



Version: 2

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Party responsible: Human Resource
Management

Approved by: Managing Committee

Human Resources Policies

- **Selection and hiring policy**
 - **Employee development policy**
 - **Comprehensive compensation policy**
 - **Holiday policy**
 - **Compensatory time off and overtime policy**
 - **Occupational health and safety policy**
 - **Work uniform and footwear provision policy**
 - **Pensions policy**
 - **Travel and transportation expenses policy**
 - **Transportation policy**
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Human Resources Policy

SCOPE

Establish a framework for action so that the Company-Employee relationship can be built, developed, and maintained in a work environment conducive to high performance and commitment, which contributes to employee development and the generation of value for the Company. These policies are applicable to all employees. In the case of Occupational Health and Safety, they apply to indirect employees, consultants, contractors, and other third parties that have a relationship with the company and access to our facilities.

HUMAN RESOURCES POLICY BASELINE

RESPONSIBILITY

It is the responsibility of the Chief HR and Administration Officer, through the various processes for which he or she is responsible, to ensure the application of and compliance with Human Resources policies by all Company employees.

COMPLIANCE

Compliance with Human Resources policies is obligatory for all Company employees. Similarly, **indirect employees, consultants, contractors, and other third parties that have a relationship with the Company and have access to our facilities must comply with the rules established in the Occupational Health and Safety policy.**

EXCEPTIONS

Any exceptions to compliance with the Human Resources policies must be approved by the Chief HR and Administration Officer, who may in turn require the authorization of the Appointment and Remuneration Committee. All exceptions to the policy must be formally documented, recorded, and reviewed by said Committee.

POLICY ADMINISTRATION

Any amendments or additions to the Human Resources policy are to be proposed by the Chief HR and Administration Officer, and approved by Celsia's Corporate Appointment and Remuneration Committee. These policies must be reviewed whenever Company dynamics require as much.

Selection and Hiring Policy

The Chief HR and Administration Officer is responsible for managing all employee selection and hiring processes to guarantee suitably qualified human resources, according to the needs of the Company. Each year, the Human Resources area, in coordination with other areas, plans the staffing needs to attend to business operations, and coordinates all transfers, transportation, and travel of Company employees.

The Board of Directors is responsible for selection of members of senior management, in accordance with the proposals of the Company CEO.

Selection and Hiring Policy Standards

- The selection policy begins with the submission of a request to Human Resources by the area in need, which must have the authorization of the line manager corresponding to the vacancy in question. For new posts, the request form must be approved by the Chief Officer of the area as well as the Chief HR and Administration Officer.
- The manager placing the request will be provided with at least two candidates, and will be responsible for making the selection in conjunction with Human Resources.
- For final selection, candidate assessment must be in keeping with the profile for the position.
- Internal candidates will be given priority for all vacancies. In certain cases, the vacancy may be filled by an external candidate.
- Non-selected candidates will be informed in writing by the Human Resources area. Non-selected internal candidates may request feedback from Human Resources to learn of their performance in the process.
- The Company, through the Chief HR and Administration Officer may contract with duly authorized Temporary Employment Agencies and employees on assignments, based on the terms and conditions stipulated in current labor provisions, in order to address ad hoc or temporary staffing needs.
- The hiring of individuals who have kinship with Company employees is not prohibited; however, at the time of hiring, transferring, promoting, or changing the contractual conditions of an employee, any relationships or affinity between Company employees will be taken into account in order to prevent conflicts of interest
- Once all the stated requirements and the process established to that end have been completed, the hiring of new employees will proceed through the preparation of an individual employment contract and registration in the Social Security System, in accordance with current legislation.
- The Human Resources area is responsible for notifying of the entry of new staff in order to arrange induction and training, and assure the implements, equipment, and supplies necessary for the performance of their roles.
- Re-hiring of workforce to Company's staff must be authorized by the Chief HR and Administration Officer.
- In the case of absences due to holidays, maternity leaves, and medical leaves equal to or longer than 15 days, the post will be temporarily covered based on the following criteria:
 - Processes for direct customer service at sales branches (sales branch agents - front

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- office).
- Operating processes in which functions cannot be divided by the critical nature of the activity, since they can generate a risk to life, equipment or the environment.
 - For the remaining processes, functions are to be divided among staff members who work in the area; in the case of absences of more than one month, the requesting area will submit the justification, including the authorization of the corresponding Chief Officer, to the Human Resources area for approval.

Employee development policy

The Chief HR and Administration Officer is responsible for managing the development of employees, including senior managers, within the framework of the Company's cultural pillars to ensure a team composed of high-performing, committed, and aligned people who serve as guarantors of the achievement of results and the sustainable growth of the business. The employee development process starts as soon as individuals are hired, by way of training, and continues through the various activities centered on skills development, such as performance management and career planning. In addition, the process seeks to guarantee business continuity through succession planning. The Company sponsors and assists with training activities in the local, national, and international spheres that are aligned with the strategy, the responsibilities of the position, and the needs of the Company, as well as with the resources assigned and the performance of the employee.

Employee Development Policy Standards

- The Competency-based Management Model includes competencies associated with the cultural fundamentals and technical skills, which must have structured development plans that support the employee development process.
- Company employees who are entering into a new stage in the performance of their roles, whether as a result of a transfer or the assignment of new responsibilities, must receive targeted training.
- The targeted training is devised by the Human Resources area in collaboration with the corresponding line manager, who is responsible for guaranteeing the execution of the targeted training plan.
- Once this process is completed, the Human Resources area will arrange a meeting with the line manager and the employee so as to bring the training process to a close and determine whether further instructional activities are required.
- As guarantors of the strategy, the Company management has an ongoing development program in place; this is to be reflected in effective leadership.
- Requests for training and development must be validated and approved by the line manager along with the Human Resources area.
- CEO approval is required for all educational courses abroad.
- The Company will assume 50% of the cost of the program, up to the equivalent of five (5) times the statutory monthly minimum wage per academic term for all technical, technological, undergraduate and postgraduate courses.

For seminars, courses, conferences, and certificates, the Company will cover 100% of the cost. The following criteria is to be taken into account:

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- Sound performance in the position.
 - Relevance of the training regarding to the responsibilities of the position and the Company's needs.
 - Authorization of the line manager and the Human Resources area.
 - Availability of financial resources for the training program.
- Employees who receive support of any kind for technical, technological, undergraduate, or postgraduate studies must sign an agreement to remain with the Company on completion of the academic program, based on the following terms:
 - Double the total duration of the academic program, with a minimum attendance of two years.
 - If the employee leaves the Company prior to the agreed date, the Company will deduct the sum that corresponds to the remaining time.
 - The Chief HR and Administration Officer may require that the employee send a written report concerning the sponsored program.
 - Employees who receive economic support and/or time off for studies must comply with and pass the program curriculum. Failing this, employees must refund the sponsored amount to the Company.
 - For studies abroad, the CEO, with the support of the Chief HR and Administration Officer, will analyze the relevance of the program and determine the viability of the economic support and its conditions.
 - The performance management process enables identification of the extent to which individuals contribute to the achievement of the results and behave according to the Company's expectations. This process is conducted with the active participation of the employee and the line manager, and will be utilized as input for the establishment of development plans for the employee.
 - The primary objective of career management and succession is to support business continuity and the identification of employees with potential as well as successors for critical roles, on the basis of the corporate and competitive strategy; This eases the conservation of knowledge within the organization and allows the professional growth and retention of key people.

Comprehensive Compensation Policy

The Chief HR and Administration Officer oversees a Comprehensive Compensation System that includes: fixed monthly salary + performance bonus + set of extra benefits. These are aimed at the improvement of the Company's results through good performance in the execution of the Corporate and Competitive strategy by employees. Similarly, the policy also facilitates talent retention and motivation processes within the Company.

To manage comprehensive compensation, the Chief HR and Administration Officer maintains descriptions and assessments of roles, which are created jointly with the different area heads.

The compensation of senior management is directly reviewed and approved by the Board of Directors by way of proposal presented by the Appointment and Remuneration Committee.

Comprehensive Compensation Policy Standards

- When changes to employee structures and positions are required, the descriptions and appraisals of the positions affected are to be updated.

- The Company has a Performance Bonus System in place, which is not based on salary and is governed by the established rules on the matter.
- The general annual increase requires the approval of the CEO.
- Any changes to the salary structure are subject to an analysis carried out by the Chief HR and Administration Officer on the basis of market competitiveness and internal equity, and must be authorized by the company CEO.
- The Company offers a number of extra-legal non-salary benefits, administered by the Chief HR and Administration Officer, in the interests of improving the quality of life of employees and their families.

Holiday Policy

The Chief HR and Administration Officer guarantees that employees make use of the paid period of rest considered in the Colombian legislation. Said holidays must be arranged with the approval of the corresponding line manager, and with 15 days in advance so as to process approval and oversee payment. Employees are urged not to accumulate their holiday leave beyond a single period, and to claim their benefits in full within that period. However, in the event that this is not possible, the holiday period may be divided into a maximum of two different sub-periods; thereby, the Company seeks to improve the quality of life, wellbeing, and productivity of all Company employees.

Holiday Policy Standards

- Each employee is to claim the holidays to which they are entitled through prior agreement with the corresponding line manager, which is sought through the form established by the Company. This form must be submitted to the Human Resources area.
- Before an employee can claim their holiday period, a substitute employee must be assigned to cover the post. This employee must be duly qualified and trained to discharge the functions assigned. To this end, the form for the delegation of functions and responsibilities during holiday periods must be filled out, and subsequently approved by the corresponding line manager.
- Employees are expected to claim the 15-days of holiday paid leave to which they are entitled regularly. However, if this is not possible, this period may be divided into two different sub-periods. The accumulation of more than two holiday periods is not permitted.

Compensatory Time-off and Overtime Policy

The Chief HR and Administration Officer guarantees, through the line managers, the application and good management of compensatory time off and the generation of overtime payment, so as to comply with Colombian legislation and ensure employee wellbeing.

Overtime is only granted with the authorization of the corresponding line manager, and in response to pertinent Company needs.

Any paid rest day arising out of Sunday working must be claimed the week immediately following the Sunday worked.

Compensatory Time-off and Overtime Policy Standards

- As provided by law, no more than two hours of overtime per day and twelve hours per week may be accumulated. Each line manager is responsible for determining the need for activities that require

overtime or Sunday working.

- The payroll report of overtime hours must be prepared with the approval of the corresponding line manager, and attaching a justification for why this overtime was required. In no case may overtime hours be compensated in the form of time off.
- It is the responsibility of each line manager to ensure that the work day authorized by law and the budgetary execution of personnel expenses be complied with.
- When an employee works on a Sunday or a public holiday, the hours worked are to be compensated at the rate established by local labor legislation. Payment of the overcharge must be immediately reported to the Payroll department for payment at the close of the next payroll period.

Occupational Health and Safety Period

The Company leads and promotes a culture of care and self-care, committing to implementation and management of the occupational health and safety system in pursuit of continuous improvement, the prevention of workplace illnesses, and the generation of working conditions that favor the physical, mental and emotional health of employees.

We are a Company that generates, transmits, distributes, and sells electrical energy; we recognize safety as a life value and protect the wellbeing of our employees, contractors, suppliers, and visitors across all work sites by identifying hazards, assessing and appraising risks to determine controls and allocate the resources necessary to manage all risks, and guaranteeing compliance with all applicable legal requirements. All levels of the Company assumes responsibility for promoting a safe and healthy working environment through compliance with occupational health and safety procedures and requirements.

Employees, contractors, and temporary staff are responsible for complying with safety standards and procedures. Moreover, they are responsible for the timely notification of all conditions that may give rise to consequences or contingencies for them or for the Company.

At our Company, safety is non-delegable and non-transferable at all times and across all sites.

Occupational Health and Safety Policy Standards

- All Company employees are responsible for a comprehensive approach to health, via the identification, assessment, follow-up, and communication of the hazards and risk factors associated with the processes.
- The Chief HR and Administration Officer equips employees with the safety-related tools and equipment necessary for the performance of their roles. Employees are responsible for the care and responsible use of these items.
- The Company is committed to the physical, mental, emotional, and social wellbeing of employees, and is conscious of the adverse effects that alcoholism, drug addiction and smoking have on health and productivity. It maintains and promotes safe workplaces and carries out, through the Chief HR and Administration Officer, educational campaigns aimed at prevention and control with a positive impact on improving the quality of life of employees and their families.
- In line with the above, the Company prohibits the possession, use, distribution, and sale of alcoholic beverages, psychoactive substances, and tobacco within the Company's premises and/or vehicles. It is also forbidden to come to work under the effects of alcohol, drugs, and/or hallucinogenic

substances or stimulants.

- The Chief HR and Administration Officer, together with the areas responsible, enforces and verifies compliance with current legal requirements on occupational health and safety with respect to contractors and service providers.
- The Company provides appropriate conditions for visitors, suppliers, and external staff during their stay at the facilities. The heads of areas must alert external personnel to existing hazards and risk factors, and assure compliance with the occupational health and safety requirements stipulated by the Company.
- The Company has an occupational health and safety program in place that seeks to identify, assess, prevent, inspect, and monitor the psychosocial risk factors and improve the quality of life of employees and their families.
- The Strategic Procurement area must guarantee the identification and assessment of specifications regarding the procurement of products and services related to occupational health and safety. The Chief HR and Administration Officer must guarantee the implementation of the occupational health and safety standards established in the legislation of each country of operation when implementing new projects or acquiring business.
- The Chief HR and Administration Officer must assess the impact on occupational health and safety that may be generated by internal or external changes to the Company.

Provision of Work Uniforms and Footwear

The Chief HR and Administration Officer guarantees the provision of work shoes and uniforms, for both employees who have the legal right to this benefit, as well as those employees who require it due to their functions and for reasons of corporate image, thus complying with Colombian labor legislation and the Company's industrial safety standards.

Provision of Work Uniforms and Footwear Policy Standards

- Those employees whose monthly remuneration is no more than twice the current statutory monthly minimum wage have the legal entitlement to be supplied with work shoes and uniforms. The law establishes the provision of a complete set of shoes and uniforms every four months. However, the Company may dispense the established and/or guaranteed yearly uniform provisions all at once and in advance.
- The Chief HR and Administration Officer determines the positions that, because of their functions and because of the corporate image of the Company, will also be supplied with Company shoes and uniforms, even though their remunerations may be greater than two SMLMV. It also determines the frequency with which these uniforms and shoes are to be supplied and the number of provisions to be made.
- The Chief HR and Administration Officer, together with the Strategic Procurement and Warehouse areas, determine the logistics for dispensing the yearly supply.
- Personal protective equipment are to be provided to employees who need it because of their position, irrespective of pay rank.
- When visiting power plants, employees that are not normally required to wear Company uniforms and shoes will be provided with any required personal protective equipment, which are available at each of the power plants.

Retirement Pension Policy

The Chief HR and Administration Officer guarantees that once all employees have met all the legal requirements for eligibility for a pension (weeks paid and age), they will proceed to undertake the procedure in place for the recognition of said pension. Otherwise, the Chief HR and Administration Officer will proceed with the acknowledgment request on behalf of the employee so as to secure his/her entitlement to this benefit of the pension, in accordance with Colombian legislation.

Retirement Pension Policy Standards

- Once an employee meets the requirements to receive the pension, they must request an appointment to complete the corresponding documents at the pension fund management company the week after they have reached the eligible age. Eight days after the presentation of the documentation, the employee is required to submit the record of filing of this process to the Human Resources area.
- If the employee fails to complete this procedure, the Chief HR and Administration Officer will undertake the pertinent procedures in accordance with current legislation. Once the pension resolution has been received, the employee has eight days to present it to his/her corresponding Healthcare Providing Institution (EPS). The employee must inform the Human Resources area regarding recognition of the pension and must also provide a copy of the legal act for inclusion in his/her file.
- The employee will work in the Company until he/she is incorporated in the payroll of the respective pension fund, in accordance with the regulations in force.
- The Company may provide support and counseling to the employee during the pension preparation process, and during the formalities of pension recognition.

Travel and Transportation Expenses Policy

The Chief HR and Administration Officer is the party responsible for managing the travel expenses process. When an employee is required to travel for business, the Company covers all expenses associated with the trip, accommodation, and food. Each employee is responsible for processing the requests necessary for their trip, and must have them approved by the corresponding Chief Officer, or the CEO in the case of overseas travel.

Travel and Transportation Expenses Policy Standards

Travel Expenses

- Ticket and transportation reservations are made through the system defined by the Company. The Secretaries and/ or Administrative Employees of the area to which the employee belongs are responsible for all processing corresponding to employee requests.
- All Company employees, irrespective of seniority or position, must travel in economy class. For this reason, they must inform the corresponding Chief Officer about all air transportation requirements five days in advance for all domestic trips, and eight days prior for all international trips.
- Requests for ground transportation for trips between the employees' home and/or the office and vice versa, must be made along with the trip request. Similarly, all land trips to be made as part of visits to power plants, sites, or projects outside of urban areas must be included in the request.
- Employees, irrespective of seniority or position, must lodge in those hotels with which the Company

has business agreements in place. It is for this reason that, when making the trip request, all accommodation requirements must be reported.

- The Company has business agreements in place with high-quality hotels in each of the locations where it has a presence. In locations where there are no such agreements in place, the party responsible for making the request must choose accommodation in accordance with the rates established in the business agreements.
- When employees of different positions and/or seniority are assigned to a single trip and stay at the same hotel, the lowest available rate will apply.
- Where possible, Company employees should schedule their business meetings so that they all take place on a single day so as to minimize hotel accommodation.
- Long trips are those that last for more than 10 days. In these cases, the Company may opt for the use of apartment hotel services.
- The Company covers the following hotel service expenses:
 - Accommodation
 - Hotel taxes
 - VAT
 - Hotel breakfast
- Laundry services costs are only covered for stays lasting more than five days.
- All additional services, such as minibar usage, must be paid by the employees themselves directly to the hotel.
- The Company will not cover any costs associated with the consumption of alcohol; the employees must cover all such expenses.
- The Company covers employees' meals during their trips, as per the following rates:
- Each year, the Company will set and announce the rates in place for covering accommodation expenses.
- If an employee requires a cash advance so as to cover travel expenses associated with meals and transportation, he/she must request this at the same time as the trip reservation is made. Employees may be given access to travel advances, subject to approval of the corresponding line manager and in compliance with the defined procedure.
- All meals consumed must be supported by the corresponding receipts. All amounts that exceed the aforementioned rates, or that are not supported by a receipt or invoice, are to be paid by each employee, and will be discounted from the payroll for the month following submission of the expense claim.
- Those employees who are authorized to incur representation expenses associated with services for third parties must submit all such claims separately from standard travel expenses, duly supported by the corresponding receipts or invoices.
- The maximum times allotted for submitting expense claims expenses are:
 - Three business days after returning from the trip, in the case of domestic trips.
 - Eight business days after returning from the trip, in the case of international trips.
- If an employee has not submitted an expense claim associated with his/her last trip, he/she will not be authorized to go on another trip until they have met this requirement.
- The submission of claims for travel expenses must be approved and signed by the corresponding Chief Officers or Line Manager, subject to review by the party responsible in each area for

processing trip requests, while guaranteeing compliance with the policy and the amounts established for said expenses.

- Travel expense claims submitted by Chief Officers equivalent to less than three times the current statutory minimum monthly wage do not require the approval of the CEO.
- If the Accounting area has not been instructed to settle expenses following expiry of the established time period for submitting expense claims, it will proceed to send a list of the corresponding individuals and amounts to Human Resources for due payroll deduction, following notification of the employee.
- When an employee wishes to combine a business trip with a personal trip, they must cover any cost differences between what is approved by the Company for the business trip and the additional amount sought by the employee.
- If an employee should need to modify or cancel a reservation, they must notify the party responsible in a timely fashion so that the latter can proceed with the corresponding formalities. If an employee does not inform this party in a timely manner, or misses a flight for non-work-related reasons, the employee must cover the costs arising out of this incident, unless these changes are due to Company requirements and are clearly justified.
- When an employee does not require the use of the reserved hotel room, or there is a change to the reservation, he/she must inform the party responsible for managing the request or the required cancellation or change. If this procedure is not carried out in a timely fashion, the Company shall charge the invoice to the employee, unless these modifications are due to requirements by the Company and the changes are completely justified.
- When two or more employees travel on the same flight, shared transportation to or from the airport must be arranged when the addresses are all within a ten (10) block radius of each other. So as to avoid delays that could affect the flight itineraries or scheduled agendas of the Company employees concerned, the maximum waiting time allowed for an employee to board the vehicle is five (5) minutes. After this time, the vehicle will leave with those employees who are present.

Each vehicle must transport at least two (2) and no more than (3) people. These vehicles are assigned according to the place of departure of said individuals and the trip schedules. Similarly, employees may request joint scheduling at the time of requesting the trip.

- In the case that an employee makes business trips using his/her private vehicle, the Company will reimburse all expenses incurred related to tolls, parking, and fuel, after receiving all the corresponding receipts or invoices attached to the expense claims form. Employees are required to keep all vehicle documentation required by the competent authorities up-to-date, and the Company will accept no liability for third-party damage.
- For international trips, employees have the right to travel in business class only in those cases where the duration of the flight from take off to landing is equal to or greater than six (6) hours. This period is measured from airport to airport, without including the time spent waiting at the different airports. The available flight that makes the trip in the least possible time is to be considered for determining the total length of the trip.
- The Company provides medical assistance insurance abroad for those employees that travel to other countries for business reasons.
- It is indispensable that all foreign technicians and consultants hired by the Company for projects or specific tasks possess a legal work permit or visa.
- For travel associated with projects or field trips, there is a specific manual which sets out the general guidelines regarding meals, accommodation, and transportation.

Each year, the Company will set and announce the rates corresponding to travel expenses via the intranet.

A. Temporary Transfers

- If the Company requires for delivering a service that an employee be transferred temporarily to another branch, the following conditions for the employee will be covered for the entire length of the temporary transfer, expiring once the employee returns to their original place of work:
 - **Accommodation Expenses:** The Company will cover hotel expenses or house rental expenses during the period of time that the temporary transfer lasts.
 - **Transfer Expenses:** The Company will assign the employee a method of transportation to be used for the transfer. When the temporary transfer lasts for more than one (1) month, the Company will cover the cost of transportation for the employee to his/her city of residence two (2) times a month, provided that the purpose of the temporary transfer is not affected by these trips.
 - **Food:** The Company will cover the employee's food expenses to the value of expenses incurred, on the basis of the amounts set for this policy, duly accompanied by supporting documentation.
 - In the case of projects, the Chief HR and Administration Officer may determine different conditions.

Permanent Transfers Policy

The Chief HR and Administration Officer is the party responsible for coordinating all permanent transfers of employees to a site that is different from the one where they were hired. The decision to transfer an employee is founded on the needs of the Company and must be agreed upon between the employee and the corresponding line manager. To facilitate the adaption of the employee and their family to the new work location, the Company covers all expenses related to transportation, transfer, and accommodation - for a maximum period of time of 30 calendar days in the case of the latter.

Permanent Transfer Policy Standards

In the case of permanent transfers, the employee has the right to assistance for the following:

- **Removal expenses for furniture, belongings, and vehicles:** The Company will cover 100% of the removal expenses that the employee may incur. The Chief HR and Administration Officer will be the party responsible for coordination of the corresponding formalities.
- **Transportation:** Expenses corresponding to the land or air transportation of an employee and their family from the city of origin to the new area of residence are covered by the Company, which will determine the means of transport that will be used.
- **Accommodation:** The Company will pay for the accommodation of the employee and his/her family group from the time of their move up to a maximum period of 30 calendar days thereafter. During this period, the employee must decide upon a permanent place of residence.
- **Transfer Assistance:** The employee will be given a one-time payment of a fixed sum equal to their basic monthly salary at the time of the move. This amount will not be deemed as part of the basic salary. This payment is to totally or partially cover expenses associated with the move, such as: rental contract penalties, supplementary public utilities, changes of schools, adaption to the new residence, etc.

Once the work contract has come to an end by mutual agreement or unilaterally by the Company, the employee may request that the Company return them to their city of origin under the same conditions applicable to the initial transfer; that is, the Company will cover the cost of airfare for the employee, their family group, and removal costs.

Related Documentation

- Legal labor provisions
- Employment contract
- Internal Work Regulations
- Corporate Governance Code
- Position description form
- Training request form
- Advance form
- Expenses claim form
- Holiday request form
- Staff requirement form
- Instructions for travel expenses associated with visits to projects or in-field.
- Publication of travel expense rates on the intranet.
- Psychoactive substance prevention program.

CHANGE CONTROL

VERSION	DATE	JUSTIFICATION FOR THIS VERSION
2	5/23/2016	The participation of the Appointment and Remuneration Committee is included in the components of the policy baseline.