3. Coordinating and planning the Board of Directors' functioning by establishing an annual work plan based on the assigned functions. This plan must be aligned with the results of the collegiate body's annual evaluation.
4. Coordinating calls to meetings through the Secretary of the Board of Directors.
5. Making sure information is delivered to members of the Board of Directors in due time and proper form, directly or through the Secretary of the Board of Directors.
6. Proposing the topics, they consider pertinent to the CEO and Secretary of the Board of Directors, to include them in the agenda of Board meetings.

7. Presiding over meetings, handling debates and submitting topics to a vote when they consider them sufficiently analyzed.
8. Being a spokesperson and signing communications on issues originated in and related to the Board of Directors, and delegating this responsibility when considered necessary.
9. Making sure the Board of Directors' agreements are executed and following up on their orders and decisions.
10. Making sure members of the Board of Directors comply with their responsibilities and participate actively.
11. Leading the evaluation process of the Board of Directors and its Committees.
12. Authorizing commissions abroad and training events for Board members, as long as the topic is of interest for the Company.
13. Promoting active coordination between the Company and the issues of interest for the city of Medellín, in compliance with the provisions of the Framework Agreement on Relations.
14. Participating and promoting the active participation of other Board members in adopting and communicating corporate governance practices and regulations for EPM, according to the provisions of the Framework Agreement on Relations.
15. Ensuring compliance with the Rules of Procedure of the Board of Directors.
16. In addition, the Chairperson is responsible for performing all functions assigned by the law, Bylaws and, in general, all the regulations that apply to the powers inherent to their position.

**Paragraph:** in the event of the Chairperson's temporary absence, they will be replaced by a delegate, who must be an official of the municipal administration, in accordance with Clause A of Article 7 of the Bylaws.

## **Article 5. DUTIES OF THE SECRETARY**

According to Article 21 of the Bylaws, the Secretary of the Board of Directors shall be the Company's General Secretary. The following shall be their duties, among others:

1. Calling to meetings, in accordance with the Company's annual plan and the typical agenda of the Board of Directors.
2. Processing conducive and pertinent requests made by the Board of Directors as a collegiate body and its members, individually, in a timely manner, following the procedure approved by the Board of Directors for attending to requests.

3. Preparing, managing and publishing minutes of the meetings of the Board of Directors through the Board's information system.
4. Delivering information in due time and proper form to the members of the Board of Directors.
5. Signing the minutes of the Board of Directors with the Chairperson and attesting to them, issuing the certifications of the adopted decisions and respective authentic copies under their signature.
6. Ensuring the conservation of the Board of Directors' documents and requiring the responsible area to file and publish the documents properly and according to the classification of the respective information.
7. Ensuring the legality of the Board of Directors' actions and making sure its procedures and governance are respected and regularly reviewed, in accordance with the provisions of the Bylaws and other internal regulations of the Company.
8. Defining the procedure to develop the necessary activities for Board meetings to be efficient, in an organized manner.

**Paragraph 1.** The Company's General Secretary is the only channel authorized to receive requests for information from members of the Board of Directors and deliver it, in accordance with the provisions of Section 1 of Clause 6.3 of Article 6 of these Rules of Procedure.

**Paragraph 2.** In the framework of the functions assigned to the Corporate Governance Unit with respect to the support the General Secretary provides in managing the EPM Board of Directors, the Unit makes sure the provisions of the Code of Corporate Governance of the EPM Group, and the Framework Agreement on Relations signed between EPM and the Municipality of Medellín are followed in the context of the Board.

**Article 6. OPERATIONAL RULES OF THE MEETINGS:** The Board of Directors must follow the following operational rules, in order to optimize time and for meetings to have a predominantly strategic approach:

1. Listening to Management before intervening. Members of the Board of Directors may question presenters when formulating questions or to request clarification of an aspect related to the topic being presented.
2. Being concise, clear and constructive in presentations. Always seeking to enrich discussions and the decision-making process.
3. Not repeating what other Committee members already stated.

4. The following must be taken into account during discussions: (i) The Chairperson's prior authorization is required to take the floor; (ii) The Chairperson shall give the floor in the order it was requested; (iii) The discussion shall be ended when the Chairperson of the Boards of Directors decides the topic has been sufficiently presented; (iv) Board members shall only refer to the topic currently under discussion.
5. Once the Board of Directors has made a decision, a topic shall only be discussed again if new elements arise.

## **Article 7. RESPONSIBILITIES, COMMITMENTS AND RIGHTS OF BOARD MEMBERS**

### **7.1 Responsibilities**

The Board of Directors has the following responsibilities as the Company's highest management body:

1. Making sure the decisions of the Company's governance bodies (the Municipality of Medellín as owner, the Board of Directors and General Management) are consistent with the Bylaws, and following up on the company's performance and ordinary course of business in the framework of their legal and statutory functions.
2. Ensuring compliance with the strategic planning, as well as all approved policies, decisions, plans and projects.
3. Ensuring compliance with the Corporate Governance measures adopted by the Company.
4. Ensuring compliance with the Corporate Governance measures adopted by the Company.
5. Ensuring the effectiveness of internal control and information disclosure systems, always seeking to guarantee transparency in business management.
6. Making sure accounting principles are applied in preparing financial and management reports so as to reflect the Company's true position, as well as the criteria and elements established in the Internal Control System and by External Auditing, and that all necessary procedures have been carried out to review the presented figures.
7. Supervising the independence and efficiency of internal auditing functions.
8. Ensuring adequate comprehensive risk management.
9. Belonging to the committees of the Board of Directors, if required.



10. Knowing and issuing an opinion on amendments to the Bylaws and corporate purpose of EPM, as well as knowing the final version to be presented to the Council of Medellín for approval.

## **7.2 Commitments to Act**

In order to comply with their statutory functions and general duties established in the law, the members of the Board of Directors commit to:

1. Act in good faith, with loyalty and the diligence of a good businessperson.
2. Always act in the best interests of the Company.
3. Act with independent judgment and assuring the right to equal treatment for the various stakeholders.
4. Reveal possible conflicts of interest in which they may be involved in a timely manner and abstain from participating and intervening in deliberations and discussions of topics that could imply a conflict of interest.
5. Refrain from participating in businesses or activities that involve competing with any of the businesses or activities of the Company or its affiliates.
6. Dedicate sufficient time to performing their functions as members of the Board of Directors (which includes, among other aspects, preparing the topics to be discussed in meetings adequately and beforehand).
7. Attend ordinary and extraordinary meetings of the Board of Directors.
8. Responsibly manage the information related to the Company to which they have access by virtue of their position, in accordance with its classification.
9. Not to manipulate, disseminate or use the information they have access to for their own benefit or for the benefit of third parties.
10. Abstain from providing statements to the media or third parties with respect to issues the Board of Directors is aware of or will become aware of, except in the cases in which the Chairperson has delegated this responsibility.
11. Present requests for information through the Company's General Secretary, taking into account that they must attend to the general interest of the Company.

## **7.3 Rights**

Among others, Board members shall have the following rights to:

1. Express their opinions with respect to topics discussed by the Board of Directors freely, independently and in a timely manner.

2. Be fully informed at any time, with documentation, and have access to the provided information to comply with their duties and, subject to prior authorization by the Board of Directors, have access to additional information, as long as it is indispensable for fulfillment of their duties.
4. Propose including topics in the agenda of each Board meeting in the space intended for that, called: "Topics of the members of the Board of Directors."
5. Obtain advice from third parties, if necessary, as a governance body. This is subject to the entity's budget.
6. Present the improvement initiatives they consider pertinent in the framework of their participation in Board meetings and its committees.
7. Receive the corresponding remuneration and travel expenses.
8. Participate in orientation and training processes established for members of the governance body.
9. Request the Mayor of Medellín, at the end of the period, to deliver the copies of minutes approved by the Board of Directors in said period in a digital format.
10. For members whose appointment comes from their capacity as control spokesperson, have a biyearly space to present a report on EPM's provision of services to the Board of Directors as perceived by the collectives they represent.

**Paragraph.** Requests for information or processing by the members of the Board of Directors with a purpose other than compliance with their duties are subject to the Company's internal regulations on the right to petition.

## **Article 8. TOPICS FOR APPROVAL AND REVIEW**

In the framework of the functions assigned to the Board of Directors in EPM's Bylaws, the Board must approve and review the following topics in its annual agenda:

### **8.1 Follow-up on Businesses and Projects**

1. Follow-up on strategic projects.
2. Follow-up on national and international businesses.
3. Follow-up on Fundación EPM.

### **8.2 Integrated Planning**

1. Approving, following up on and adjusting the strategic planning (corporate, competitive and functional).

2. Approving the EPM Group's Strategic Plan and EPM Corporate Plan, which includes approving the investment plan and budget. Following up on the Group's management - Balanced Scorecard -.

### **8.3 Financial and Investment Topics**

1. Approving and following up on EPM and the EPM Group's financial statements.
2. Following up on the financing and debt strategy and financial projections.
3. Approving and following up on investment decisions and the portfolio, as well and recommendations on divestment processes.

### **8.4 Risk and Insurance Topics**

1. Reviewing EPM and the EPM Group's corporate risk map.
2. Risk Management of Maxseguros.
3. Approving and following up on the Internal Auditing Plan.
4. Reporting the evaluation of insurance providers.
5. The Management Report on the Compliance Unit.

### **8.5 Corporate Governance Topics**

1. Analyzing and making recommendations on the structure and appointment process of the Board of Directors, as well as the CEO's appointment and removal process.
2. Evaluating the Board of Directors.
3. Analyzing and making recommendations on the remuneration and succession plan of the Board of Directors. Evaluating the CEO and reviewing Senior Management's performance.
4. Approving the remuneration and succession policies of Senior Management.
5. Approving or rejecting appointments to and removals from Senior Management proposed by the CEO.
6. Approving the Corporate Governance Report.
7. Analyzing and making recommendations on the proposal to amend the Bylaws and corporate purpose of EPM.
8. Approving and following up on compliance with the Annual Corporate Governance Plan, Code of Corporate Governance of the EPM Group, policies and other formal elements associated with the corporate governance model.
9. Supervising the public disclosure of financial and non-financial information.

10. Knowing and managing conflicts of interest that arise between EPM and members of the Board of Directors, in addition to Managers and companies in the group.

#### **8.6 Topics of Organizational Skills and Enablers**

1. Approving and following up on the human management plan.
2. Approving and following up on compliance with the Operations Policy with Related Parties. Approving and following up on the policies related to whistleblowing channels.
3. The corporate communications and engagement strategy with stakeholders.

#### **8.7 Informative Topics of the Board of Directors**

1. Modifications to products and services that have or could have a material impact on EPM's strategy and business plans.
2. Legal proceedings for reconciliation or defense of any kind that have or could have a material impact on EPM's strategy and business plans.
3. Actions, contracts and transactions of any kind with related and third parties that have or could have a material impact on EPM's strategy and business plans (including the execution of loans, credit operations, borrowing and related topics).

**Paragraph 1.** For the purposes of the topics considered in Clause 8.6 of this article, a material impact is understood as actions whose amount is equal to or greater than 1% of EPM's assets as of the date of the last balance sheet, or when the counterparty in a legal proceeding is a state authority or regulator, strategic supplier, relevant partner or business associate, or the 50 main customers by volume of sales.

**Paragraph 2.** The topics stated above, and topics required to attend to the business dynamics, strategic challenges and the environment, such as sustainability, innovation and information and communication technology, shall be planned annually and be coherent with business planning times. The result shall be the Typical Agenda of the Board of Directors.

### **Article 9. PROVIDING INFORMATION PRIOR TO THE BOARD MEETING**

The following procedure, which the Company's different departments must follow, is established to ensure the timeliness of delivering information to be submitted for the Board of Directors' consideration in each meeting:

9.1 The information for approval or informative purposes to be submitted for the Board of Directors' consideration must be presented previously in the Core Committee or Management Committee, as it may apply, as well as the competent support Committee of the Board of Directors.

9.2 The General Secretary shall establish the agenda of the meeting, taking into account the Board's typical agenda, requests from members of the Board and requests from EPM's departments, to subsequently submit it for the Management Committee's approval. Once the agenda has been approved, it shall be published at least eight (8) calendar days before the meeting of the Board of Directors. If there is a holiday, it must be done at least seven (7) calendar days ahead of time. This entire process shall be carried out through the Board of Directors' information system.

If the information system has flaws or inconsistencies, and while they are being resolved, another means can be used to send or manage information for the Board members, as long as it is safe and efficient.

9.3 Each department with topics under their responsibility in the agenda must publish supporting documentation on the Board of Directors' information system at least eight (8) calendar days before the Board meeting. If there is a holiday, they must do so at least seven (7) calendar days ahead of time.

9.4 The General Secretary will store the agenda and supporting information to discuss the meeting's topics on the Board of Directors' information system, making sure said information is available for the Board members to consult at least eight (8) calendar days ahead of time. This information must be related to the matters to be presented at the meeting.

9.5 The committees of the Board of Directors may authorize certain strategic, reserved or classified information not to be previously published at the meeting of the Board of Directors. Furthermore, they may set the restrictions they deem necessary with respect to access to and delivery of this information after the respective meeting.

9.6 Presentations made to the Board of Directors must specify if the topic is informative or for approval. If it is for approval, the request for approval must be clearly and specifically indicated.

9.7 The information supporting the topics of the agenda must be properly classified according to current regulations.

9.8 In order to comply with the practices adopted by the Company in terms of the transparency of information, the Board of Directors must be told whether or not the decision submitted to their consideration, if approved, is relevant information that must be disclosed to the public securities market through the Financial Superintendence.

9.9 In all cases, before the meeting and through the General Secretary, members of the Board of Directors may request the supporting information sent for their consideration before each meeting. To that end, the General Secretary shall contact the department involved in the topic on which the information was requested for them to provide the requested documents as soon as possible.

9.10 If, with respect to certain topics, compliance with one or various requirements indicated therein has been omitted, the Board of Directors shall authorize or veto its presentation at the respective meeting, after an explanation by the involved Vice-presidency regarding said failure to comply.

9.11 Board members must attend to the classification of information indicated in each document submitted to their consideration.

They must especially keep the confidentiality of the information made available to them when indicated in the respective document and may only use it for the purposes for which it was delivered.

**Paragraph.** For extraordinary meetings, and depending on why it is being held, the provisions of clauses 9.1 to 9.4 may be exempted. Therefore, extraordinary meetings may be called, and the agenda and information supporting topics in the agenda may be sent within a term under eight (8) calendar days. In any case, the General Secretary must make sure members of the Board of Directors have said information at least one (1) day before the meeting.

## **Article 10. MINUTES AND THEIR ANNEXES**

## **10.1 Preparation and Approval**

Discussions, agreements, and decisions made in Board meetings shall be recorded in minutes approved by the Board. Similarly, the written records presented by attendees during the meeting and appointments made shall be recorded.

The minutes shall include the fundamental aspects of each item on the agenda, key points of discussions and justifications for the decisions in such a way they are not too long or summarized. They shall be written in third person and only include slides that seek to provide specific clarity on a certain issue, since presentations are an integral part of the text of the minutes.

The Minutes must be signed by the Chairperson and Secretary. In addition to minutes, the Secretary shall document the commitments that arise from the Board of Directors, with their respective responsible parties.

Minutes of ordinary meetings must be submitted to the Board of Directors' consideration for approval at least at the next ordinary meeting. The draft of the minutes must be sent as part of supporting documentation of the agenda at least eight (8) calendar days before the meeting in which they are to be approved, for members to state their observations.

Minutes of extraordinary meetings must be submitted to the Board of Directors' consideration for approval at least at the ordinary meeting of the following month.

The Chairperson and Secretary shall sign the minutes through the Board of Directors' information system or physically during the Board meeting in which approval is granted. To this end, the signature process shall be enabled from the moment the item "approval of the minutes" on the agenda is addressed until the end of the meeting.

If it is not possible to sign the minutes at the end of the meeting, the Chairperson and Secretary of the Board of Directors will have a maximum term for said procedure of up to five (5) calendar days after the meeting.

In exceptional cases and with due justification, the Board of Directors may be exempted from complying with the time established for approving and signing the minutes of meetings of the Board of Directors.

The Corporate Governance Unit shall accompany and work as facilitator in the approval and signing procedure of the minutes.

Copies of the minutes shall bear witness when issued by the Secretary of the Board of Directors.

Certifications on the adopted decisions may be issued before the minutes of the meeting are approved by the Board, at the General Secretary's discretion.

## **10.2 Rules for Managing the Annexes**

The General Secretary shall compile the documents that shall work as annexes of the minutes, and they will be stored in the Board of Directors' information system and the Company's files, which must have suitable reliability, security and integrity characteristics for conserving the documents and other pertinent purposes.

The internal rules that determine the provision, presentation and filing of documents will be those provided by the management process of the Board of Directors, under the General Secretary's responsibility.

## **Article 11. MANAGING REQUESTS**

First is the right of members of the Board of Directors, as established in clause 7.3.2 of these rules of procedure. As a general rule, requests from Board members are carried out in the framework of said body's meetings or those of its committees.

### **11.1 Requests from the Board of Directors in the Framework of the Board Meeting (as a Collegiate Body)**

The General Secretary shall be in charge of directing the requests from the Board of Directors that arise in the framework of the Board meeting to the responsible areas, which must quickly report how and when they shall be handled.

The General Secretary shall report on the pending requests at each meeting of the Board of Directors, according to the information provided by the different areas.

Occasionally, and as considered necessary, the Board of Directors may decide to follow up on a decision that was made, appointing one or more responsible parties from among their members for that purpose. They may also have one of their committees follow up on the decision. In both cases, they must present a full report on its progress and implementation. The Board of Directors may also request the Vice President of Corporate Auditing to verify compliance with the adopted decisions.

### **11.2 Requests from Members outside of Board Meetings**



When it comes to requests from Board members made outside of Board meetings, the following procedure must be followed to clearly know how to proceed and to review the requests relationship with exercising their functions:

**11.2.1** Attending to requests for information from members of the Board of Directors:

1. The requesting member of the Board of Directors shall send a request in writing indicating the reasons they require the information, through the General Secretary to the Board of Directors' inbox ([dep019804752@epm.com.co](mailto:dep019804752@epm.com.co)). This is in order to clearly understand the request and satisfactorily attend to it, as well as to establish the relationship with compliance with their functions, as established in these Rules of Procedure.
2. The General Secretary shall present the request in the next meeting of the Management Committee for it to decide if it is necessary for compliance with their functions as members of the Board of Directors.
3. If the Management Committee considers delivery appropriate, the General Secretary shall process the requested information with the responsible department. That department must send the information within the next 3 business days.
4. If the responsible department cannot deliver the information within that term, they must report the reasons preventing it and the date the information shall be provided to the General Secretary. The General Secretary shall inform the requesting member of the Board of Directors.
5. Once they receive the information, the General Secretary shall make it available to all Board members through the Board of Directors' information system no later than the following business day, in order to ensure symmetry in the information.

**11.2.2** Attending to requests for meetings by members of the Board of Directors other than the body's ordinary and extraordinary meetings.

Requests for meetings by members of the Board of Directors other than the body's ordinary and extraordinary meetings shall be processed as follows:

1. The requesting member of the Board of Directors shall send a request in writing indicating the reasons they require the meeting, through the General Secretary to the Board of Directors' inbox ([dep019804752@epm.com.co](mailto:dep019804752@epm.com.co)). This is in order to clearly understand the request and satisfactorily attend to it, as well as to establish the request's relationship with compliance with their functions, as established in these Rules of Procedure.
2. The General Secretary shall present the request in the next meeting of the Management Committee for it to decide if the meeting is necessary for compliance with their functions as members of the Board of Directors, as established in these Rules of Procedure.
3. In the event the Management Committee considers the meeting appropriate, it shall be scheduled in the corresponding Board of Directors committee depending on the topic and, if the requesting member is not a part of said committee, they shall be invited by the General Secretary during the corresponding item.
4. The General Secretary shall coordinate requests for meetings framed in needs for orientation or reorientation with the responsible area. The General Secretary shall invite the other members of the Board of Directors, who can decide whether or not they shall attend.

#### **11.2.3 Attending to Requests of Control Spokespersons in Exercising their Role.**

The mechanisms and functions included in the work of the Social Control and Development Committees are provided in the law, and this work is not a function of the Board of Directors. Consequently, as members of the Board of Directors, Control Spokespersons cannot perform activities that correspond to them or the committees of which they are part, since their work is that of said management body.

In order to ensure equal treatment for all Control Spokespersons, requests by members of the Board of Directors who act as such and those who have a relationship with them shall be processed as follows:

1. The requesting member of the Board of Directors shall send the request to the inbox provided for control spokespersons and members of the Board of Directors, PQRS Board of Directors ([dep01980156@epm.com.co](mailto:dep01980156@epm.com.co)). This inbox only attends to requests (rights to petition), and it provides guidance for processes.
2. In the event there are claims, the subscriber or user must present them directly, unless the user grants the Board member who is a control spokesperson the power to represent them.
3. Requests related to the role of control spokesperson must be made as established by the Commercial Vice-president for all spokespersons.

## **Article 12. COMMITTEES**

The Board of Directors shall create such committees as it deems necessary, whether standing or temporary, depending on the subject matter involved. When it creates committees, the Board shall regulate their operation.

## **Article 13. OPINION OF EXPERT THIRD PARTIES**

In order to reinforce quality in the Board of Directors' decision-making process and ensure objectivity and business criteria in the adopted decisions, the Board may request the opinion of external and independent advisors at its discretion. Contracting, when required, shall be performed by the department appointed by the Board, with the criteria, scope and purpose it specifies, always in accordance with the regulations that govern contracting in the Company.

## **Article 14. CONFLICTS OF INTEREST.**

When the agenda submitted to the Board of Directors or any of its committees for consideration has a topic that could lead to a conflict of interest for any member, said member must report it at the beginning of the meeting to withdraw temporarily while the topic is discussed. This situation shall be recorded in the corresponding minutes.

Doubts regarding the configuration of a situation that implies a conflict of interest related to a given topic does not exempt the Board member from the obligation to abstain from participating in the respective decision.

The Board of Directors must decide upon whether or not there is a conflict of interest. If it is determined that there is a conflict of interest and the deliberative and decision-making quorum required for the meeting cannot be met for that reason, the Board itself shall be required to process the constraint.

In the event the conflict of interest is not sporadic, but is permanent, and it prevents the Board member from performing their duties independently as a member of the Board of Directors, this shall be ground for mandatory resignation by the affected member.

In all cases, the members of the Board of Directors are required to abstain from participating and acting when there is a conflict of interest that prevents them from performing their duties objectively, impartially, and independently.

Information on the conflicts of interest presented by Board members in the respective period shall be included in the Annual Corporate Governance Report.

The other provisions not provided in this article in terms of conflicts of interest for Board members shall be managed according to EPM's Conflict of Interest Manual.

## **Article 15. REMUNERATION AND BENEFITS**

The remuneration of members of the Board of Directors is set by the Mayor of Medellín through a decree, using the following as input to determine the amount:

1. Criteria related to the market, sector, their profile and necessary time commitment.
2. The remuneration method shall be by attendance to each meeting of the Board of Directors and committee meeting, whether face-to-face or remote. In the case of committees, remuneration shall be equal to that which is defined for Board meetings.
3. The Mayor and other Board members, who are civil servants, shall not be entitled to any set remuneration for their attendance to meetings of the Board and its committees whenever said attendance is the result of a legal mandate or delegation.
4. As an incentive, Board members are granted the possibility to attend to training programs directly related to the entity's activity and their mandatory functions, at the Company's expense.

**Paragraph.** The amounts Board members receive during the year shall be disclosed in the Annual Corporate Governance Report.

## **Article 16. EVALUATION**

In order to obtain precise information on the Board of Directors' management, level of compliance with commitments to act, each member's management, the value their performance has added to the entity and recommendations to make the Board a highly effective body, the Board of Directors shall be evaluated every year and whenever the Chairperson considers it necessary.

The evaluation shall be carried out according to a methodology defined for that purpose, which may include a self-evaluation by members, evaluation by an external advisor, evaluation by members of the Company's senior management and a peer-to-peer evaluation. The method to be used shall be defined by the Board of Directors depending on the dynamics, convenience and maturity of the Board.

The evaluation shall refer to the Board of Directors' functioning as a body, each of its members' performance, the Board's relations with the Company's Management, and the time and dedication necessary for them to perform their duties and obligations properly.

**Paragraph.** The results of the evaluations of the Board of Directors and Board of Directors Committees shall be disclosed in the Annual Corporate Governance Report.

## **Article 17. GROUNDS FOR LOSING CAPACITY AS MEMBERS OF THE BOARD OF DIRECTORS**

Members of the Board of Directors shall cease their functions for the following reasons:

1. An accepted resignation.
2. By decision of the Chairperson of the Board of Directors.
3. Due to the existence of a permanent conflict of interest, as determined in Article 14 of these Rules of Procedure.
4. Due to losing their capacity as independent members, in accordance with the conditions provided in EPM's Code of Corporate Governance on the matter.
5. For failing to attend to three (3) consecutive Board meetings without justification.
6. Due to a complete or permanent physical disability that prevents the Board member from performing their duties.
7. Due to a reiterated failure to comply with these Rules of Procedure of the Board of Directors.

**Paragraph 1.** In the cases referenced in Clause 1 of this Article, the members of the Board of Directors must present their resignation in writing and intended for the Mayor of Medellín in the framework of the Mayor's legal power to appoint and remove members of EPM's Board of Directors.

**Paragraph 2.** In the cases referenced in Clauses 2, 3, 4, 5, 6 and 7 of this Article, the Management Committee is in charge of verifying the facts that accredit the respective reason and sending its recommendation to the Board of Directors and its Chairperson, who is at liberty to follow or not follow the recommendation, in accordance with Clause 1 of Article 4 of these Rules of Procedure.

In the event the facts mentioned in the grounds above refer to one of the members of the Management Committee, the Chairperson shall appoint a member of the Board of Directors to replace them in analyzing the issue in this Management Committee.

**Paragraph 3.** EPM is solely authorized to report resignations or modifications to the structure of the Board of Directors and will do so through the relevant information mechanism defined by the Financial Superintendence of Colombia.

Issued in Medellín on April 26, 2022.

**CHAIRMAN,**

**DANIEL QUINTERO CALLE**

**SECRETARY,**

**MARÍA CRISTINA TORO RESTREPO**