

# Statutory Audit 2019-2020



# 1. Background Information

## Procedure for election of Statutory Auditor

- The Shareholders General Assembly is the entity competent to elect the Ecopetrol S.A. Statutory Auditor.
- According to Article 33 of the Company Bylaws, the Statutory Auditor is elected based on an objective and transparent pre-selection facilitated by the Board of Directors' Audit Committee.
- The recommendation of the Audit Committee, together with the credentials of the candidate proposed to serve as Statutory Auditor, are published on the Company website for shareholders and investors to familiarize themselves with the candidate's experience and professional record.

## Purpose of the Statutory Auditor agreement

- To issue an opinion concerning the reasonableness of the figures contained in the ECOPETROL financial statements, consistent with the standards applicable as of December 31, 2019 (and use of the option for 2020).
- To assess and issue an opinion on the internal control system consistent with the provisions of the Sarbanes Oxley Act (SOX) and in accordance with the standards of the Public Company Accounting Oversight Board (PCAOB). This opinion is combined with the opinion on the financial statements included in Form 20F of December 31, 2019 (and use of the option for 2020).
- To review the settlement and calculation of the variable bonus for results, paid to company employees for 2019 (and use of the option for 2020).
- To review the quarterly and annual financial statements under IFRS, to be published for stakeholders and investors.



## 2. Terms and Conditions to Serve as Statutory Auditor

- Attest to the firm's registration with the Colombian Central Accountants Board and the PCAOB.
- Attest to the experience of the firm and the work team on audits of financial statements under International Financial Reporting Standards (IFRS) in oil and gas companies.
- Attest to the experience of the firm and work team in audits and opinions issued on internal control, according to Section 404 of the Sarbanes Oxley Act (SOX) and Standard 5\* of the PCAOB for companies listed under Oil and Gas.
- Have experience in external auditing and/or statutory auditing in companies of the domestic and international hydrocarbons sector.
- Certify that the firm has received no revenue from COMPANIES that represent 25% or more of its most recent annual revenue from the immediately preceding year (2018) to act as Statutory Auditor.
- Certify that the firm is subject to no conflict of interest, disqualification or incompatibility to serve as statutory auditor under the Colombian Commercial Code [*Codigo de Comercio*], Law 43 of 1990 and Memorandum 33 issued by the Central Accountants Board on October 14, 1999.
- List the numbers of contracts, purpose, signing date, completion date and settlement date of contracts entered into or executed with Ecopetrol S.A. and its subordinates and/or affiliates in 2018.

\* Corresponds to the standards applicable to auditors when an opinion is required on the internal control of a company listed on the New York Stock Exchange.



### 3. Selection of Invited Firms

To satisfy international requirements, Ecopetrol requires that the company serving as Statutory Auditor and External Auditor be registered with the PCAOB\*. For Colombia, 10 firms are listed, of which it invited those four that have issued an audit report for at least one issuer in the past year.

FIRM	CITY	STATE	COUNTRY	OBSERVACIONES
DELOITTE & TOUCHE LTDA.	Bogotá	Capital District	Colombia	Audit report for at least one issuer
ERNST & YOUNG AUDIT S.A.S	Bogotá	Capital District	Colombia	Audit report for at least one issuer
KPMG S.A.S	Bogotá	Capital District	Colombia	Audit report for at least one issuer
PRICEWATERHOUSECOOPERS LTDA.	Bogotá	Capital District	Colombia	Audit report for at least one issuer
MAZARS COLOMBIA S.A.S	Bogotá	Capital District	Colombia	No reported issuer or broker-dealer audit activity
AMÉZQUITA & CIA S.A.	Bogotá	Cundinamarca	Colombia	No reported issuer or broker-dealer audit activity
BDO AUDIT S.A.	Bogotá	Cundinamarca	Colombia	No reported issuer or broker-dealer audit activity
CROWE HORWATH CO S.A.	Bogotá	Cundinamarca	Colombia	No reported issuer or broker-dealer audit activity
MOORE STEPHENS SCAI S.A.	Bogotá		Colombia	No reported issuer or broker-dealer audit activity
UHY AUDITORES & CONSULTORES S.A.	Bogotá		Colombia	No reported issuer or broker-dealer audit activity

\*PCAOB: Public Company Accounting Oversight Board. An independent organization to oversee auditors of companies whose shares are listed on the New York Stock Exchange

Source: PCAOB. Available at: <http://pcaobus.org/Registration/Firms/Pages/RegisteredFirms.aspx>



### 3. Process and Results

- On November 28, 2018, requests for information were sent to the firms Deloitte, Pricewaterhouse Coopers, KPMG and Ernst & Young.
- On December 10, 2018 the process for the receipt of information was closed, yielding the following results:

Did not present information because it was providing other services to Ecopetrol Group companies:

The logo for Deloitte, featuring the word "Deloitte" in a bold, blue, sans-serif font with a small green dot at the end of the word.

Did not respond to market query:

The logo for PwC, featuring a stylized graphic of four overlapping squares in shades of orange, red, and yellow above the lowercase letters "pwc" in a bold, black, sans-serif font.

Presented information:

The logo for EY, featuring a yellow chevron shape above the letters "EY" in a bold, black, sans-serif font, with the tagline "Building a better working world" in a smaller font below.The logo for KPMG, featuring the letters "KPMG" in a bold, blue, sans-serif font with a grid-like pattern behind the letters.

Presented information and meets the requested requirements:

The logo for EY, featuring a yellow chevron shape above the letters "EY" in a bold, black, sans-serif font, with the tagline "Building a better working world" in a smaller font below.

## 4. Experience of the Proposed Lead Auditor

### Daniel Tortorella



### Víctor Hugo Rodríguez V.



<b>Total No. of years of experience</b>	<b>22 years</b>	<b>Total No. of years of experience</b>	<b>24 years</b>
No. of years of specific experience in the service	22 years	No. of years of specific experience in the service	24 years
Fluency in English	100%	Fluency in English	90%

#### Specific companies to which assigned

Ecopetrol S.A. (partner)	1 years
Avianca (partner)	6 years
TAMPA (partner)	6 years
LifeMiles (partner)	3 years
Grupo Valorem (partner)	2 years
Telefónica (partner)	1 years
Grupo Coca Cola Femsa (partner)	2 years

#### Specific companies to which assigned

Ecopetrol S.A. (partner)	2 years
Abbott - Lafrancol (partner)	3 years
BID – Ministry of Education (partner)	3 years
BID – Ministry of Transport (partner)	3 years
BID – Ministry of Mines (partner)	3 years
EPSA	3 years
Emgesa- Codensa	3 years
Codere (partner)	2 years
Google Colombia LTDA (partner)	1 year
Minería Texas (partner)	1 year



# Statutory Auditor Recommendation 2019

Once the review of the proposal of Ernst & Young Audit S.A.S had been completed, with regard to the requirements of independence, experience, work team, service, costs and knowledge of the sector, the Audit Committee of the Ecopetrol S.A. Board of Directors decided to recommend to the Shareholders General Assembly:

- 1) The appointment of the firm Ernst & Young Audit S.A.S, Nit. 860.008.890-5, as Statutory Auditor of Ecopetrol S.A. for the year 2019, for the amount of COP 4,050,000,000 plus VAT and Use of Option for 2020 for the amount of COP 4,212,000,000 plus VAT. This firm must appoint the individuals who will serve as principal and alternate Statutory Auditor, respectively.
- 2) To authorize the Audit Committee of the Ecopetrol S.A. Board of Directors to assign and authorize additional tasks to the statutory auditor during the year, related to aspects of relevance to the Company that are not included within the purpose of the agreement, and that may be performed by the statutory auditor without disqualifying it from performing its duties.





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