

## ANNUAL CORPORATE GOVERNANCE REPORT 2019

Corporate Governance in Ecopetrol is not only a key element for our organizational management, it is as well a strategic enabler which our stakeholders value and monitor continuously, inasmuch as it provides confidence, sustainable enduring results and culminates in valuable long-term relationships.

Ecopetrol's Corporate Governance is permanently aligned with market practices and the highest international and national standards in the field. Its purpose is to guide correct decision-making within the Company, strengthening the latter with clear and consistent procedures, resulting in a more transparent and dependable process.



Source: Ecopetrol, Secretary General and Assistant to the President / Corporate Governance Management

In accordance with the provisions of the Bylaws of Ecopetrol S.A. (Corporate Bylaws)<sup>1</sup> and the Corporate Governance Code<sup>2</sup>, the Board of Directors of Ecopetrol S.A. (and/or the Company), makes available to all its shareholders at its General Meeting the following 2019 compliance report as regards to its Corporate Governance Code.

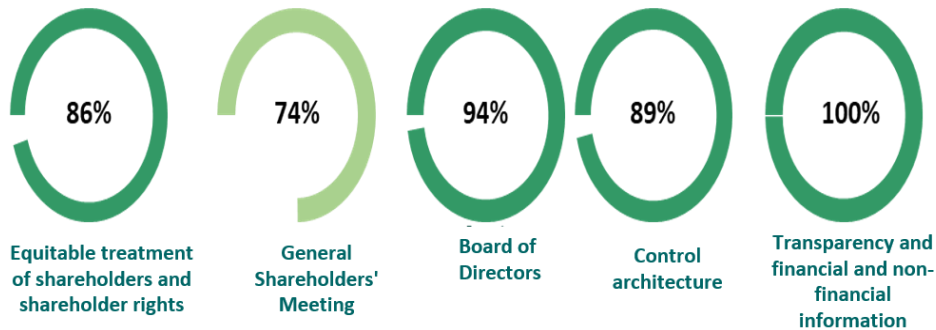
The Corporate Governance Code of Ecopetrol S.A. incorporates best corporate practices in terms of transparency, governance and control in order to build trust within the Ecopetrol Group vis-à-vis its stakeholders and the market in general.

This report is structured to align with the recommendations of the Code of Best Corporate Practices of Colombia, commonly referred to as the Country Code<sup>3</sup>, wherewith Ecopetrol has endorsed approximately **90%** of the recommendations included therein:

<sup>1</sup> Numeral 19 of Article 23 of the Corporate Bylaws of Ecopetrol S.A. approved by the General Shareholders' Meeting on March 29, 2019.

<sup>2</sup> Title III, Chapter III, Section 2 of the Corporate Governance Code

<sup>3</sup> In compliance with the provisions of External Circular No. 028 of 2014, issued by the Financial Superintendence of Colombia, Ecopetrol S.A. completed and submitted the Report on the Implementation of the Code of Best Corporate Practices of Colombia. The Report can be found on the Superintendence website at [www.superfinanciera.gov.co](http://www.superfinanciera.gov.co) and on the Ecopetrol S.A. website at [www.ecopetrol.com.co](http://www.ecopetrol.com.co).



Source: Ecopetrol, Secretary General and Assistant to the President

## 1. The Corporate Governance Model of the Ecopetrol Group (GE)

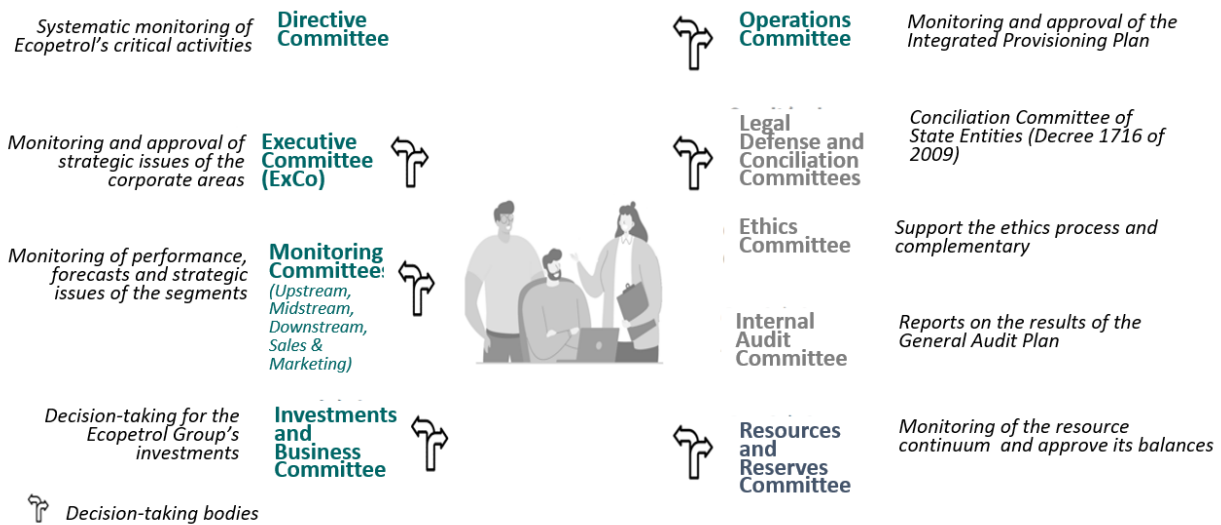
Ecopetrol's Corporate Governance encompasses the set of rules and practices governing the decision-making process between the governing bodies of the Ecopetrol Group (GE for its Spanish acronym), as well as the relationship among the companies that comprise it.

A primary strategic function of Ecopetrol's Board of Directors and the Corporate Governance and Sustainability Committee is the responsibility of ensuring good corporate governance of Ecopetrol and the GE. After facing a complex economic situation in crude prices and undergoing a company-wide transformation process, in 2018 the Board of Directors requested the Administration (hereinafter the Administration) to begin the process of updating the corporate governance model of the Ecopetrol Group through the acknowledgement of this issue as an enabler of the Ecopetrol Group's 2020+ Strategy, thus providing clear, agile and consistent governance.

The update of the corporate governance model focused holistically on the company's key decision-making, and therefore addressed four elements:

1. The Board of Directors of Ecopetrol adopted the highest national and international corporate governance standards for securities issuers, such as those recommended and established by the OECD, the New York Stock Exchange and the Financial Superintendence Colombia. Likewise, the performance of the Boards of Directors of the GE companies was assessed in order to pursue strategic alignment within the Group companies and the adoption of best corporate governance practices.
2. An appraisal of the architecture of senior management committees that assist in guiding and monitoring the performance of the company's President was carried out. This served to strengthen the review and decision-making process for key issues within the organization.

Ecopetrol's Corporate Governance instituted **12** Senior Management Committees as the collegiate bodies composing a management tool to support the President of Ecopetrol in their activities, within the framework of fulfilling its corporate purpose:

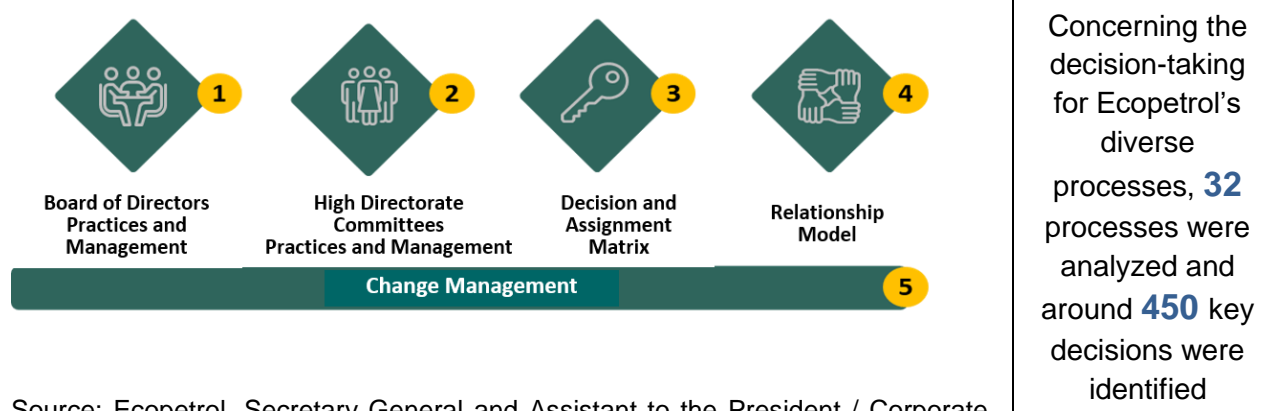


Note: There are four Segment Committees: (i) Upstream; (ii) Midstream; (iii) Downstream; and, (iv) Sales & Marketing.

Source: Ecopetrol, Secretary General and Assistant to the President / Corporate Governance Management

To further buttress the Board of Directors and Senior Management Committees components, monitoring tools were designed and implemented to incorporate best practices regarding timely compliance, submission of material, competence of the entities and minutes review provisions.

3. The delegation decision-making authority for the company's key decisions was updated, providing clarity on the Administration's individual and collegiate competencies apropos its decisions and responsibilities.
4. We update the relationship model of GE companies with its parent company, Ecopetrol, resulting in greater clearness regarding the value maximization mission that each provides the Business Group.



Source: Ecopetrol, Secretary General and Assistant to the President / Corporate Governance Management

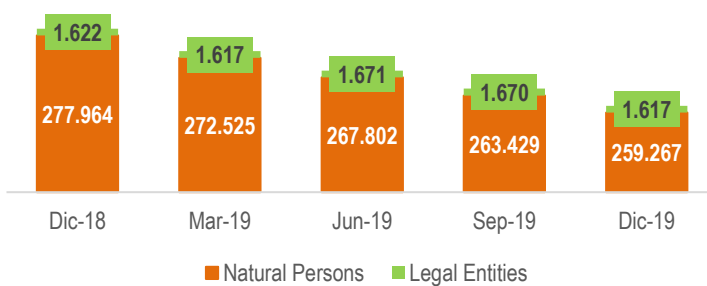
The updated Corporate Governance Model was launched in mid-2019, and it has been implemented on all company leadership levels, including the Board of Directors, the President of Ecopetrol and, in general, all the leaders of every GE company.

## 2. Ownership structure of Ecopetrol S.A.

### 2.1. Capital, ownership and shareholder structure

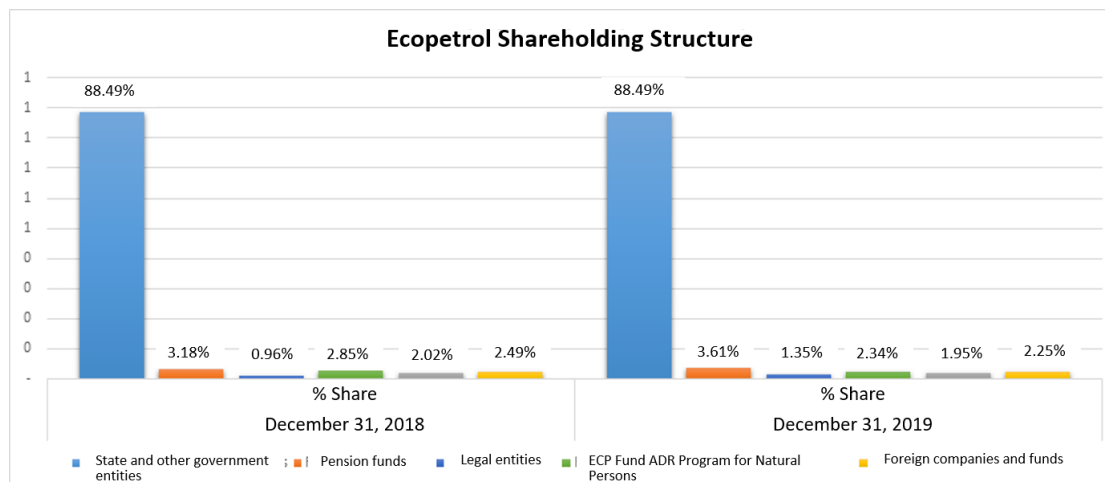
As of December 31, 2019, the total number of Ecopetrol S.A. shareholders was 260,884, representing a - 6.7% variance with respect to the number of shareholders as of December 2018.

Evolution of number of shareholders  
(in thousands of shareholders)



Source: Ecopetrol SA, Corporate Vice Presidency of Finance

Most noteworthy regarding the shareholding structure of Ecopetrol S.A. as of December 31, 2019 is the confidence in the local stock market, represented by an increased interest held by local legal entities and Colombian Pension and Severance Funds, as well as the increased conversion of ADRs (American Depositary Receipts) into ordinary shares.



Source: Ecopetrol SA, Corporate Vice Presidency of Finance

Note: In February 2019, the classification methodology for Ecopetrol shareholders was changed in order to adequately reflect the different types of Company investors and the stakeholder group to which they belong.



**Confidence in local market:**  
Increase in local legal entities  
and Colombian pension and  
severance funds

## 2.2. Identification of main shareholders

The following table lists the twenty five (25) largest shareholders by number of shares of Ecopetrol S.A. as of December 31, 2019:

Investors	No. Shares Dec. 2019	% Shares Dec. 2019
MINISTERIO DE HACIENDA COLOMBIA	36,384,788,817	88.49%
JPMORGAN CHASE BANK NA FBO HOLDERS OF DR ECOPETROL	962,255,080	2.34%
FONDO DE PENSIONES OBLIGATORIAS PORVENIR MODERADO	448,497,895	1.09%
FONDO DE PENSIONES OBLIGATORIAS PROTECCION MODERADO	356,577,087	0.87%
FONDO BURSATIL ISHARES COLCAP	277,441,259	0.67%
FONDO DE PENSIONES OBLIGATORIAS COLFONDOS MODERADO	133,003,612	0.32%
FONDO PENSIONES OBLIGATOR. PORVENIR MAYOR RIESGO	72,020,570	0.18%
FONDO BURSATIL HORIZONS COLOMBIA SELECT DE S&P	71,885,714	0.17%
OLD MUTUAL FONDO DE PENS. OBLIGATORIAS - MODERADO	70,189,071	0.17%
FONDO DE PENSIONES OBLIGATORIAS PROTECCION MAYOR R	69,991,754	0.17%
ABU DHABI INVESTMENT AUTHORITY J.P. MORGAN	62,248,260	0.15%
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	57,081,853	0.14%
FONDO DE PENSIONES OBLIGATORIAS PROTECCION RETIRO	45,858,621	0.11%
ISHARES CORE MSCI EMERGING MARKET S ETF	43,462,060	0.11%
VANGUARD EMERGING MARKET S STOCK INDEX FUND	39,691,902	0.10%
NORGES BANK-CB NEW YORK	33,970,367	0.08%
FONDO DE CESANTIAS PORVENIR	33,251,331	0.08%
FONDO DE CESANTIAS PROTECCION- LARGO PLAZO	30,679,784	0.07%
OLD MUTUAL FONDO DE PENSIONES VOLUNTARIAS	30,312,941	0.07%
THE BANK OF NOVA SCOTIA	27,102,705	0.07%
MSCI EQUITY INDEX FUND B - COLOMBIA	25,599,027	0.06%
ISHARES MSCI EMERGING MARKET S ETF	23,311,499	0.06%
FONDO PENS OBLIGATORIAS COLFONDOS MAYOR RIESGO	23,038,153	0.06%
FONDO ESPECIAL PORVENIR DE RETIRO PROGRAMADO	22,476,450	0.05%
EMERGING MARKET S CORE EQUITY PORTFOLIO OF DFA INVE	21,604,701	0.05%
HSBC BANK PLC	19,756,711	0.05%

Source: Ecopetrol SA, Corporate Vice Presidency of Finance

According to the definition of the Code of Best Corporate Practices in Colombia issued by the Financial Superintendence of Colombia<sup>4</sup>, with the exception of the State no shareholder in Ecopetrol S.A. holds a “significant interest” therein, (equal to 10% or more of outstanding shares). In accordance with the provisions of Colombian law<sup>5</sup> and by virtue of the authorized share capital

<sup>4</sup> External Circular No. 028 of 2014

<sup>5</sup> Article 2, Law 1118 of 2006



process, it must be ensured that the State retains at least eighty percent (80%) of the Company's outstanding voting shares.

It should be emphasized that all elected members of the Board of Directors represent all shareholders, and therefore do not act in the interest of particular shareholders or shareholder groups. Board members perform their duties in good faith and in accordance with their fiduciary duties and obligations, independently, with due diligence and care, always ensuring their decisions to be in the best interest of Ecopetrol.

### **2.3. Shares trading**

During 2019, no administrator of Ecopetrol S.A. requested authorization from the Board of Directors to sell their Company shares.

### **2.4. Family, commercial, contractual or corporate relationships between owners of significant shareholding and the Company, or between owners of significant shareholding and each other**

Transactions between companies within the Ecopetrol Business Group (GE) may be found in the Special Report of the Business Group, pursuant to the provisions of Article 29 of Law 222 of 1995, as well as the numerals 7 and 8 of this report titled "Operations with Related Parties" and "Conflicts of Interest".

### **2.5. Share Capital as of December 31, 2019**

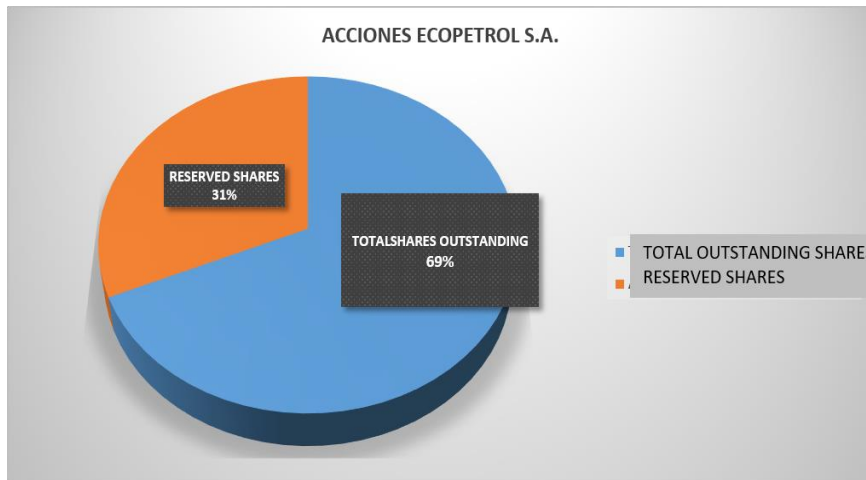
ECOPETROL AUTHORIZED CAPITAL	COP \$36,540,000,000,000 *
TOTAL SHARES	60,000,000,000
PAR VALUE	COP \$609 **

Source: Ecopetrol SA, Corporate Vice President of Finance.

\* Equivalent to USD \$ 11,149,966,129

\*\* Equivalent to USD \$ 0.19

These figures were calculated using the Market Equivalent Exchange Rate as of December 31, 2018: \$3,249.75.



Source: Ecopetrol SA, Corporate Vice Presidency of Finance

The shares of Ecopetrol S.A., are registered ordinary shares and confer the owner equivalent rights to the corporate assets and the benefits distributed thereto, and each provides the right to vote in the deliberations of the General Shareholders' Meeting, within the established legal constraints. There are no company-held shares.

## 2.6. Shareholder's Agreement

In accordance with the commitment incorporated in the Declaration of the State, in its capacity as majority shareholder of Ecopetrol S.A., ratified on February 16, 2018 and ratified by the Company's Bylaws, the State must include within its candidate ballot list, in the ninth line, an individual chosen by the ten (10) minority shareholders with the greatest shareholding. Consequently and derived from the foregoing, said shareholders must subscribe a Shareholder's Agreement in the years corresponding to the appointment and election of the Board of Directors members, wherein they nominate the candidate they wish the Ministry of Finance and Public Credit to include in the candidate ballot list it will submit to the General Shareholders' Meeting.

During the 2019 term, the minority shareholders with the largest shareholding in the Company endorsed on January 28 the Shareholder's Agreement signed by the representative of four (4) pension and severance funds, wherein they agreed to nominate Carlos Gustavo Cano Sanz as a candidate to the Board of Directors, who was included as an independent member nominated by the minority shareholders with the greatest shareholding, in the ninth candidate position in candidate ballot list submitted to the Board of Directors for consideration at the ordinary meeting of the General Shareholders' Meeting of March 29, 2019.

Pursuant to the provisions of Article 43 of Law 964 of 2005, Ecopetrol S.A. informed the market about the agreement signed amongst its shareholders.

### 3. General Shareholders' Meeting

#### 3.1. Operation of the General Shareholders' Meeting: Compliance with minimum regulatory requirements and adoption of best corporate governance practices

The General Shareholders' Meeting is a milestone event providing shareholders the opportunity to make central decisions regarding the Company's direction.

Ecopetrol has determined it will surpass the legal requirements in its corporate governance practices, and the Assembly is exemplary of this commitment. The following are the practices we have adopted, emblematic of the transparency and protection afforded to all our shareholders.

**Extended call period:** In accordance with the provisions of the Bylaws, and in order to provide our shareholders more ample time to be informed in order to exercise their rights at the meeting, the call to ordinary meetings of the General Assembly of Shareholders is made thirty (30) calendar days in advance of the date on which the meeting will take place, and fifteen (15) calendar days in the case of extraordinary meetings.

**Meeting reminder:** In order to achieve the greatest possible participation, on the Sunday prior to the ordinary or extraordinary meeting convened, the Administration reminds its shareholders through a posting on the corporate website and by publishing a reminder in a newspaper with wide distribution, including the date of the meeting and the proxy representation mechanism therein.

**Publishing of documents:** In order to ensure the required transparency, Ecopetrol publishes on its website the supporting documents for the General Shareholders' Meeting, such as the notice of call, meeting reminder, agenda, proposals by the Administration and resumes of the candidates nominated to serve as members of the Board of Directors and Statutory Auditor.

**Live broadcast:** The General Shareholders' Meeting is broadcast live on Ecopetrol S.A.'s website in order that shareholders and other stakeholders who cannot personally attend the meeting may remain informed regarding any developments therein. Additionally, information regarding the call to the meeting is also published on Facebook and Twitter.

As of December 31, 2019, Ecopetrol had around **1,030,000** followers on Facebook and Twitter, providing additional information channels for our shareholders and stakeholders.

**Publishing of minutes:** Likewise, details of the issues presented at the meeting, approvals and authorizations granted by the General Shareholders' Meeting and the comments made by the shareholders can be accessed in the complete text of the minutes provided to shareholders on the Company's website.

**Commitments of the majority shareholder:** The State, as majority shareholder, in the pursuit of guaranteeing the participation of minority shareholders, has committed in the corporate Bylaws to:

(i) In accordance with its shareholding, that the allocation of assets whose amount is equal to or greater than 15% of the market capitalization of Ecopetrol will be discussed and decided within the General Shareholders' Meeting, and the State may only vote in assent thereof if the vote of



the minority shareholders is equal to or greater than 2% of the shares held by shareholders other than the State.

(ii) Support with its vote at the extraordinary meetings of the General Shareholders' Meeting the initiatives aimed at allowing the inclusion of additional topics to those foreseen in the agenda, if these are submitted by one or more shareholders representing by at least two percent (2%) of the outstanding shares.

### 3.2. Meetings of the corporate body

In 2019, **two** General Shareholders' Meetings of Ecopetrol S.A. were held. The ordinary meeting was held on March 29, 2019 and the extraordinary meeting on December 16, 2019. In each of these meetings, the company ensured the protection of shareholders' rights by properly disseminating the information and by safeguarding the proper representation of the shareholders who participated therein.

To facilitate the adequate representation of the shareholders at the General Meeting, Ecopetrol S.A. made available to the shareholders a handbook and five proxy form templates that could be used as applicable. The templates were provided for illustration purposes only, and shareholders may freely draft their own proxy forms, which are valid insofar as these comply with the compulsory legal requirements (Article 184 of the Colombian Code of Commerce, or the norms that modify, replace or enhance them).

Additionally, voting guidelines with a template are published in order that shareholders voting through proxy can let the latter know their intended voting preference regarding the items on the agenda subject to voting. The foregoing is carried out in order to facilitate the participation and voting of shareholders and their proxies during the meeting<sup>6</sup>.

#### Ordinary Meeting



Photo taken at the General Shareholders' Meeting, held on March 29, 2019

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<sup>6</sup> These measures are taken through the adoption of the recommendations issued by the Financial Superintendence of Colombia in Article 11.2 of the Code of Best Corporate Practices.

The call notice to the ordinary General Shareholders' Meeting held on March 29, 2019 was published on the website and in the newspaper *El Tiempo*, a newspaper with extensive distribution, thirty (30 ) calendar days in advance thereof.

The relevant documents were made available to the shareholders so they may exercise their inspection right during the term established by law and in the bylaws of fifteen (15) business days preceding the meeting of the highest corporate body.

The ordinary General Shareholders' Meeting had the deliberative and decisive quorum required by law and Article 19 of the Bylaws. The shareholders exercised their right to vote and the items on the agenda subject to voting were approved. Seven (7) of the nine (9) members of the Board of Directors attended the ordinary General Shareholders' Meeting.

**A total of 5,514 people attended the General Shareholders' Meeting and 4,930 shareholders were represented therein**



In accordance with the securities market regulations applicable to Ecopetrol S.A., a copy of the Minutes was sent to the Financial Superintendence of Colombia within the fifteen (15) business days following the General Shareholders' Meeting.

**The principal decisions adopted in this meeting were:**

- Approval of the Management Report of the Board of Directors and the President.
- Approval of the separate and consolidated Financial Statements as of December 31, 2018.
- Approval of the profit distribution of COP \$225 per share, corresponding to COP \$169 in ordinary dividends and COP \$56 in extraordinary dividends. The dividends of the minority shareholders are to be paid in a single installment on April 25, 2019 (100% of the ordinary and extraordinary dividend). The dividend of the majority shareholder will be paid in three installments, on April 25 (50% of the ordinary dividend), June 25 (50% of the ordinary dividend) and September 25, 2019 (100% of the extraordinary dividend).
- Election of the Board of Directors for a period of two years.
- Election of the Statutory Auditor for the 2019 term and with option for 2020, and assigning of fees.
- Approval of Bylaws Amendment.
- Approval of the amendment of the Internal Regulations of the General Shareholders' Meeting of Ecopetrol S.A.



## **Measures taken by Ecopetrol to ensure adequate representation of shareholders at the Ordinary Meeting on March 29, 2019**

Ecopetrol informed shareholders through its website regarding the implementation of the following measures approved by the Board of Directors intended towards ensuring adequate representation of shareholders at the ordinary General Shareholders' Meeting held on March 29, 2019:

- Direct the Company's Administration to inform shareholders on their right to be represented via the appointment of a proxy, and specify the legal requirements for the proxy form necessary for granting the latter.
- Direct the Company's employees who review of the proxy forms submitted by shareholders, that they may not accept as valid those that fail to meet the minimum requirements set forth in the law, and that they should not accept proxy forms where the name of the respective proxy is not clearly established.
- Direct the Company's Administration to inform administrators and employees of the Company that they cannot recommend shareholders to vote on a certain candidate ballot list.
- Direct the Company's Administration to inform administrators and employees of the Company that they should not offer suggestions, coordinate on or come to an agreement with the shareholders regarding the submission of proposals at the Meeting.
- Direct the Company's Administration to inform the administrators and employees that they should not offer suggestions, coordinate on or come to an agreement with the shareholders regarding voting in favor or against any proposal presented at the Meeting.
- Ensure the Administration informs shareholders they may not select as their proxies any person directly or indirectly associated with the administration or the employees of Ecopetrol S.A.
- Ensure the administrators adopt all the necessary measures so that the Company's employees labor under neutrally in relation to the different shareholders.
- Appoint the General Secretary of Ecopetrol S.A. as the employee responsible for verifying proper compliance with the previous measures.
- Appoint the Legal Vice Presidency as the area responsible for the review of the proxy forms.

The previous measures adopted by the members of the Board of Directors of Ecopetrol S.A. were imparted to the general market by the Chairperson of the Board of Directors through the Delegate Superintendent for Issuers prior to the holding of the respective General Shareholders' Meeting.

## Extraordinary Meeting



Photo taken at the extraordinary General Meeting of Shareholders, held on December 16, 2019.

The extraordinary General Shareholders' Meeting of Ecopetrol are convened: a) when required by unforeseen or urgent needs of the Company; b) when convened by the President, the Board of Directors, or the Statutory Auditor; or c) by order or direct summons of the Superintendent, or whoever acts in their stead, **when it is requested by a plural number of shareholders representing at least five percent (5%) of the total outstanding shares**, and in the additional instances provided for in the law.

The extraordinary meeting was held on December 16, 2019 in order for the General Shareholders' Meeting to deliberate on the proposed distribution of the occasional reserve for financial sustainability, in view of the positive results provided by Ecopetrol during the 2019 term, the Company's cash flow sufficiency and its compliance with its investment plan. The call was made under the terms of Article 17 of the Bylaws and the notice of call to the extraordinary meeting was published on the website and in the newspaper *El Tiempo*, a newspaper with extensive distribution, thirty (30) calendar days in advance thereof.

The extraordinary General Shareholders' Meeting had the deliberative and decisive quorum required by law and Article 19 of the Bylaws. The shareholders exercised their right to vote and the items on the agenda subject to voting were approved. The President of Ecopetrol S.A. and four (4) members of the Board of Directors attended the extraordinary General Shareholders' Meeting.



**A total of 37,497,815,610 shares were represented in the extraordinary meeting, corresponding to 91.20% of outstanding shares.**

The decisions included in the minutes and subject to registration were duly registered in the Chamber of Commerce of Bogotá.

### The principal decisions adopted in this meeting were:

Approval of the change in destination of the occasional reserves established at the General Shareholders' Meeting of March 29, 2019, in order to distribute an extraordinary dividend of COP \$89 per share. The minority shareholder dividend was paid on December 23 and the majority shareholder's on December 26, 2019.

### 3.3. Shareholders and investors engagement and communications

Ecopetrol grants equitable treatment to all shareholders, without favoring the interests of any one over the others, taking into account that each shareholder has the same rights according to the type of share they possess. Therefore, in order to guarantee shareholders the full exercise of their rights and a straightforward fulfillment of the Company's obligations with their investors and shareholders, it offers them the same treatment in terms of addressing their requests, claims and information requirements, regardless of the worth of their investment or the number of shares it represents.



In 2019, a total of **58,905** shareholder requests were received through our service channels, and **99.53%** of these requirements were addressed in a timely manner.

The complete listing of available communication channels with the Company is provided in Corporate Responsibility chapter of our Integrated Sustainable Management Report.

A total of 31,084 surveys were completed regarding the service received by shareholders and investors. The satisfaction level reached was 96.25% versus the target of 90%, resulting in 106.95% compliance.

Other notable shareholder loyalty activities carried out during 2019 were:

- General Shareholders' Meeting (ordinary and extraordinary meetings)
- Shareholder Information Newsletter
- Three events with shareholders who are natural persons (Medellín, Cali and Bogotá)
- Attended seven (7) international analyst and institutional investor conferences
- Investor Day with institutional analysts and investors (Bogotá, New York, Boston and London).
- Disclosure of quarterly results of the Ecopetrol Business Group.

Ecopetrol S.A. has been granted the IR (Investor Relations) recognition by the Colombian Securities Exchange, highlighting the commitment of issuers that have best practices in terms of



information disclosure and investor relations. Further information on this acknowledgement can be accessed on the website of the Colombia Securities Exchange: [www.bvc.com.co](http://www.bvc.com.co).

## **4. Operations of the Board of Directors and its Committees**

### **4.1. Structure of the Board of Directors**

In accordance with the provisions of the Bylaws, the Board of Directors of Ecopetrol S.A. is comprised of nine (9) principal members, without alternates, elected by the General Shareholders' Meeting for periods of two (2) years<sup>7</sup> through the electoral quota system and may be re-elected indefinitely. This period is consistent with the period of the Chairperson and the Statutory Auditor.

The service period of the Board of Directors responds to the need to provide greater stability to this Corporate Body, offering continuity to the learning curve of the members of the Board of Directors, who acquire greater knowledge of the industry and the Company during the exercise of their duties. The General Shareholders' Meeting has the power to remove them at any time. If it is necessary to replace any or some of the members of the Board of Directors, partial elections may be held, provided that the vacancies are filled unanimously.

A member of the Board may be appointed in a personal capacity or for a specific position. The majority of the members of the Board of Directors are independent.

### **4.2. Appointment process for the members of the Board of Directors**

On March 29, 2019, the General Shareholders' Meeting elected for a period of two (2) years the new Board of Directors of Ecopetrol, according to the candidate list submitted with their respective resumes, presented by the majority shareholder of Ecopetrol S.A., the State, represented by the Ministry of Finance and Public Credit. It is emphasized that, during the General Shareholders' Meeting, the other shareholders have the same right to submit alternate candidate lists to that proposed by the majority shareholder.

In accordance with the provisions of the Bylaws, the Board of Directors of Ecopetrol S.A. is composed of nine (9) principal members, without alternates, elected through the electoral quota system.

To ensure the best composition of the Board of Directors, the proposed candidate list must meet the following requirements:

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<sup>7</sup> In accordance with Article 20 of the Bylaws (latest amendment made and approved by the General Assembly of Shareholders on March 29, 2019.)

<b>Independents</b>	•The majority of the candidates must be independent.
<b>Experts</b>	•At least one candidate must be an expert in financial matters, in accordance with the provisions of the applicable securities market regulations of the US government
<b>Minority</b>	⑩The eighth (8th) and ninth (9th) candidates for the Board of Directors are individuals nominated by departments that are hydrocarbon producers exploited by Ecopetrol S.A. and by the ten (10) minority shareholders with the largest interest

The rules governing the nomination and remuneration process of the Board of Directors of Ecopetrol S.A. are found in the Internal Regulations of the Board of Directors, which is published on the Ecopetrol website.

**4.3. Independent members of the Board of Directors**

In accordance with the provisions of the Bylaws, the majority of the members of the Board of Directors must be independent.

In the second paragraph of Article 44 of Law 964 of 2005, it is established that an independent member shall be understood as a person who in no case is:

1. *An employee or director of Ecopetrol S.A. or any of its affiliates, subsidiaries or controlling entities, including those who held such a position during the year immediately prior to the appointment, unless it is the re-election of an independent person.*
2. *A shareholder who directly or under an arrangement directs, guides or controls the majority of the voting rights of the entity or determines the controlling structure of the administrative, management or control bodies thereof.*
3. *A partner or employee of associations or companies that provide advisory or consulting services to the issuer or to the Companies that belong to the same economic group of which it is a part, when the income from said element represents for these 20% or more of the operational expenses of Ecopetrol S.A. or of the operating income of the advisor, consultant or supplier.*

As of December 3, 2019, **89%** of Board members (8 of 9) satisfy the requirements for independent members, surpassing the legal minimum set by the Colombian securities market (25%: 3 out of 9 members) and that established in the Corporate Bylaws (majority: 5 out of 9 members)

4. *An employee or director of a foundation, association or company that receives significant donations from Ecopetrol S.A. Significant donations are those that represent more than 20% of the total donations received by the respective institution.*

**Both the Chairperson and the Vice Chairperson of the Board are independent members**

5. *An administrator of an entity whose board of directors includes a legal representative of Ecopetrol S.A.*

6. *A person who receives from Ecopetrol S.A. any remuneration other than the fees as a member of the Board of Directors, the Audit Committee or any other Board committee.*

If for any reason, any member of the Board loses their independent quality, they must resign from the position and the respective vacancy will be presented at the next ordinary General Shareholders' Meeting where the election of the Board of Directors will be submitted for consideration by the shareholders, as long as the quorum of the Board of Directors is not affected. If the quorum is affected, the President of the Company may call an extraordinary meeting to restructure the Board of Directors.

If the list of nominated candidates submitted includes the minimum number of independent members required by law and the Bylaws, the election of all the members of the Board of Directors will be carried out in a single vote. If not, according to the procedure established in Decree 3923 of 2006 (regulating Law 964 of 2005) the election of independent members of the Board shall be carried out through independent votes of the General Shareholders' Meeting from a list of candidates that includes at minimum the number of independent members required by law and the Bylaws.

#### **4.4. Profile of the members of the Board**

In accordance with the provisions of Article 21 of the Bylaws of Ecopetrol S.A., the members of the Board of Directors must, at a minimum:

- (i) Have knowledge and experience in the activities pertaining to the Company's corporate purpose and/or have knowledge and experience in the industrial and/or commercial, financial, securities, administrative, legal or related sciences field;
- (ii) Have over 15 years of professional experience;
- (iii) Have a good reputation and be recognized for their professional competency and integrity;
- (iv) Not belong simultaneously to more than five (5) boards of directors of corporations including that of Ecopetrol.

The profiles of the members of the Board of Directors are reviewed and updated by the Board of Directors and the Corporate Governance and Sustainability Committee of the Board. The current members of the Board of Directors comply with the profile composition required in the Bylaws,



thus contributing towards enriching discussions in Board meetings and its supporting committees in order to fulfill the corporate strategy, in accordance with their competences and experience, as summarized in the following section.

#### **4.5. Composition of the Board of Directors**

The current Board of Directors was elected by the General Shareholders' Meeting at the ordinary meeting of March 29, 2019, except for the members Hernando Ramírez Plazas and Carlos Gustavo Cano, who were elected at the meetings of March 23, 2018 and March 31, 2017 respectively. As of December 31, 2019, none of the members of the Board of Directors had lost their independent status.

The resumes of the members of the Board of Directors are published on the website of Ecopetrol S.A.



### Orlando Ayala Lozano



- Independent
- Information Systems Administrator, Honorary Doctorate degree
- **Profile:** Technology and innovation, Strategy and Leadership, Global Business and Senior Management expertise
- Board member since March 29, 2019
- **Committees:** Corporate Governance and Sustainability, Remuneration and Appointments, Technology and Innovation
- **100% (Governance and Technology) y 80% (Remuneration)** attendance to Committees
- 92% attendance to Board of Directors meetings (11 of 12 meetings in 2019)
- Holds no shares in Ecopetrol S.A.
- **Other Boards of Directors:** Universidad Jorge Tadeo Lozano and Centene Corp. (CNC)

### Luis Guillermo Echeverri Vélez



- Independent
- Lawyer, Masters in Agricultural Economics
- **Profile:** Legal, Technology and Innovation, Strategy and Leadership, Corporate Governance, Government and Public Policy Issues, Global Business and Senior Management expertise
- Board member since March 29, 2019
- **Committees:** Technology and Innovation (**Chairperson**), Corporate Governance and Sustainability
- **100%** attendance to Committee meetings
- **100%** attendance to Board of Directors meetings (12 of 12 meetings in 2019)
- Holds no shares in Ecopetrol S.A.
- **Other Boards of Directors:** **Chairperson** of the Board of the Bogotá Chamber of Commerce, member of the Boards of Telefónica S.A. and Pragma S.A.

### Germán Quintero Rojas



- Non-independent- General Secretary of the Ministry of Finance and Public Credit
- Lawyer, Specialist in Administrative Law
- **Profile:** Senior Management, Legal, Strategy and Leadership, Corporate Governance, Government and Public Policy Issues, Global Business and Industry expertise
- Board member since March 29, 2019
- **Committees:** Remuneration and Appointments, HSE, Technology and Innovation
- **100%** attendance to Committee meetings
- **100%** attendance to Board of Directors meetings (12 of 12 meetings in 2019)
- Holds no shares in Ecopetrol S.A.
- **Other Boards of Directors:** Financiera de Desarrollo Nacional (FDN) and Gecelca S.A. E.S.P.

### Juan Emilio Posada Echeverri



- Independent
- Business Manager, MBA, International Financial Law
- **Profile:** Senior Management, Finance and Internal Controls, Strategy and Leadership, Corporate Governance, Government and Public Policy Issues and Global Business expertise
- Board member since March 29, 2019
- **Comités:** Remuneration and Appointments (**Chairperson**), Audit and Risks, Business, Corporate Governance and Sustainability
- **100%** (Remuneration, Business and Governance) and **89%** (Audit) attendance to Committee meetings
- **100%** attendance to Board of Directors meetings (12 of 12 meetings in 2019)
- Holds no shares in Ecopetrol S.A.
- **Other Boards of Directors:** Avianca Holdings S.A., Sociedad Hotelera Tequendama S.A., Allianz Life, Allianz General in Colombia, Táximo Ltda., Direkto, Fundacion Plan and Plan International (Brazil).

### Sergio Restrepo Isaza



- Independent
- Business Manager, MBA
- **Profile:** Senior Management, Strategy and Leadership, Corporate Risks, Finance and Internal Controls, Corporate Governance, Global Business expertise
- Board member since March 29, 2019
- **Committees:** Audit and Risks (**Chairperson and expert in corporate finance, auditing and risks**) Business, Technology and Innovation.
- **100%** attendance to Committee meetings
- **100%** attendance to Board of Directors meetings (12 of 12 meetings in 2019)
- Holds no shares in Ecopetrol S.A.
- **Other Boards of Directors:** Odinsa S.A., Grupo BIOS S.A.S., and Consorcio Financiero (Chile).

### Luis Santiago Perdomo Maldonado



- Independent
- Business Manager
- **Profile:** Senior Management, Finance and Internal Controls, Strategy and Leadership, Industry, Government and Public Policy Issues, Sustainability (ESG), Global Business expertise
- Board member since March 29, 2019
- **Committees:** Audit and Risks, Remuneration and Appointments, Technology and Innovation
- **100%** (Remuneration) **89%** (Audit) y **50%** (Technology) attendance to Committee meetings
- **100%** attendance to Board of Directors meetings (12 of 12 meetings in 2019)
- Holds no shares in Ecopetrol S.A.
- **Other Boards of Directors:** Mineros S.A.

### Esteban Piedrahíta Uribe



- Independent
- Economist, Masters in Philosophy and History of Science
- **Profile:** Senior Management, Finance and Internal Controls, Strategy and Leadership, Government and Public Policy Issues, Technology and Innovation expertise
- Board member since March 29, 2019
- **Committees:** Corporate Governance and Sustainability (**Chairperson**), Remuneration and Appointments, Business.
- **67%** (Governance), **83%** (Remuneration) y **78%** (Business) attendance to Committee meetings
- **83%** attendance to Board of Directors meetings (10 of 12 meetings in 2019)
- Holds no shares in Ecopetrol S.A.
- **Other Boards of Directors:** Cementos Argos S.A. and Centro de Eventos Valle del Pacífico.

### Hernando Ramírez Plazas



- Independent - Nominated by the hydrocarbon producing departments
- Chemical Engineer, Masters in Public Health, Specialist in Gas Engineering
- **Profile:** Senior Management, Finance and Internal Controls, HSE, Strategy and Leadership, Government and Public Policy Issues, Technology and Innovation expertise
- Board member since March 23, 2018
- **Committees:** HSE (**Chairperson**), Audit and Risks, Business
- **100%** attendance to Committee meetings
- **95%** attendance to Board of Directors meetings (18 of 19 meetings in 2019)
- Holds no shares in Ecopetrol S.A.
- **Other Boards of Directors:** none

### Carlos Gustavo Cano Sanz



- Independent- Nominated by the minority shareholders
- Economist, Masters in Economics, Government, Business and International Economics
- **Profile:** Senior Management, Finance and Internal Controls, Sustainability (ESG), Government and Public Policy Issues, Global Business expertise
- Board member since March 31, 2017
- **Comités:** Business (**Chairperson**), Corporate Governance and Sustainability, Audit, HSE, Technology and Innovation
- **100%** (Business, Governance and Audit) and **50%** (Technology) attendance to Committee meetings
- **100%** attendance to Board of Directors meetings (19 of 19 meetings in 2019)
- Holds no shares in Ecopetrol S.A.
- **Other Boards of Directors:** Inversiones Minka S.A.S., Cultivos Casa S.A.S., Inversiones Inmobiliaria Santa Cruz S.A.S., Tusautos S.A.S.

Source: Ecopetrol, Secretary General and Assistant to the President

Note: All absences were reported to the General Secretariat.

Note: From January to March 2019, the Board of Directors of Ecopetrol SA was comprised of Jorge Londoño, Claudia González, Jaime Ardila, Camilo Barco, Carlos Alfredo Cure, Joaquín Moreno, Mauricio Cabrera, Carlos Gustavo Cano and Hernando Ramírez.

#### 4.6. Duties and responsibilities of the Board of Directors

**No member of the Board of Directors of Ecopetrol S.A. may participate as a board member in any of the Group's subordinate companies, nor occupy an executive position thereto.**

In accordance with the provisions set forth in the Bylaws, the Board of Directors is the highest administrative body of Ecopetrol S.A., and is responsible for defining and implementing the Company's strategic direction. It acts in the best interests of its shareholders' rights and the Company's sustainability and growth.

The Board of Directors, in its condition as **strategic conductor**, is responsible for approving the following for the Ecopetrol Group:

- a) Business strategy and plan
- b) Budget and investment plan, as well as the standards for the preparation and execution thereof
- c) Consolidated objectives and goals
- d) Consolidated financial statements
- e) Withholdings, transfer and financial risk mitigation guidelines, including insurance
- f) New ventures
- g) Corporate governance model

As part of its strategic role, the annual agenda for Board of Directors Meetings includes **sessions exclusively designated for discussion and review of the Company's Strategy**. In 2019, two (2) such sessions were held in January and February, whereby the reviews completed in October and December of 2018 for the 2020+ Strategy were continued, with the aim of acknowledging any relevant advancements, challenges and next steps.

#### Chairperson, Vice-Chairperson, and Secretary of the Board of Directors

The duties of the Chairperson, Vice-Chairperson and Secretary of the Board of Directors are provided in the Board's Internal Charter, and are substantially different from those assigned to the President of Ecopetrol S.A. in the Corporate Bylaws.

Article 22 of the Bylaws, which addresses the appointment of the Chairperson and Vice-Chairperson of the Board, establishes that these positions will be filled by election from among its members for two (2) year terms. Their primary duty is to preside over and guide the Board's ordinary and extraordinary meeting.



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**Duties of the Secretary**

**General**

- i. Carry out the call for the meetings;
- ii. Provide information for the deliberation and decision-making process in a timely and satisfactory manner;
- iii. Provide counsel to the members of the Board with regards to compliance with their duties;
- iv. Include in the book of Minutes the discussions held in the meetings;
- v. Act as witness to the decisions of the Board;
- vi. Guarantee the legal formalities of the Board's actions and decisions;
- vii. Carry out due diligence regarding the resumes of candidates to the Board of Directors, among others.

The Chairperson of the Board determines, in conjunction with the Secretary, the suggested agenda for each Board meeting, prioritizing those issues considered critical and material for the Company. Furthermore, the Chairperson leads and guides the communication and management between other Board members.

The Secretary to the Board of Directors is responsible for providing support to the Chairperson of the Board in his/her duties, and must guarantee the proper operation of the Board. The performance evaluation of the Secretary to the Board is carried out once a year by said body.

Furthermore, the Secretary General must complete the due diligence on or review the resumes of the candidates to the Board of Directors. The following are included in this review process: accredited experience, academic background, and positions held, Boards of Directors in which he/she is currently a member, compliance with general and technical requirements, disciplinary, tax, and criminal background checks, inclusion in restrictive lists, compliance with independence (for those Board Members aspiring to the position of independent member of the Board), availability to assume the duties and responsibilities of the position.

The work completed by the Secretary General is the contribution employed by the Board of Directors, through the Corporate Governance and Sustainability Committee, to review candidate resumes and verify they have the knowledge and expertise proper to Ecopetrol's corporate purpose, and the experience and knowledge in the corresponding industrial, commercial, financial, stock market, administrative, legal or related sciences field, and that they have a good reputation and are recognized for their professional competency and integrity. This Committee also verifies that there are no grounds for disqualification or incompatibilities associated to any candidate to the Board of Directors.

During 2019, Mónica Jiménez González acted as Secretary General to the Board of Directors.

**4.7. Remuneration for Members of the Board of Directors**

**Board members do not receive any sort of variable remuneration**

In accordance with the approval given by the General Shareholders' Meeting, the amount of the fees paid to the members of the Board of Directors of Ecopetrol S.A. amounts to six (6) minimum monthly salaries in force (SMLMV for its Spanish acronym), which for 2019 was equivalent to COP **\$4,968,696** per in-person session of the Board of Directors and/or its Committees.

Information on the total fees paid to the Board of Directors during 2019 can be found in the section on “Key Management Guidelines” of the Company’s separate financial statements, section 28.2.

#### 4.8. Operation of the Board of Directors, decision-making procedures and data management

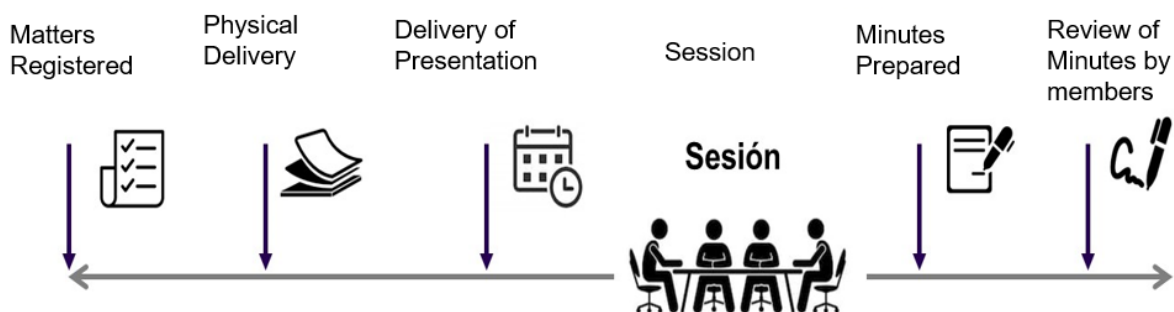
As proof of Ecopetrol S.A. Board of Directors’ involvement and commitment, during 2019, **12** ordinary and **five (5)** extraordinary Board meetings were held, plus **two (2)** votes by circulation, with the participation of 95% of the Directors. The schedule for these meetings was approved by this body and the calls thereof were promptly confirmed by the Secretary General to the board members prior to each corresponding date.

During 2019, the Board of Directors and its Committees reviewed **80** informative matters and approved **53** items, in accordance with their duties.

The Secretary General, in coordination with the Chairperson of the Board, prepared the matters to be addressed in each meeting and the respective drafts for the agendas. **Eight (8)** days prior to each meeting the corresponding agendas and preparative documents were delivered to the Board Members, in accordance with the annual agenda and the matters presented by the Administration.

The decision-making process within the Board of Directors guarantees that in each stage the decisions are made in an informed manner, respecting the powers granted to the different internal bodies; consequently, the issues that are presented to the Board are framed within its strategic role and the exercise of its legal and statutory duties.

The Secretary General organizes the matters to be addressed by the Board of Director’s supporting Committees, in order for the latter to complete a preliminary analysis thereof. During the Committee sessions, the members study and analyze the issues, and based on this present their recommendation to the Board of Directors. Subsequently the Chairperson of each Committee shares its observations, instructions and comments with the Board in full, as well as the commitments undertaken and the corresponding recommendations. After completing this process, the Board of Directors decides and adopts the corresponding decision.

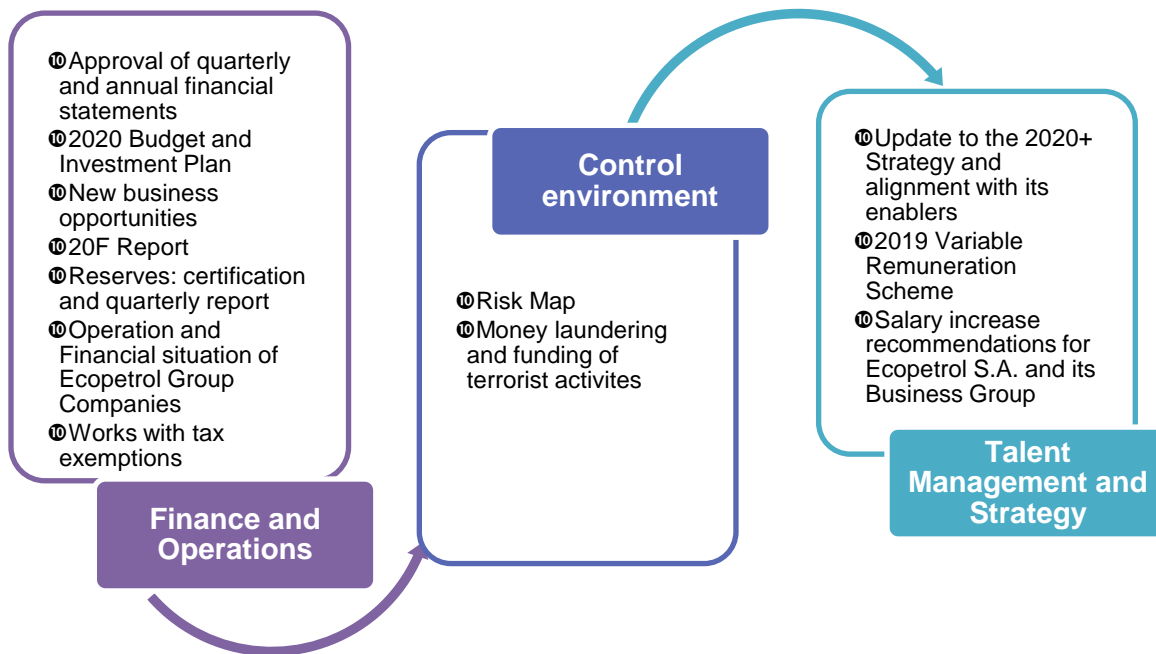


Board of Director Meeting minutes are prepared by the Secretary General, and once approved are printed and filed in a paged ledger in consecutive order, and signed by the Chairperson and the Secretary General of the Board of Directors. The Secretary General acts as custodian to the minutes as well as the ledgers that contain the corresponding supporting documents.

Deliberations by the Board of Directors are carried out with five (5) or more of its members, and decisions were approved unanimously.

### The most relevant issues analyzed by the Board of Directors

During each of its sessions, the Board of Directors addresses issues pertaining to short, mid and long-term corporate strategy, in accordance with the definition by segment, that allow for the monitoring and management of issues under their competence. Some of the most important and relevant issues studied and analyzed by the Board of Directors during 2019 include:



During 2019, in terms of the **Environment, Sustainability and Governance (ESG)**, the Board of Directors addressed the following issues, among others:



- Creation of the Technology and Innovation Committee, the purpose of which is supporting technology innovation and digital transformation processes within the Company.
- Carry out the performance assessment of Ecopetrol's President.
- Approve the 2020 Budget and Investment Plan with a forward vision to 2022 where long-term sustainability goals are established, such as decarbonization goals.
- Updating of the 2020+ Strategy and alignment with its enablers, where Energy Transition, Corporate Governance and Corporate Responsibility are worth highlighting.
- Approval of the adoption of the Public Works with Tax Exemption mechanism, whereby funds allocated for the payment of taxes are rerouted to the direct execution of public works for the development of municipalities designated as high priority in the post-conflict.
- As part of the monitoring activities carried out on corporate risk management, the results and the Audit Enhancement Plan for the Management of Environmental Obligations, as well as the Environmental Abandonment and Recovery process for E&P were analyzed.
- Approval of the measures to guarantee adequate shareholder representation in the Ordinary Meeting held on March 29, 2019.
- The Board of Directors' Audit and Risk Committee analyzed ethics and compliance cases, generated by actions classified as corruption, fraud, money laundering and funding of terrorism, and sexual harassment, among others.
- In order to guarantee all aspects of the right to freedom of association, the Board of Directors analyzed union relationships within the Company.
- Review of Ecopetrol's Human Talent general planning and strategy, as well as the results for the salary competitiveness study, and the increases in salaries and incentives suggested for 2020.

Similarly, regarding issues presented by the Board members and the Company's President, the Board of Directors reviews the monthly reports presented by the Chairmen of each Committee.

#### **4.9. Updating of relevant issues**

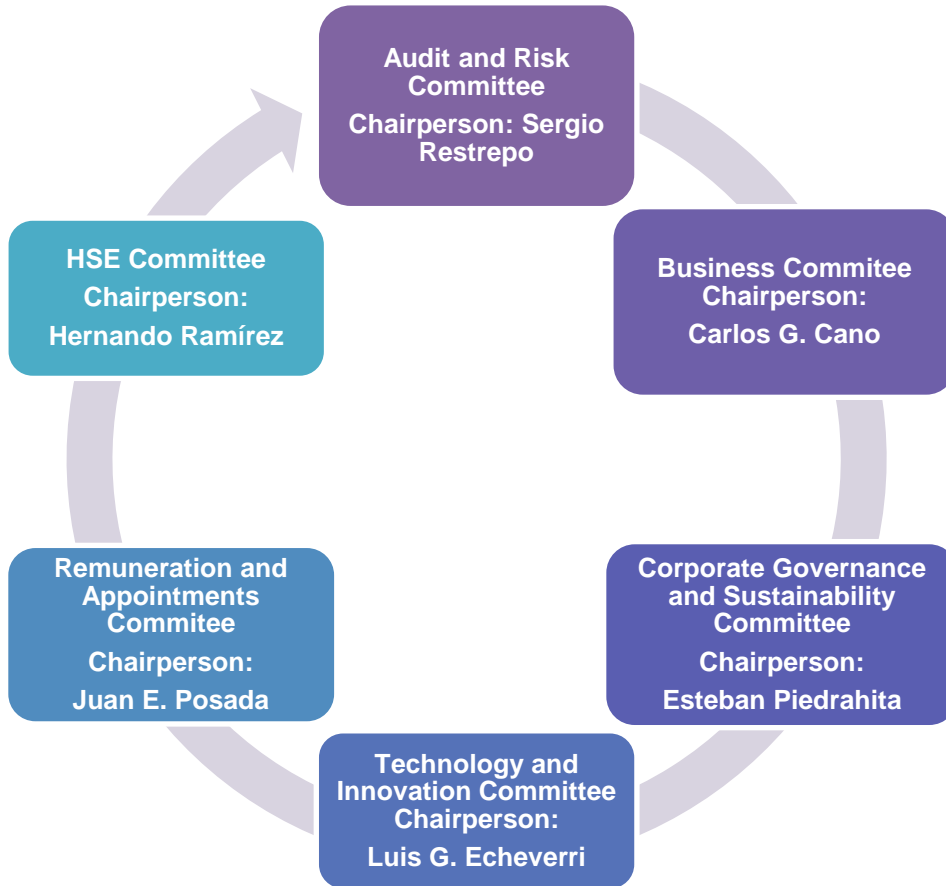
During 2019, and given the changes to the composition of the Board of Directors, the Company implemented an induction program which was offered to all members of the Board, and was performed between April and May of 2019. This induction included, among other issues, an introduction to Corporate Strategy and Management, the regulatory framework, roles and responsibilities of the Board, new businesses, HSE, corporate areas, Ecopetrol Group finances, introduction to the different operating segments (upstream, midstream, downstream and sales & marketing) and their most significant processes.

At the request of the different Directors, the Administration responded to each specific inquiry by means of induction sessions which enriched and strengthened their role.

In order to keep the Board of Directors updated on relevant sector issues and leadership matters, two (2) of its members participated in CERAWeek.

#### 4.10. Board of Directors Committees

In order for the Board of Directors to directly address its responsibilities, the following Committees provide support:



Each Committee has a Chairperson elected from among its members, bearing in mind the provisions set forth in the internal charter of each body; all Committee Chairmen are independent Board Members.

The Technology and Innovation Committee was created in 2019, thus confirming the Company's commitment to best practices, with the Board of Directors assuming the position of ally in the digital transformation and innovation processes, with the aim of making Ecopetrol a leader in the use of digital technology and innovation in the hydrocarbon sector.



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#### 4.11. Duties and Stewardship of the Board of Directors' Committees

The following is a brief summary of the management report for each of the Board of Directors' Committees, as of December 31, 2019.

## Board of Director's Committees – 2019 Management report

Committee and number of meetings held in 2019	Duties	2019 Stewardship
<p><b>Corporate Governance and Sustainability Committee (5 meetings)</b></p>	<p>This Committee provides support to the Board of Directors regarding Company governance and sustainability, as well as recommendations on the systems for the adoption, monitoring and improvement of corporate governance and sustainability practices.</p> <p>It is comprised by at least three (3) members of the Board of Directors; the majority of its members must be independent, and it must have at least one (1) non-independent member. All Committee members must have knowledge or experience in matters related to their duties.</p>	<p>The Corporate Governance and Sustainability Committee of the Board of Directors is the competent body in terms of the adoption and implementation of best practices of the Company's relationships with its different stakeholders. In 2019, the Committee verified the nomination and election process for the Board of Directors, as well as the following, among others:</p> <ul style="list-style-type: none"> <li>▪ Performance evaluation of the President<sup>8</sup>.</li> <li>▪ Review of resumes of the suggested candidates to the Board, as well as grounds for inabilities and incompatibilities.</li> <li>▪ Analysis and recommendations of the Board of Directors' approvals on issues proper to the General Shareholders' Meetings (ordinary and extraordinary).</li> <li>▪ Recommendations to the Board of Directors' approvals to modifications to the corporate structure of the Ecopetrol Group for the incorporation of new businesses.</li> <li>▪ Monitoring of the implementation of Corporate Governance Model</li> <li>▪ Lessons learned on fiscal liability</li> </ul>

<sup>8</sup> NOTA TRADUCTOR: Presidente de la Junta? O de la Compañía

Committee and number of meetings held in 2019	Duties	2019 Stewardship
<p><b>Audit and Risk Committee (13 meetings)</b></p>	<p>This Committee is the highest control body in Ecopetrol and is responsible for overseeing the effectiveness and management of the Internal Control System (SIC for its acronym in Spanish) and the Risk Management System (SGR for its acronym in Spanish)</p> <p>This Committee also supports the Board of Directors in overseeing compliance with the internal audit program, compliance with the statutory audit process and/or external auditors, as well as ensuring that internal control procedures meet the needs, objectives, financial, administrative and operational goals and strategies determined by the Company.</p> <p>It is comprised by a minimum of three (3) Board members, all of them independent, with experience or knowledge of the matters relating to their duties, and at least one member must be an expert in financial and accounting matters.</p>	<p>The Audit and Risk Committee is the body that defines the Company's control environment, risks and financial reporting strategy, as well as the monitoring and continuous improvement of their related systems, in order to guarantee the adoption of the best standards on the matter. In 2019, the most relevant topics addressed by this Committee included:</p> <ul style="list-style-type: none"> <li>▪ Performance evaluation of the Statutory Auditor, the internal auditor and the Committee</li> <li>▪ Approval of the General Audit Plan.</li> <li>▪ Analysis and recommendations on the Board of Directors' approvals of the Business Risks Map.</li> <li>▪ Analysis and recommendations on the Board of Directors' approvals of the balance of reserves.</li> <li>▪ Analysis and recommendations on the General Shareholders' Meeting approvals regarding the election of the Statutory Auditor.</li> <li>▪ Analysis and recommendations on the General Shareholders' Meeting approvals regarding the Individual and Consolidated Financial Statements, and the dividend distribution.</li> <li>▪ Analysis and recommendations on the Board of Directors' approvals of the hedging policy</li> <li>▪ Analysis and recommendations on the Board of Directors' approvals of the 2019 Variable Remuneration Calculations.</li> </ul>

Committee and number of meetings held in 2019	Duties	2019 Stewardship
		<ul style="list-style-type: none"> <li>▪ Monitoring Ecopetrol and Group companies' actions and decisions regarding their internal control systems, risk management systems, ethical, corruption and fraud complaints.</li> <li>▪ Monitoring ongoing legal proceedings.</li> <li>▪ Analysis and recommendations on the Board of Directors' approvals of final conditions for committed facilities.</li> </ul>
<p><b>Remuneration and Appointment Committee (6 meetings)</b></p>	<p>This Committee reviews and provides recommendations to the Board of Directors on remuneration systems and selection criteria for senior management positions, as well as for other key positions within the organization.</p> <p>It is comprised by at least three (3) members of the Board of Directors; the majority of its members must be independent, and it must have at least one (1) non-independent member. All Committee members must have knowledge or experience in matters related to their duties.</p>	<p>The Remuneration and Appointments Committee is responsible for reviewing and making recommendations to the Board of Directors of Ecopetrol on issues including strategic guidelines for human talent, organizational structure, selection criteria, organizational staff size, remuneration policy and guidelines for the Ecopetrol Group, including succession plans for the President and senior management positions within Ecopetrol. In 2019, the most relevant topics addressed by the Committee included:</p> <ul style="list-style-type: none"> <li>▪ Analysis and recommendations on the Board of Directors' approvals of salary increases in Ecopetrol and remuneration guidelines for compensation increases within other Group companies</li> <li>▪ Analysis and recommendations on the Board of Directors' approvals of the 2019 Variable Remuneration scheme</li> <li>▪ Analysis and recommendations on</li> </ul>

Committee and number of meetings held in 2019	Duties	2019 Stewardship
		<p>the Board of Directors' approvals of the Traders Remuneration Proposal</p> <ul style="list-style-type: none"> <li>▪ Analysis of the General Strategy for Human Talent</li> <li>▪ Analysis and recommendations on the Proposal for the renewal and optimization of personnel.</li> <li>▪ <i>Talent Review</i> of the President's direct reports.</li> <li>▪ Analysis of the corporate performance process and guidelines for the construction of the 2020-2022 Balanced Scorecard (TBG for its Spanish acronym).</li> </ul>
<p><b>Business Committee (12 meetings)</b></p>	<p>This Committee supports the Board of Directors in terms of the definition of investment strategy, analysis of portfolio and investment projects requiring the approval of the Board, as well as the assessment and monitoring of the investment portfolio and its results.</p> <p>It is comprised by at least five (5) members of the Board of Directors; the majority of its members must be independent, and it must have at least one (1) non-independent member. All Committee members must have knowledge or experience in matters related to their duties. The other members of the Board of Directors may assist as guests to the Committee meetings.</p>	<p>During 2019, the Business Committee provided support to the Board of Directors, among others, with the review and recommendations for entering into and/or the early termination of agreements for the acquisition, divestment, and or transfer of hydrocarbon exploration and/or production rights, capital discipline criteria for the Group and the approval of new business ventures for the Ecopetrol Group that are aligned with the previously defined strategy. During 2019, the following were some of the most relevant topics addressed by this Committee:</p> <ul style="list-style-type: none"> <li>▪ Analysis of new businesses, and recommendations for the approval of the Board of the participation by Ecopetrol and Hocol in the ANH's competitive process; the acquisition of a percentage of the</li> </ul>

Committee and number of meetings held in 2019	Duties	2019 Stewardship
		<p><i>Gato do Mato</i> discovery, owned by Shell, and the joint venture with Occidental Petroleum Corp. for the development of unconventional deposits in the Midland Permian Basin located in the state of Texas in the US.</p> <ul style="list-style-type: none"> <li>▪ Analysis and recommendations on the Board of Directors' approvals of capital discipline criteria</li> <li>▪ Analysis and recommendations on the Board of Directors' approvals of the budget and the investment plan</li> </ul>
<p><b>HSE Committee (2 meetings)</b></p>	<p>This Committee supports the Board of Directors in matters relating to monitoring and management of health-related risks and Ecopetrol employee and contractor safety, as well as environmental management performance for Ecopetrol and other Group Companies. It is comprised by at least three (3) members of the Board of Directors; the majority of its members must be independent. All Committee members must have knowledge or experience in matters related to their duties.</p>	<p>During 2019, the HSE Committee continued monitoring health and safety-related risks for Ecopetrol employees and contractors, and those from other Group Companies, in an effort to guarantee the implementation of the highest international HSE standards in all company operations, based on a safe, healthy and environmentally responsible operations strategy. During 2019, the following were some of the most relevant topics addressed by this Committee:</p> <ul style="list-style-type: none"> <li>▪ Presentation on the investigation on the fatal incident involving an Ecopetrol worker in the Magdalena River.</li> <li>▪ Presentation on the investigation on the fatal incident involving a worker in Tuscany.</li> <li>▪ Presentation on progress made on the Plan for Strengthening HSE</li> <li>▪ Overview of the "bowtie"</li> </ul>

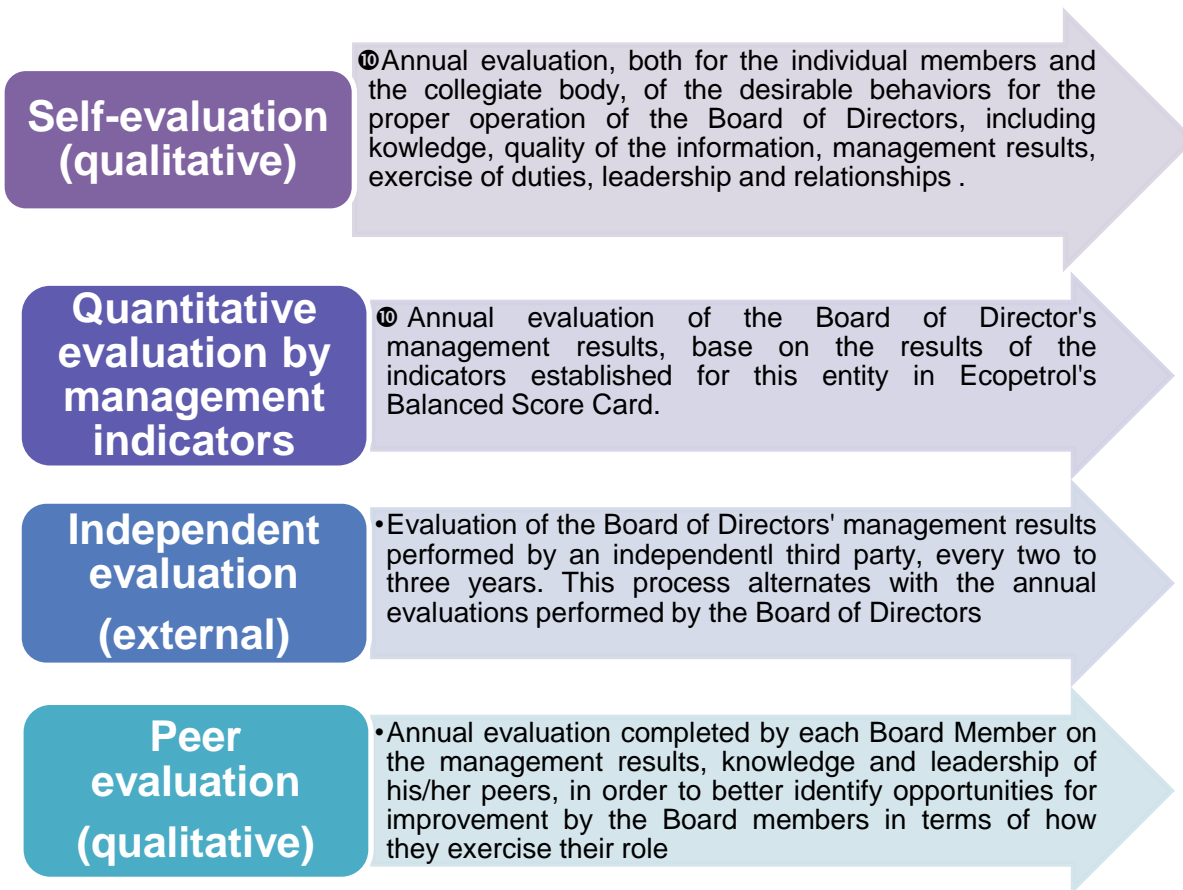
Committee and number of meetings held in 2019	Duties	2019 Stewardship
		methodology and application thereof in the definition of disaster scenarios
<b>Technology and Innovation Committee (2 meetings)</b>	<p>This Committee supports the Board of Directors on matters related to technological and digital changes and the Company's ongoing cultural change process.</p> <p>It is comprised by at least three (3) members of the Board of Directors who will be appointed directly by the Board for terms of up to two (2) years with the possibility of reelection for another two-year term; the majority of its members must be independent. All Committee members must have knowledge or experience in matters related to their duties.</p>	<p>The Technology and Innovation Committee was created in 2019, as an ally in digital transformation and innovation processes, with the aim of making Ecopetrol a leader in the use of digital technology and innovation in the hydrocarbon sector.</p> <p>During 2019, the following were some of the most relevant topics addressed by this Committee:</p> <ul style="list-style-type: none"> <li>▪ Approval of the Committee Charter</li> <li>▪ Ecopetrol Technology Strategy</li> <li>▪ Role of the Vice Presidency of Digital Development - VDI and the Digital Agenda.</li> <li>▪ Role of the Colombian Petroleum Institute - ICP and Business Technology.</li> <li>▪ Digital Innovation.</li> <li>▪ Progress on Cybersecurity.</li> </ul>

Source: Ecopetrol S.A., Secretary General & Assistant to the President.

#### 4.12. Performance Evaluation of the Board of Directors

In order to guarantee the alignment between shareholder interests and the performance of the Board of Directors, and in accordance with corporate governance best practices, Ecopetrol S.A. has implemented the following performance evaluation mechanisms for its Board of Directors.





### Results of the Board of Directors' Performance Evaluation

In accordance with the above, the Board Members complete their qualitative evaluations during the ordinary meeting held on February of 2020, with the results reflecting not only the individual performance of each, but that of the Board as a collegiate body as well; the performance evaluation of the Chairperson and Secretary of the Board for the previous year are also completed. As a result of the self-evaluation, for 2019 the performance of the Board of Directors, its Chairperson and Secretary were described as **outstanding**. On the other hand, and as part of the peer evaluation, the Secretary prepares a confidential report for each Board Member evaluated, which contains the observations and comments of their peers.

In addition to the above, during that same month, the closing of the annual objectives and goals is presented to the Board of Directors through the Balanced Management Scorecard, results that make up the quantitative evaluation and its contribution to the achievement of the strategic goals proposed for 2019. The Company's performance, thanks to the support of its corporate bodies and the efforts of its workers and allies, highlights: i) the financial results obtained in 2019, classified as the best in the last six years; ii) ongoing activities aimed at the energy transition, such as the incursion into renewable energies, emission reduction, improvements in air quality, among others; iii) the strengthening of reserves and the production of gas and oil, through the

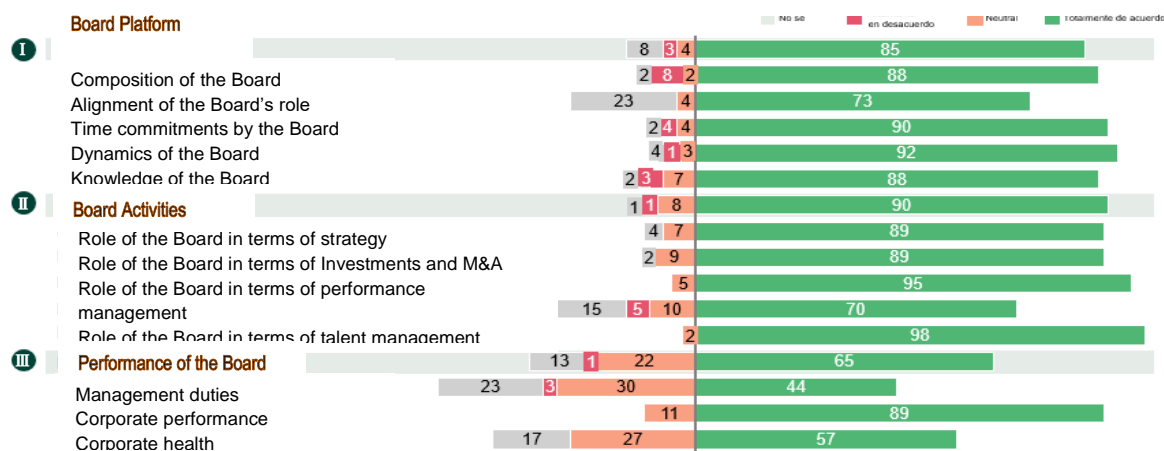
exploitation of Conventional and Unconventional Deposits; and, iv) the consolidation of a safe operation.

During 2020, the Board of Directors decided to implement the **360 evaluation** as a mechanism to assess its management for 2019. This type of evaluation is based on the perception of the Administration regarding the Board of Directors' performance. The results show and highlight the teamwork and trust that inspires the relationship and alignment of interests of the Board of Directors and the Administration with the Company's strategy.

In order to evaluate the **effectiveness** of the Board of Directors of Ecopetrol, in December of 2019 an analysis was completed, with the help of an external third-party, where close to 100 attributes were evaluated with the participation of the members of the Board of Directors, which were compiled in three chapters.

**Survey results indicate a good level of alignment**

**% of participants who are completely in agreement or disagreement with the statements of a specific category**



NOTA: Debido a diferencias de aproximación, es posible que los resultados no sumen 100%

Source: McKinsey measurement instrument; self-evaluation completed by members of the Board of Directors.

In general, the evaluation results are positive; issues such as the composition, the commitment and the work dynamics of the Board Members, and the role of the Board in terms of strategy, investments, performance and risk management received positive scores. Some of the items received “neutral” or “I don't know” responses, which can be attributed to the fact that some Board Members were just recently elected in 2019, and a full year cycle in the position is required in order for them to complete the evaluation in a comprehensive manner.

**4.13. Relations between the Board of Directors and the statutory auditor, financial analysts, investment banks and rating agencies during 2019.**

In accordance with the provisions set forth in Ecopetrol's Board of Directors Audit and Risk Committee's Charter, a representative from the Statutory Auditor firm participates as a guest in its meetings. During 2019, this representative participated as a guest in **100%** of the meetings held by this Committee.

During this year, the Board of Directors received financial and market analyses, as well as credit agency reports.

#### **4.14. External consulting services employed by the Board of Directors**

In order to supplement the necessary competencies for the comprehensive execution of the strategy by the Board of Directors, this entity has the power to hire external consultants to assist it in gaining additional insight and closing any gaps identified in the risk management exercises associated with the execution of the activities carried out by the Board of Directors.

In 2019, the Board requested external expert consulting for the review of the Company's strategy, as well as for the analyses required for the adoption of the corresponding decisions for the execution thereof.

### **5. Senior Management selection, development and remuneration**

#### **5.1. Senior Management Selection Policy**

The Selection Policy for the position of President of Ecopetrol S.A. is included in the powers granted to the Company's Board of Directors and is governed by the conditions stipulated in the Bylaws and the Good Governance Code.

The selection process for all other senior level positions, as well as any position within Ecopetrol is carried out in accordance with the Human Talent Department's corporate selection process. All selection processes for positions within Ecopetrol take into consideration the following aspects: academic background, professional experience, technical organizational and leadership competencies associated to each position, independent of gender, race, nationality or family origin, language, religion, disability, political or philosophical opinions. This guarantees that the process is completed in accordance with the transparency and equal opportunity corporate statements, and based on the guidelines contained in the Company's Diversity and Inclusion Program, as well as those derived from its strategic framework.

The Company's Diversity and Inclusion Program includes metrics to monitor the improvement of opportunities for women to reach senior level or leadership positions. These metrics aim to increase the probability of women accessing these positions, promoting that vacancies for these positions include at least one woman candidate in the final short-list.

Details on the Company's Selection Policy, including Senior Management, can be found in Chapter 4, Social Dimension, "Selection and Mobility".

## 5.2. Senior Management Remuneration Policy

Ecopetrol S.A.'s remuneration policy is approved by the Board of Directors and framed within the following parameters:

- Its purpose is to ensure a competitive market remuneration that attracts and retains the best talent available.
- To do this the policy establishes that the Company positions its remuneration within the average of the energy market in Colombia.
- Each year, the Company contracts an independent salary competitiveness study with a firm specialized in quantitative methodologies for the valuation of positions and best remuneration and organizational practices, in an effort to monitor the Company's position in the market, and make the necessary adjustments to ensure it attracts and retains the human talent required for the implementation and completion of the Company's Strategy plan and needs.

**As of December 31, 2019, Ecopetrol's Remuneration Policy, approved by its Board of Directors, does not contemplate special payment mechanisms or stock options as remuneration for its employees or Directors.**

**Structure of Total Remuneration:**



Short-term Variable Remuneration uses a percentage of the Fixed Remuneration as a reference point, which, modified at the end of the year according to Company, area and individual performance results, and is subject to the approval of the Board of Directors.

For 2019, the Fixed Remuneration for the President was eight (8) times the average fixed remuneration of a Company employee, and a general salary increase of 4.88 was applied across the board for all employees. Details of the benefits applied to Company employees, including Senior Management, can be found in Chapter 4, Social Dimension, "Compensation".

Position	Basic Salary of Comprehensive Salary*	
	Minimum	Maximum
President (CEO) COO		
Vice President of Refining and Industrial Processes Vice President of Development and Production Vice President of Exploration	\$ 36	\$ 66
Vice President of Operations and Transport Maintenance Director of the ICP Center for Innovation and Technology Vice President of Sales and Marketing Vice President of Corporate Strategy and New Businesses Vice President of Corporate Finance Vice President of Engineering and Projects Vice President for Digital Processes Vice President of Human Talent Vice President for Transformation Processes Vice President of Sustainable Development Vice President of Procurement and Services Legal Vice President Secretary General Vice President of Corporate Compliance	\$ 27	\$ 44

Source: Ecopetrol S.A., Vice Presidency of Human Talent.

\* A 70% withholding on benefits is calculated as a fixed component payment over this amount.

### 5.3. Senior Management performance evaluation

In 2019, the Ecopetrol Group achieved solid operating and financial results, due to the good performance of the business segments, the commercial positioning of its crude oil and products in markets that generate greater value, and the materialization of efficiencies and benefits generated throughout the Business Group.

The Group continues to move along the path outlined in the strategy, achieving results that exceed the goals defined in the 2019-2021 Business Plan and the business objectives that were defined for the 2019 Balanced Scorecard for the Business Group (TBG GE for its Spanish acronym), the results of which are an essential input for the evaluation of Company executives.

The TBG GE for 2019 is comprised by 10 objectives associated with operational (35%), financial (30%), strategic (25%) and HSE (10%) targets, **all of which have been achieved**.

Finally, in terms of the achievement of the Group's strategic milestones, the progress made in the Decarbonization Program is worth noting, having achieved a cumulative reduction of 1.6 million tons of CO<sub>2</sub> equivalent by 2019, thanks to the implementation of energy efficiency projects,

reduction of flare burnings and the use of renewable energies. On this last matter, during 2019 the Castilla Solar Park was inaugurated with a capacity of 21 MW, which contributes to the goal of incorporating nearly 300 MW of clean energy by 2022. Progress was also made on the path to improving fuel quality, with a sustained reduction in the sulfur content of the domestic diesel and gasoline supplied. The above reiterates Ecopetrol and its Business Group's commitment to the preservation of the environment.

All these results were achieved with the commitment and support of Ecopetrol's President, its management team, and all Business Group employees, working under the principles of operational excellence, integrity, social responsibility, collaboration and financial discipline, whilst encouraging these behaviors in their work teams. Details on the performance evaluation of Ecopetrol's senior management is found in Chapter 4, Social Dimension, "Performance Evaluation".

## **6. Control environment**

### **6.1 External Controls**

#### **Statutory Auditor:**

In the meeting held on March 29, 2019, the General Shareholders' Meeting approved the election of Ernst & Young Audit S.A.S., as the Company's Statutory Auditor, for the 2019 fiscal year, for an amount of COP **\$4,050,000,000** plus VAT. During the year this firm supported the Board of Director's duties regarding internal control matters, the results of which have been presented to the Audit and Risk Committee of the Board of Directors.

#### **Inspection, Oversight and Control Bodies:**

In Colombia, the main regulatory authorities for activities related to Ecopetrol S.A.'s corporate purpose are the Ministry of Mines and Energy, the National Hydrocarbons Agency (ANH) and the Energy and Gas Regulation Commission (CREG); the Ministry of the Environment and Sustainable Development; the National Environmental Licensing Authority (ANLA); the Ministry of the Interior and the Regional Autonomous Corporations.




On the other hand, the Superintendencies that exercise surveillance and control duties over Ecopetrol S.A.'s main activities are the Superintendence of Finance, the Superintendence of Corporations, the Superintendence of Public Services, the Superintendence of Ports and Transportation, the Superintendence of Health and the Superintendence of Industry and Commerce.

Regarding the activities and responsibilities of public servants, given the legal nature of Ecopetrol S.A., Company employees are subject to disciplinary control by the Attorney General's Office. Additionally, given the management of public resources, Ecopetrol S.A. is subject to fiscal control by the Comptroller General of the Republic.

Finally, given that Ecopetrol S.A.'s shares are traded in the Colombian Stock Exchange and the New York Stock Exchange, in the US, it is subject to Colombian Stock Exchange and the Securities and Exchange Commission (SEC) regulations, respectively. The Superintendence of Finance of Colombia and the Securities Market Self-Regulator are the authorities that exercise inspection, vigilance and control over specific securities market activities and the provision of information thereto.

**Ratings Agencies:**

The main risk rating agencies recognized Ecopetrol S.A.'s progress in terms of its growth strategy, in addition to the soundness of the financial metrics, which reflected in positive actions, mainly in the Company's individual credit rating. As a result, for 2019 Ecopetrol S.A. maintained its investment grade with the three (3) rating agencies, as presented below:

 <b>FITCH RATINGS</b>	<ul style="list-style-type: none"> <li>The Company's credit rating remained at 'BBB' with a negative outlook, and an individual credit rating of 'bbb'. By the end of 2019 Ecopetrol's Outlook changed from Stable to Negative, as a result of the change in Outlook for the Republic of Colombia. Notwithstanding the above, the agency maintained the credit rating at 'BBB', with investment grade. The agency highlighted the strength of Ecopetrol's financial profile, thanks to the continuous improvement in credit metrics in 2019, as well as the solid liquidity position, cash flow generation capacity, access to capital market and adequate debt maturity profile.</li> </ul>	 <b>MOODY'S</b>	<ul style="list-style-type: none"> <li>The Company's international long-term rating remained at 'Baa3', with a stable outlook, and the individual credit rating at 'ba1'. The agency highlighted the strengths of Ecopetrol S.A. as a leading company in Colombia, the improvement in its operational performance and capital efficiency, as well as the stable cash flow generation of its Transport and Logistics segment</li> </ul>	 <b>STANDARD &amp; POOR'S</b>	<ul style="list-style-type: none"> <li>It upgraded its individual credit rating to 'bbb-' and maintained its long-term international rating at 'BBB-', with a stable outlook. The agency recognized the Company's continued strong operating performance through increased production, increased refinery throughput, and operating efficiencies achieved. It also highlighted the good levels of liquidity, and the strengthening of credit metrics.</li> </ul>
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The Rating Agency reports are available on the Company's web page at: <https://www.ecopetrol.com.co/wps/portal/es/ecopetrol-web/relacion-inversionistas/renta-fija/calificacion-de-riesgo>

**6.2 Internal Controls**

The Board of Directors of Ecopetrol S.A. oversees and monitors the Internal Control System (SCI for its acronym in Spanish), and reviews Company policies on internal control and risk systems.

### **Internal Audit Corporate Management:**

During 2019, audits were carried out on processes that posed a significant risk assessment for the fulfilment of the Company's strategic objectives, and on high impact projects due to their level of investment and weight on the fulfilment of the strategic objectives

**100%** compliance was achieved during 2019 for the General Audit Plan (31 audits executed of the 31 intended)

During 2019, the General Audit Plan covered elements from **22** of Ecopetrol S.A.'s **27** current processes: integrated portfolio management, development drilling, deposits, asset management with partners, environmental abandonment and restoration, refining, maintenance, strategic planning, internal and external communications, change management, shared services, investment vehicles, HSE management system, environmental management, risk management system, contracting, human talent, volumetric measurement and accounting, ports system and business technology.

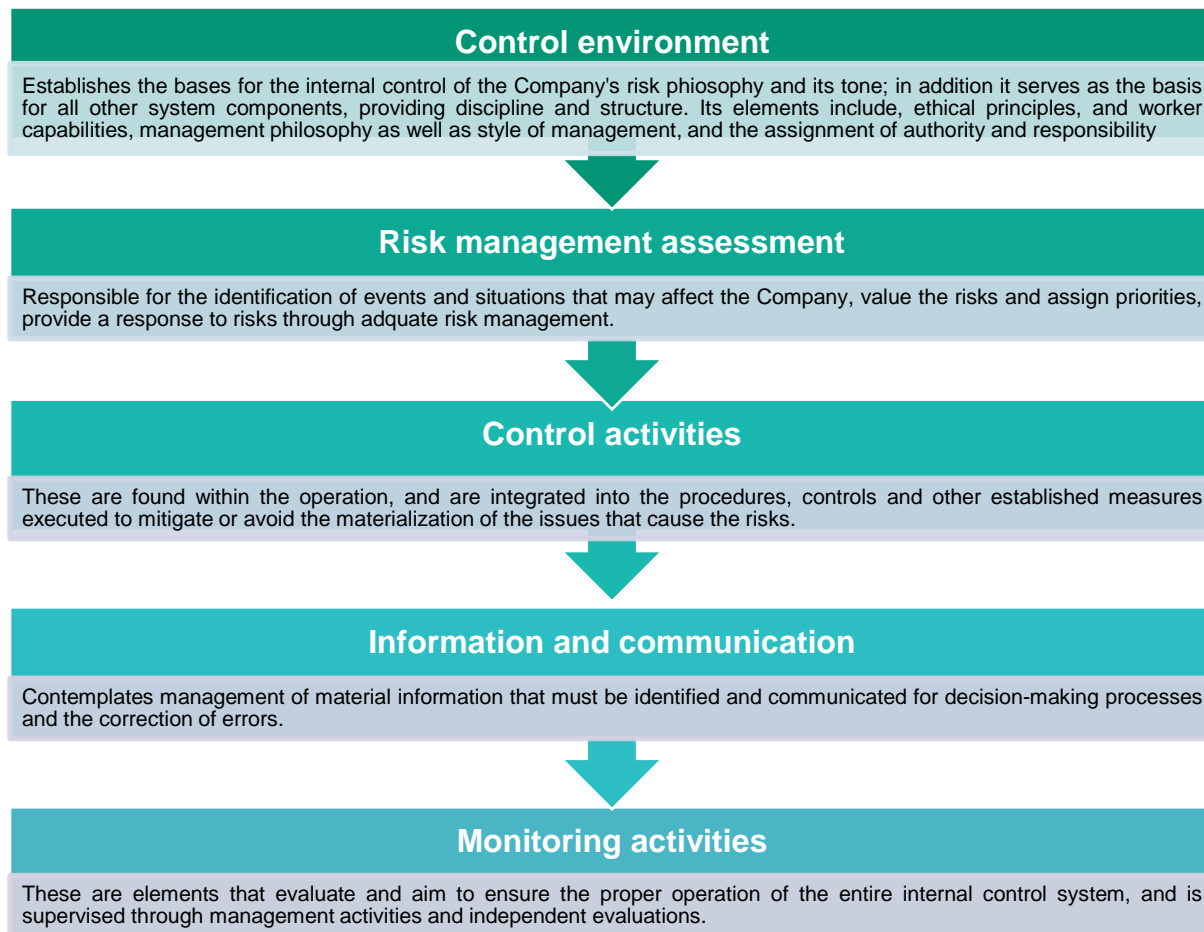
Audits included assurance and advisory projects; as well as compliance activities with existing applicable external and internal standards associated to the duty. As a result of the execution of the General Audit Plan, the responsible areas designed improvement plans aimed at mitigating the observations of the Corporate Internal Audit Management, these have been permanently monitored by the Board of Directors, to ensure their application and effectiveness.

### **Internal Control System (SCI for its Spanish acronym):**

Ecopetrol S.A.'s Internal Control System (SCI), seeks to provide reasonable security in the achievement of strategic, operational, information reporting and regulatory compliance objectives, through the timely management of risks and assurance of the effectiveness of its controls, whilst using the practices recommended by the international reference framework COSO (Committee of Sponsoring Organizations of the Treadway Commission) as a reference.

Thus, it is important to emphasize that this system considers five (5) elements which are constantly interacting, and can be identified as follows:





In this context, the SIC is aligned with the Company's strategy and processes, which not only results in the assignment of control duties for the Administration, but employees also undertake a responsibility for ensuring risk management, the effectiveness of the controls under their charge, the reporting of incidents and deficiencies found, as well as ensuring the continuous improvement of their processes.

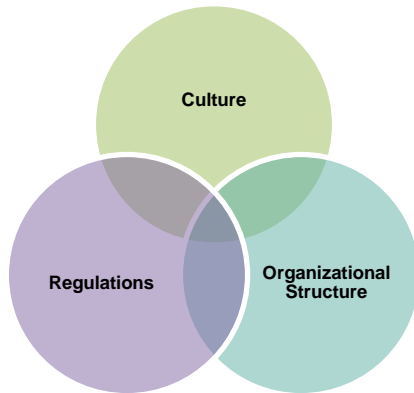
### **Risk Management System:**

The Internal Control Assurance Corporate Management Office (GCI for its Spanish acronym) is responsible for monitoring process and business risk management at Ecopetrol S.A., while managing these and executing the controls that mitigate them is under the responsibility of each business. To ensure that all risks are properly identified, assessed and managed, the Company has an ERM (Enterprise Risk Management) system, a method that is aligned with the organization's strategic framework. COSO 2013 with its five components is used at the process level and serves as the reference framework for the internal control system (SIC).

In risk management, three fundamental pillars interact in a systematical and dynamic manner: culture, organizational structure and regulations, around the risk management cycle that is

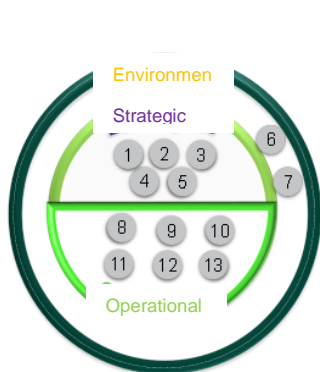
comprised by the following stages: planning, identification, assessment, treatment, and monitoring of risks, as well as a transversal communication stage, to ensure that possible deviations from the objectives set are adequately managed.

### Fundamental pillars of risk management



### 2019 Business Risk Map

The definition of the proposed 2019 business risk map was based on the analysis of Oil & Gas sector risks worldwide, risks in other sector companies and materialization of risks that have occurred in recent years at Ecopetrol, including, in tune with the best international standards, those related to the environment, which highlight the need for monitoring operational disruption risks due to the environment, climate change, labor abnormality and crisis and continuity events, by the Board of Directors, as well as risks due to changes in the regulatory environment and energy transition:



#### STRATEGIC

1. Organic strategy for the addition of resources discovered, yet to be appraised, or unsuccessful reserves
2. Inorganic growth strategy of resources discovered, yet to be appraised, or unsuccessful Reserves
3. Application of unsuccessful recovery factor technologies
4. Negative effects on financial sustainability
5. Subordinates (domestic and international) that do not comply with their value promise

#### ENVIRONMENT

6. Interruptions to the operation due to the environment, climate change, labor abnormality, crisis or continuity events
7. Changes to regulations and energy transition

#### OPERATIONAL

8. HSE events caused by the operation
9. Projects that do not comply with the value promise
10. Ethical, compliance faults or negative effects on the Company's good name
11. Cyberattacks, leak or loss of information, absence of updates to the operation's technology
12. Exploration and production partners who fail to comply with their contractual commitments
13. Negative effects on the operation due to the control bodies

Source: Ecopetrol S.A., Corporate Vice Presidency of Compliance.

### Input for the definition of the 2019 Business Risk Map:



- **Analysis of the main risks in other Oil & Gas sector companies:** The risks reported to the SEC (Securities and Exchange Commission) in forms 20F and 10K by different companies in the Oil & Gas sector worldwide were reviewed. Regarding this information, similarities were identified with the business risks identified by Ecopetrol, which proved to be adequate in the proposed 2019 risk map.
- **Analysis of materializations of risks presented:** The materialization history (frequency and impacts) of main risks for the Company and the subordinate companies of the group was reviewed, in order to identify problems that required visibility and direct strategic management by the different Vice Presidents within the organization.
- **Association of the risks to the pillars of the 2017-2020 Business Plan:** An analysis carried out to determine the direct impact of each of the proposed risks against the pillars of the Business Plan, proved to be adequate in terms of business risks for 2019.

During 2019, risk management was a part of all Ecopetrol S.A. processes, which included planning, identification, valuation, treatment, monitoring and communication phases.

In addition to the above, the Internal Control Assurance Corporate Management Office (GCI) monitored the Business Group's risk management and corresponding controls, which are distributed as follows:

- **Ecopetrol S.A.:** 356 process risks and 931 controls.
- **Affiliates:** 1,388 risks and 2,685 controls.

The Internal Control Assurance Corporate Management Office monitors the management of **1,744** risks and **3,616** controls for the Business Group

Some of the activities carried out during 2019, include the realization of preventive monitoring and special actions. The GCI, in its duty as a second line of defense, proactively defined and implemented continuous monitoring prevention schemes on the different Internal Control System (SCI) elements, activities that helped provide reasonable assurance of the achievement of the strategic objectives and processes, guaranteeing the sustainability and improvement of Ecopetrol, its affiliates and subsidiaries.

## 7. Operations with related parties

In accordance with the provisions set forth in the Bylaws, the Board of Directors is responsible for ensuring that the economic relations between Ecopetrol S.A. and its shareholders, including the majority shareholder, and with its subordinates, are carried out within the limitations and conditions established by Law, the regulations on prevention, management and resolution of conflicts of interest and market conditions. The transfer pricing guideline between Ecopetrol S.A.'s related parties mentions the parameters that must be taken into account when determining the compensation to be agreed in operations carried out between Ecopetrol S.A. and its

subordinates, regarding either goods or services, in such a way that the conditions established in the operations subject to the analysis are consistent with those agreed with or between independent third parties, thus avoiding an impact to the income statements due to control or subordination relationships.

To this end, economic relations with the Nation and the subordinate companies, consolidated during 2019 by means of agreements or contracts, were carried out under the previous parameters. These relationships are not intended to benefit the Nation or subordinate companies, nor are they detrimental to the interests of minority shareholders.

Each semester, the Tax Management and Planning Department submits a report to the Company's Board of Directors regarding the operations, agreements or contracts that the Company has entered into with its subordinates during said period, where it indicates that the conditions thereof correspond to market conditions.

**Details on the operations of Ecopetrol Group's subordinate companies are disclosed in the Group's financial statements and the Business Group's annual report, in accordance with article 29 of Law 222 of 1995.**

In the event of a conflict of interest between Ecopetrol Group companies, the parties involved must comply with the procedure established for this, in accordance to applicable regulations.

## 8. Conflicts of Interest

The process to report, manage and avoid conflicts of interest involving senior management is contained in articles 48 and 49 of the Bylaws.

The President, the members of the Board of Directors and all Ecopetrol employees must disclose any conflict between their personal interests and the interests of Ecopetrol, when dealing with the majority shareholder and its subordinates, customers, suppliers, contractors and any individual or entity who carries out or intends to enter into a business agreement with the Company or with companies in which it has a stake or interest, either directly or indirectly.

The process for addressing any conflict of interest is as follows: if the conflict of interest involves a Company employee, other than the Directors, the employee must inform his/her immediate supervisor in writing; the supervisor will then analyze the situation, make a decision and, if there is a conflict of interest will appoint the employee's replacement.

- a) In the event of a conflict of interest involving a Director, which includes any of the members of the

In 2019, **104** cases were reported to the Office of Ethical Matters and Compliance of the Corporate Vice Presidency of Compliance (VCU for its Spanish acronym), whereby the established



Board of Directors, the provisions set forth in subparagraph 7, Article 23 of Law 222 of 1995 will apply, or any regulation that adds, amends or replaces it.

One of the Members of the Board of Directors stated two possible conflicts of interest, whereby he will not participate in any decisions associated thereto, in compliance with the applicable internal and external regulations

## 9. Dispute Resolution Mechanisms

Ecopetrol S.A., has alternative mechanisms for the resolution of disputes in order to promote foreign investment, commercial relations and facilitate coexistence between shareholders, stakeholders and the Company's Administration.

Regarding arbitration proceedings in which Ecopetrol S.A. is a party, as of December 31, 2019, awards were reported.

The most significant administrative disputes resolved in 2019, through alternative mechanisms, were the following:

Parties	Type	Amount agreed	Effective date of payment
Luis Alfonso Vargas Lozano Vs Ecopetrol S.A.	Direct reparation for damages	COP\$335,508,828	March 29, 2019
Edgar Daniel Ruiz Riascos Vs Ecopetrol S.A.	Legal - easement	COP\$6,520,500	October 22, 2019
Luis Argenis Duran Rojas Vs Ecopetrol S.A.	Direct reparation for damages	COP\$15,000,000	December 4, 2019
Ecopetrol Vs. Seguros Generales Suramericana S.A.	Legal transaction	COP\$3,627,611,504	June 25, 2019

Source: Ecopetrol S.A., Legal Vice Presidency

## 10. Transparency, fluency and integrity of information

For Ecopetrol, communication with its stakeholders is of the greatest importance, and as such it uses all the channels enabled for this. That is why, in conjunction with the traditional communication channels, it has sought to strengthen its participation in channels that facilitate interaction through technological platforms such as Facebook, Twitter, Instagram and LinkedIn, with outstanding results.



During 2019, an average increase of **15%** followers was reported in Facebook, Twitter and LinkedIn, and **409%** in Instagram followers

Similarly, during 2019, **54** Material Information releases were published with the Colombian Superintendence of Finance, as well as **82** press releases. In the United States, **27** documents were published under the different formats required by the SEC.

All communications were disclosed in a timely manner to the market and are available in the material information section of Colombian Superintendence of Finance's website, <https://www.superfinanciera.gov.co>; on the SEC website, <https://www.sec.gov/>, under the "Filings" section, as well as on Ecopetrol S.A.'s website, <https://www.ecopetrol.com.co>.

## 11. Claims by shareholders and investors

For 2019, no claims were filed by shareholders and investors related to compliance with the Corporate Governance Code.

**The Board of Directors highlights the continued commitment of Ecopetrol S.A. and all its workers in the application of best corporate governance practices, ensuring the Company's governance, transparency and control environment.**