

Relevant Information

Medellín, August 11, 2020

EPM reports on the resignation of eight members of the Board of Directors and addresses the request of the Financial Superintendence of Colombia:

Current state of corporate governance and details of the developments that led to the occurrence of the events disclosed by the media:

On the afternoon of August 11, 2020, 8 members of the EPM Board of Directors submitted to the City Mayor their resignation as members of the Board of Directors, which was accepted.

The foregoing occurred following a special meeting held in the morning, called at the request of the members of the Board of Directors, which dealt mainly with issues related to the proposals set out in a letter submitted to the CEO in the evening of August 10, 2020, which was disclosed to certain media, requesting that the special meeting be called.

Firstly, and after confirming the attendance of all the Board members, an agenda was proposed, which was approved and, in summary, consisted of the following:

Reading of the letter submitted by the Board members, which served as the basis for calling the extraordinary meeting.

Analysis of the comments outlined and the grounds of Management, from the legal standpoint (lawfulness of its actions), based on the submission of documents and minutes to show that, with regard to the draft reform of the company's corporate purpose, the proposals that would be taken by the Mayor to the Municipal Council had indeed been submitted to the Board members. It was also clarified that the issue was always taken to the Board for information, since the authority to reform the bylaws does not fall on the Board of Directors, but rather on the City Council, at the initiative of the Mayor.

Similarly, explanations were given as to why, according to the entity's bylaws, the function of representing the company in court and otherwise falls on the CEO and therefore, the decision to submit the request for out-of-court settlement related to the contingency of the Ituango Hydroelectric Project, was not to be made by the Board of Directors.

It was also explained that it was important to do so because the terms of the procedural rules for filing claims were close to expiring, under penalty of forfeiture, which should be avoided.

Finally, a dialog scenario was opened for the Board members to express their considerations regarding the letter in question, at which time, the Board members stated that they should have been consulted regarding this action (referring mainly to the request for settlement filed) and that they did not agree with the fact that, in some way, it was implied in the statement released by EPM to the public, that it supported this action.

The same consideration was given to the draft Agreement for the reform of EPM's corporate purpose (draft already withdrawn from the Medellín Council) despite the explanations and evidence provided by Management, which shows that the Board was indeed aware of the intention to file the draft and, above all, of its content.

At the meeting, it was agreed that EPM would issue a clarification to item 6 of the statement released and, in turn, the Board members would acknowledge that they were aware of the intention to submit the draft agreement to reform the company's corporate purpose.

At around 9am, there being no further items on the agenda, the extraordinary Board meeting was adjourned. However, the Board members advised that they would issue a new communication or statement, as in fact occurred at the end of the afternoon, when they notified the City Mayor of their decision to resign.

However, in view of the measures that will be adopted to recompose the existing governing bodies, it is up to the City Mayor to proceed to appoint the new Board members who will replace those who have resigned, since it is he, according to the applicable regulations, and fundamentally the bylaws, who has the power of appointment.

With respect to the publication of the details of good corporate governance practices in place for the relationship between senior management, the Medellín Mayor's Office of Medellín and the EPM Board of Directors,

they are set forth in the following documents, which can be found via the following link:

<https://www.epm.com.co/site/inversionistas/inversionistas/gobierno-corporativo/modelo-de-gobierno/elementos-formales>:

- EPM bylaws, contained in Agreement No. 12/1998 and which have been complied with.
- Framework agreement on relations, signed between the Municipality of Medellín and EPM, whose purpose is "*(...) to state the general conditions that frame the "owner-company" relations between the Municipality of Medellín - a public entity that owns 100% of the capital - and Empresas Públicas de Medellín E.S.P., - an industrial and commercial company of the municipal government and an official public utility company -, defining the principles that should govern them and the specific obligations in which their effective balance is defined.*"
- Code of Corporate Governance of EPM and the EPM Group, which compiles and provides the practices that are defined and implemented at EPM, and are adopted by the subsidiaries, and establishes that, once these practices are adopted by the competent Governing Body at each company of the EPM Group, they will be mandatory for the company, its managers and employees or officers.
- Rules of Procedure of the EPM Board of Directors.
- Rules of Procedure of the EPM Board of Directors' Committees.