

POLICY

Conflict of Interest

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Version: 03

Type: Public

This PO.ADC.02 document is integrated to the body of the current internal regulation of the entities Distribuidora de Electricidad de Oriente, Sociedad Anónima and Distribuidora de Electricidad de Occidente, Sociedad Anónima. All references made to ENERGUATE in the present document must be understood as references to the entities Distribuidora de Electricidad de Occidente, Sociedad Anónima and Distribuidora de Electricidad de Oriente, Sociedad Anónima, indistinctly.

| | Responsible |
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Historical Revisions

| Version | Date | Reason |
|---------|------------|--|
| 01 | 11/04/2019 | Redrafting of document |
| 02 | 04/25/2022 | Adaptation of content into the current policy template, updating of definitions according to corporate policy, as well as modification in some points of the policy with the purpose of clarifying and strengthening controls for its application. |
| 03 | 09/01/2023 | Update of communication channel and persons responsible of this policy. |

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1. OBJECTIVE

Establish the regulation for prevention of Conflicts of Interest matters in which the company's employees may be found, with the final purpose of guaranteeing transparency, integrity and respect of the regulations and a timely and proper management of situations that may lead into a Conflict of Interest.

2. SCOPE

ENERGUATE is required to implement and comply with all the current policies and guidelines.

Likewise, it is required that contractors of the company group keep the same spirit and intention of such policy and guidelines, standardizing the provisions that correspond according to the nature of their contract.

3. REFERENCE DOCUMENTS

a. Internal

- CO.ADC.01 Code of Conduct and Ethics
- PE.RHS.02 Recruitment, Selection and Internal Promotion

b. External

- Without reference documents.

4. DEFINITIONS

- Employee: refers to directors, managers, officials or employees that are part of ENERGUATE or to third party services that act in its representation.
- Conflict of Interest: situation where the business, financial, family, political or personal interests may interfere with the judgement of value from Employees while carrying out their obligations towards the company.
- Apparent Conflict of Interest: there is the appearance that the personal interests of an Employee may influence incorrectly its decision. Even if it is not the case, it may generate wrong or suspicious perceptions, damaging its image.
- Potential Conflict of Interest: when an Employee has susceptible personal interests or situations that, in the future, may create a real conflict of interest.
- Real Conflict of Interest: when a conflict of interest is materialized.

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- f. Public Officials: the term Public Official, governmental authority or officials of elected governments or appointed includes widely the following:
- Any official or employee of any entity, department or agency of the government (either foreign, national, federal, state, municipal, local or tribal) and of any branch of state power (executive, legislative or judicial).
 - Any official or employee of regulatory commissions, supervisor bodies and/or any other institution or entity that exercises supervision over the company.
 - Any employee of a business, school, hospital or other state entity or company owned by the government or with state participation within their shareholders.
 - Any political party or official, chairholder or employee of it.
 - Any candidate for a public position.
 - An international public organization or any entity or agency of it, just as its officials or employees. (for example, United Nations, International Olympic Committee, FIFA Committee or the World Bank).
 - Any person who acts as official or in representation of a governmental entity.
 - Union leaders and representatives must be treated as Public Officials, independently if they are considered or not as such by the laws of the corresponding jurisdiction.
- g. Interaction with Public Officers: is understood by interaction with public officers the management by an Employee on behalf or representation of the company, who seeks as result an action or decision by the Public Officer.
- h. Family Member or Relative: any person with which the employee has a kinship relationship.
- i. Immediate Boss: person to which the Employee reports and coordinates directly its activities of a superior hierarchy level in the organization.
- j. Ethic Line: is the communication channel that ENERGUATE makes available for people inside and outside the company. Impartial and transparent. The Ethics Line guarantees confidentiality of information; preserving the identity of the people involved, if they prefer it so.
- k. Access the Ethics Line through:
- E-mail: energuate.ethicspoint.com
- l. Personnel with High Exposure to Compliance Risks: are those positions in which an Employee meets any of the following criteria:

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- Has authority to assume commitments on behalf of the company.
- Authorizes contracting, supervises or manages the activities with Business Partners.
- Exercises the representation of the company externally.
- Has decision power in the management of resources and/or services.
- Has decision power in the management of money.
- Has interaction with Public Officers.
- Manages or access sensible and/or confidential information of the company.
- Travels to foreign countries to attend businesses in representation of the company.

Note: is not considered of High Exposure to Compliance Risks the internal personnel who makes payments, processes or routine arrangements in public agencies and that do not have negotiation or decision power or the capacity of compromise the Company in agreements at personal title.

m. Close People:

- Any person who shares the Employee's house, other than domestic workers or tenants.
 - Different relatives to the ones included in the second degree of consanguinity and affinity, close friends or other personal relationships (such as godparents, godchild, tutors, guardians, among others) that may create a situation of Real or Apparent Conflict of Interest in the exercise of its functions inside the company.
- n. Suppliers: people or institutions with which the company keeps commercial, contractual or business relations and includes in a wide sense: contractors, goods and/or services providers, consultants, subcontractors, advisors, agents, distributors, commercial partners, etc.
- o. Supervision Relationship: is that person with whom there is a direct or indirect hierarchic relationship, or when is dependent of the same supervisor.
- p. Business Partner: includes, but is not limited to customers, consumers, "business alliances", business alliances of partners, members or a consortium, suppliers, contractors, consultants, subcontractors, vendors, advisors, agents, distributors, representatives, intermediates and investors.

5. RESPONSIBILITIES

a. Employees:

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- All employees, independently of their hierarchic level in the company, are responsible of the compliance with the present Policy, as well as to report the transgressions that arise in it.
 - Employees that have any question of if a situation creates a conflict of interest must ask his immediate boss, the Human Resources and Communication Management, the Legal Services Management, Compliance or use the Ethics Line.
- b. Managers, Submanagers and People Responsible of the Process
- Explain this policy to their employees and answer the questions needed.
 - Duly document any conflict of interest that has been reported to it.
 - Ensure that personnel under its charge complies with the subscription of the Conflict of Interest form in the opportunities indicated according to what is established in number 6.5 Reporting Conflicts of Interest.
 - Review and consent the Conflict of Interest forms subscribed by its employees.
 - Define the actions for the mitigation of Conflicts of Interest identified.
- c. Human Resources and Communication Management
- Lead and execute the compliance with the periodic internal processes programmed for the communication of Conflicts of Interest.
 - Differentiate and establish the personnel with High Exposure to Compliance Risks.
 - Ensure that ENERGUATE'S personnel comply with subscribing the reports in the indicated opportunities.
 - Review and consent the Conflict of Interest form submitted by the Employees and reviewed by the Immediate Boss, just as to propose and participate in the actions of mitigation agreed.
 - Define and execute the actions of mitigation of risks for Conflicts of Interest identified.
 - Report on time to Compliance about the knowledge of Conflicts of Interest identified.
- d. Compliance
- Update the content of the present Policy.

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- Communicate and disclose the updates, changes, exceptions and any other matter related with it.
- Channel and clarify any doubt or comment about the Policy.
- Review and approve the corresponding Conflict of Interest form.
- Participate in the definition of the actions of mitigation for Conflicts of Interest identified.

6. POLICY DECLARATION

6.1. Conflict of Interest

A conflict of interest arises due to a bond of the employee with any person or company that has or may have a commercial or working relationship with ENERGUATE, and that its business decisions may be influenced by personal, family, financial or any other kind of situations. ENERGUATE requires that its employees avoid any conflict between their personal interests and the ones of the company when addressing suppliers, contractors, customers or any organization or person that expects or has a commercial, business or contractual relationship or that is looking to satisfy a particular interest with ENERGUATE.

6.2. General Principles

In line with the best practices of a good corporate government, this Policy and the strategy of prevention and management of conflicts of interest of ENERGUATE, are developed from the following general principles:

6.2.1. Transparency and Veracity of Information about Conflicts of Interest

ENERGUATE will ensure at all times that all that information related to conflicts of interest, either object of disclosure to its shareholders and investors, to the authorities or regulatory bodies and to the markets in general, are governed by the principles of transparency, clarity, veracity and accuracy of information.

6.2.2. Impartiality and Professionalism

ENERGUATE and the people subject to the present Policy, will ensure that their professional actions are at every moment impartial and objective, especially in the frame of those operations that may suppose a potential conflict of interest.

6.2.3. Equal Treatment and Non-Discrimination

Within the frame of prevention of possible conflicts of interest, is promoted and guaranteed equal treatment to all those shareholders and stakeholders that may be in the same position, without

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prejudice of the safeguard of the social interest before any situation of conflict of interest.

6.2.4. Compliance with the current law, policies and corporate government and assumption of recommendations, principles and best practices.

In the application of this principle, the present Policy respects at every moment the current laws, the corporate government and the internal regulations of ENERGUATE, as well as the recommendations, principles and best practices of good government assumed in this matter.

6.3. General Guidelines

Is prohibited any activity or situation that may create a type of conflict of interest, including, but not limited to, the following cases:

- Obtain advantage of business opportunities for personal benefit, direct or indirectly, that may arise as consequence of a working or professional activity performed in ENERGUATE.
- Take advantage of our position in ENERGUATE and the knowledge obtained from our work to use them for personal, family, close people or third party benefit in demerit of the benefit of the company.
- Use the assets, as well as the confidential and strategical information of ENERGUATE, for personal, family, close people or third party benefit.
- Use privileged information with different purposes than the corporate for personal, family, close people or third party benefit.
- Compete direct or indirectly with ENERGUATE.
- To be direct or indirect supplier of companies that keep some type of businesses with ENERGUATE.
- To be direct or indirect supplier of institutions that are part of the Government.
- Influence third parties or be influenced by third parties in prejudice of the interests of ENERGUATE, putting first personal, family, close people or third parties' interests.
- Accept a job or any type of commercial or contractual relationship with a supplier, contractor, subcontractor or customer or with any company with which ENERGUATE has commercial relationship.

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- Have direct or indirect personal interest in any partnership or entity that has businesses or business projects with ENERGUATE.
- Influence on third parties or be influenced by third parties in prejudice of the interest of ENERGUATE.

6.4. Specific Guidelines

In case there are situations as the ones described in this number or any other situation that may be a real, apparent or potential conflict of interest, they must be express and timely reported in the corresponding Conflict of Interest form. The company will take the measures needed in accordance with its internal regulations and principles to address the conflicts of interest.

6.4.1. Kinship

Is prohibited to contract relatives of first and second degree of consanguinity and kinship ([see Annex 9.1 – Degree of Kinship](#)), and spouses in functions where a hierarchic relationship exists, direct or indirectly, or that depend on the same immediate superior.

In addition, to reduce the possibility of a potential conflict of interest it must be avoided to contract relatives, different from the ones mentioned in the previous paragraph. Contracting a person in this condition must be approved by the General Management and for that effect it will have the written opinion of the Human Resources and Communication Management. The aforementioned applies also for people that, not having the degree of consanguinity or kinship already defined, have a sentimental relationship.

6.4.2. Marriage and Concubinage between Employees

In case, that two employees decide to marry or start a concubinage, the areas involved in coordination with the Human Resources and Communication Management will define the most convenient way to change one of the two employees to a different Management, without modifying their current working conditions; as long as:

- The two employees work in the same area.
- There is a direct supervision relationship between the employees.
- For the scope of the responsibilities of one of the positions involved, in the bond established may create a conflict of interest.

6.4.3. Duty of not Concurrence and Investments

No employee or its spouse must have investment, be shareholder or have any type of interest in companies or institutions which are competition, business partners or that have a business relationship

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with ENERGUATE, or, through the participation of shares that may allow them to have the control of it.

Likewise, the employees or their spouses will not be able to operate, administer, be part, control, provide services or be in relationship of dependence, as employees, advisors, directors, officials, partners, agents, associates or principals, in respect to the companies mentioned in the previous paragraph.

No employee or its spouse may use privileged or confidential information of the company to take investment decisions in personal, relatives, close people or third party benefit.

6.4.4. Operations with Third Parties (customers, suppliers and competitors)

The employees that have to manage, recommend or approve in an intermediate or final instance an acquisition or sale of a good, contracting or provision of service, a grant of credit and/or special discounts to customers, or any type of transaction with customers, suppliers, contractors or competitors, have prohibited to take decisions or make such transactions with the intention of generating any personal, family, close people or third party benefit, replacing what is best for ENERGUATE.

If between employee and the third counterpart, exists a person considered relative or close person, or there is any significant interest in the third party business and/or capacity of decision, it must be reported to the immediate boss, who has to make an objective analysis of the case, and the employee will inhibit from taking a decision.

6.4.5. Exclusive Dedication

ENERGUATE requires that its employees dedicate their time and effort within the working hours, committing themselves to the compliance of their functions. In that sense, they will not be able to develop activities that interfere or enter in conflict, direct or indirectly, with their functions and activities in the company.

It is prohibited to perform any type of activity or personal business, participation in any other activity of non-profit organizations (for example: be the owner, partner, director, consultant or advisor of other companies) in the measure that:

- Is made within the working hours.
- Affects the interests of the company.
- Interfere with the performance or development of its functions.
- Is made using the resources of the company.

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- Is made in the company's facilities.

Any additional working activity of the employee must be expressly reported in the Conflict of Interest form submitted.

When an employee is dedicated to teach or to give academic conferences, it must follow these guidelines and take into account that it is not allowed to share, disclose and/or give confidential and/or privileged information of ENERGUATE. In addition, it must have the authorization of its Immediate Boss prior to the commitment with the teaching activities.

In case an employee is going to perform additional working activities to the ones performed in ENERGUATE or in the political order, it must report it through a Conflict of Interest form submitted, which must include as minimum the following information:

- Name of the company or organization.
- Date of appointment or of starting activities.
- Nature of the business or activity.
- Information that shows that there is not and will not be able to exist any conflict of interest.

6.4.6. Participation in Non-Profit Organizations

Is allowed the constructive participation of employee in non-profit organizations of professional, sector or civic nature, when:

- ENERGUATE makes donations or social responsibility programs to non-profit institutions, and appoints one of its employees as contact with the institution to which is giving its contribution. Such contact must keep a close bond with the institution with the purpose of increasing the effectiveness of the contribution, and to be in the position to determine the convenience of continuing with it.
- The employee gives cooperation to industrial associations, chamber of commerce and other similar organizations related in a way to the institutional life of the Company.

6.5. Reporting Conflict of Interest

All selected candidates that participate in the recruitment process must complete the *FO.PE.RHS.02.06 Conflict of Interest Form*, which is part of the record associated to the specific procedure *PE.RHS.02 Recruitment, Selection and Internal Promotion*, which is managed for the coverage of vacancies from the Human Resources and Communication Management. Likewise,

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periodically a massive process is made directed to employees in which the information related to Conflict of Interest is updated, for which the form used may be reviewed in the following link:

If an emergency situation is suggested which effective and/or potentially implies a conflict of interest or that may be perceived as such, the employee must report it through the form *FO.PO.ADC.02.01 Conflict of Interest Submitted*.

6.6. Consequences of Breach

Deviations and breach to the present policy may cause the imposition of disciplinary measures, that, if applied, will be used as educator and forming element of our organizational culture.

The disciplinary measures for breach of the present Policy must be fair, reasonable and proportional to the fault incurred, respecting the corresponding legal frame and the internal regulations of the company.

6.7. Exceptions

Any exception to this policy must be treated in a particular way and must be duly supported by the hierarchic Manager, General Manager and by Compliance.

7. CONTROL POINTS

Compliance with this Policy is mandatory. Every employee of ENERGUATE and any third party acting on its behalf, interest or representation, must understand its role and responsibility in relation with this Policy.

The cases that arise must be documented by the employee of ENERGUATE and duly reviewed and approved, or by a third party acting on its behalf, likewise all the information must be saved as support for when Compliance or any other control body may require it.

Managers, Submanagers and People Responsible of the process of ENERGUATE must manage the information provided by the employees in the forms of conflict of interest to identify improvement opportunities in the internal processes of the company.

8. RECORDS

| RECORD | PERSON RESPONSIBLE OF ISSUANCE | SUPPORT | RESPONSIBLE OF FILE | CONSERVATION TIME |
|---|--------------------------------|----------------------|---------------------|-------------------|
| <i>FO.PO.ADC.02.01 Conflict of Interest Submitted</i> | Employee | Digital/ Physical | Compliance | 5 years |

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9. ANNEX

9.1. Degree of Kinship

