

18 July 2024

**Regulations of the
Audit and Compliance
Committee of
Iberdrola España, S.A.U.**

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CHAPTER I. NATURE, OBJECT AND APPROVAL OF THE REGULATIONS

Article 1.- Nature and Object

1. Pursuant to the provisions of the *By-Laws* of Iberdrola España, s.a.u. (the “**Company**”), the Board of Directors establishes the Audit and Compliance Committee (the “**Committee**”), a permanent internal informational and consultative body without executive duties, with the power to inform, advise and make proposals to the Board of Directors within its scope of action and which shall be governed by the provisions set forth in the *By-Laws* and in these *Regulations of the Audit and Compliance Committee* (the “**Regulations**”).
2. These *Regulations* stem from the independent status of the Committee and are intended to establish its duties while defining the principles of conduct and setting forth its rules of internal operation, as well as its relations with the Internal Audit and Risk Division and with the Compliance Unit.

Furthermore, taking into consideration that the sole shareholder of the Company is Iberdrola, S.A., the listed parent company, within the meaning established by law, of the Group to which the Company belongs (the “**Group**”), these *Regulations* are also intended to establish, being the Company a subholding of the Group, the framework for relations and information exchange between the Committee and the Audit and Risk Supervision Committee of Iberdrola, S.A. and, if any, any committees of the head of business companies in which the Company holds an interest, such that they can adequately perform their respective duties without compromising their independence, in accordance with law and the respective provisions of the Governance and Sustainability System thereof, ensuring compliance at all times with the legal provisions applicable to each company.

Article 2.- Approval, Amendment and Order of Priority among Provisions

1. These Regulations and any amendment hereof must be approved by resolution of the Board of Directors of the Company, at the proposal of the chair of the Board of Directors or of the chair of the Committee.
2. These *Regulations* further develop and supplement the by-law provisions applicable to the Committee, which shall prevail in the event of conflict with the provisions of these *Regulations*.

CHAPTER II. DUTIES OF THE COMMITTEE

Article 3.- Duties

1. The Committee shall perform its duties with full autonomy, without prejudice to the establishment of a suitable framework of cooperation and exchange of information regarding the performance of their duties with the audit committees that may be established at Group companies that are directly or indirectly controlled by the Company, as well as with the Audit and Risk Supervision Committee of IBERDROLA, S.A. AND TO THE PROVISIONS OF ARTICLE 6 BELOW.
2. In any event, the Committee shall have the following duties:
 - a. With regard to the Internal Audit and Risk Division:
 - i. Endeavour to ensure the independence and effectiveness of the Company’s Internal Audit and Risk Division, which is subordinate to the Committee, and that it has sufficient resources and that its members have suitable professional qualifications to carry out their duties most efficiently.
 - ii. Supervise and guide the work of the Internal Audit and Risk Division, ensuring that it exercises its powers proactively and that its activity is primarily focused on the significant risks of the Company and its Group (including reputational risks), receiving regular information on the activities it performs.
 - iii. Propose to the Board of Directors, for approval thereby, the appointment and removal of the Chief Internal Audit and Risk Officer. In order to prepare such proposal, the chair of the Committee shall liaise as appropriate with the Chief Internal Audit and Risk Officer of Iberdrola, S.A., reporting thereon to the Committee.
 - iv. Evaluate the operation of the Internal Audit and Risk Division and the performance of the Chief Internal Audit and Risk Officer.

The assessment shall be constructive and shall include an evaluation of the level of compliance with the annual activities plan and with any standards established for purposes of determining the variable components of the remuneration of the Chief Internal Audit and Risk Officer.

The conclusions from the assessment made by the Committee shall be submitted to the Board of Directors so that they may be taken into account when determining the remuneration thereof. The Chief Internal Audit and Risk Officer shall also be informed thereof.

- v. Propose the budget for the Company’s Internal Audit Division and Risk for approval by the Board of Directors.
- vi. Approve the annual activities plan of the Company’s Internal Audit and Risk Division, in accordance with the general plan established by the Internal Audit and Risk Division of Iberdrola, S.A.

- vii. Monitor the annual activities plan, verifying that:
 - the conclusions of the Internal Audit reports include weaknesses and improprieties detected, as well as the action plans for resolution thereof and monitoring of their implementation, and that are submitted on time or in a timely manner;
 - the Company's officers take into account the conclusions and recommendations contained in its reports;
 - the internal control and risk management systems function effectively and identify, manage, mitigate and quantify key risks (financial and non-financial) appropriately and that they remain within the indicated tolerance values; and
 - based on the provisions of the *General Risk Control and Management Policy*, that there is appropriate coordination with other functions entrusted with risk management, supervision and assurance powers and that the most significant risks (including reputational, corruption-related and emerging risks) are covered in compliance with the risk strategy of the Company and of the Iberdrola Group with respect to the Company and its subsidiaries.
 - viii. The Internal Audit and Risk Division shall regularly report on the implementation of the annual plan, informing the Committee of any significant incidents and changes that may arise in the course thereof.
 - ix. The Internal Audit and Risk Division shall submit to the Committee an annual activity report, for acknowledgement thereby, which shall contain at least a summary of the internal audit activities and reports carried out during the year, describing the work set out in the annual plan but not performed, or work carried out but not provided for in the initial plan, and shall include an inventory of weaknesses, recommendations and action plans. This report shall also be forwarded to the Chief Internal Audit and Risk Officer of IBERDROLA, S.A.
 - x. The Committee, through its chair, may request the presence of the Chief Internal Audit and Risk Officer at certain parts of the Committee's meetings during which aspects related to the scope of the powers or duties thereof are discussed, all in accordance with the provisions of Article 15.
- b. With regard to the internal control and risk management systems:
- i. Know and review the effectiveness of the internal control systems associated with the risks of the Company and of its directly or indirectly controlled companies, ensuring that they are aligned with the general processes and systems established by the Group.
 - ii. Ensure that the main risks of the Company and of its directly or indirectly controlled companies are identified, managed and properly reported in accordance with the *General Risk Control and Management Policy*, identifying at least the following on the basis thereof:
 - the different types of financial and non-financial risks (including operational, technological, cybersecurity, data protection, legal, social, environmental, political and reputational risks, or risks relating to corruption) facing the Company and its directly or indirectly controlled companies, including, among financial risks, contingent liabilities and other off-balance sheet risks;
 - the establishment and review of the risk map and levels that the Company deems acceptable;
 - the measures planned in order to mitigate the impact of identified risks in the event that they materialise; and
 - the information and internal control systems that will be used to monitor and manage the aforementioned risks, including contingent liabilities and other off-balance sheet risks.
 - iii. Together with the statutory auditors, analyse significant weaknesses in the internal control system detected during the audit, all without compromising the independence thereof. To this end, if appropriate, it may submit recommendations or proposals to the Board of Directors and the corresponding follow-up period.
 - iv. Promote, within the limits of its powers, a culture in which risk is a factor that is taken into account in all decisions and at all levels within the Company.
 - v. Issue, at least once every six months, a report for the Board of Directors on the internal control and risk management systems of the Company and directly or indirectly controlled companies, which the chair of the Committee shall subsequently make available to the chair of the Audit and Risk Supervision Committee of Iberdrola, S.A., in order to enable the latter committee to fulfil the duties with which it has been entrusted with regard to the internal control and risk management systems of the Group.
 - vi. Inform the Board of Directors regarding the main litigation proceedings of the Company and its directly or indirectly controlled companies, in order to identify the risks and contingent liabilities arising from existing claims and proceedings.
 - vii. Supervise the data protection and cybersecurity activities that are reported to the Committee and report in turn to the Board of Directors.

- c. With regard to the auditing of accounts:
- i. Propose to the Board of Directors, with regard to the statutory auditors of the Company appointed by the sole shareholder, the terms and conditions of the contract therewith pursuant to the *Statutory Auditor Contracting and Relations Policy*, acting for this purpose in furtherance of the Company's interest.
 - ii. Review the content of the audit reports before they are issued in order to ensure that they contain no qualifications, and assess the results of each audit, supervising the response of the Company's Management to the recommendations made therein.
 - iii. On an annual basis and prior to the audit report, issue a report setting forth an opinion on whether the independence of the statutory auditors has been compromised. This report shall include a reasoned assessment and contain, in all cases, an opinion regarding the provision of each and every one of the additional services mentioned in paragraph (iv) below, considered individually and as a whole, other than the statutory audit, and in relation to the rules on independence or the legal provisions governing the auditing of accounts.
 - iv. Receive information regarding services of any kind in addition to the statutory audit that the Company's statutory auditors will provide to the Company or to the companies directly or indirectly controlled by the Company. The Committee shall prepare a report for the Board of Directors of the Company and shall make it available to the chair of the Audit and Risk Supervision Committee of Iberdrola, S.A. for such purposes as may be appropriate.
 - v. Establish appropriate relationships with the statutory auditors to receive information regarding matters that might entail a threat to the independence thereof, for examination by the Committee, and regarding any other matters relating to the auditing of accounts, as well as ensure that there are no grounds for prohibition or disqualification.

In any event, the Committee must annually receive written confirmation from the statutory auditors of their independence in relation to the Company or entities that are directly or indirectly subordinate thereto, as well as a detailed breakdown of information regarding additional services of any kind provided to and the corresponding fees received from such entities by the statutory auditors or by persons or entities connected thereto, pursuant to the legal provisions governing the auditing of accounts.

- vi. Receive information from the statutory auditors on a regular basis regarding any matters provided for in legal provisions on the auditing of accounts and in technical auditing standards in effect at any time, establishing suitable information channels for these purposes between the Company's Internal Audit and Risk Division and the Internal Audit and Risk Division of Iberdrola, S.A. with the Committee reporting to the Board of Directors when so provided by law or by the Company's Governance and Sustainability System.
 - vii. Act as a channel of communication between the Board of Directors and the statutory auditors, from whom the Committee shall receive information on a regular basis regarding the audit plan and the results of the implementation thereof.
- d. With regard to the process of preparation of the financial information:

- i. Supervise the process of preparing and presenting as well as the clarity and integrity of the financial information regarding the Company and its directly or indirectly controlled companies, receiving for such purpose the appropriate information from the audit committees that may be established at the head of business companies in which the Company holds an interest. The Committee shall ensure that any interim financial information prepared and submitted to the Company's Board of Directors adheres to the same accounting standards as those used in the annual financial reports.
- ii. Evaluate any proposed changes to accounting practices and policies within the framework of the general accounting practices and policies of the Group and submit recommendations or proposals to the Board of Directors aimed at protecting the integrity of the implementation thereof. This supervisory work of the Committee must be carried out continuously, and also performed specifically at the request of the Board of Directors.
- iii. Prepare a report for the Board of Directors regarding the annual financial statements and the interim financial information. Said report shall be made available to the chair of the Audit and Risk Supervision Committee of Iberdrola, S.A. in order to enable the latter to supervise the process of preparation and presentation of the economic and financial information regarding the Group as a whole as well as the integrity thereof.

The financial information for consolidation must be reported upon by the Committee before being submitted to the approval of the Board of Directors of the Company, pursuant to the provisions of the *Iberdrola Group Financial Information Preparation Policy*.

- iv. Obtain information on significant adjustments identified by the statutory auditor or that result from revisions made by the Internal Audit and Risk Division of Iberdrola, S.A. and the position of the management team regarding said adjustments.
- v. Ensure compliance with all legal requirements and the correct application of generally accepted accounting principles and of international financial reporting standards applicable to the Company's annual financial statements and directors' report.

- vi. Report to the Board of Directors regarding the basic terms that, in order to safeguard the corporate interest, must be observed in transactions between the Company and its directly or indirectly controlled companies and the other companies within the Group.
- e. With regard to the non-financial information, supervise, based on the information sources available, the process for preparing and presenting as well as the clarity and integrity of the non-financial information of the Company and its directly or indirectly controlled companies and report on all of the foregoing to the Audit and Risk Supervision Committee of Iberdrola, S.A.
- f. With regard to the Compliance Unit:
 - i. On its own initiative or upon a proposal of the Compliance Unit, propose to the Board of Directors the appointment of members thereof, considering the profiles that may be appropriate for the performance of the duties thereof, based on the Company's activities.
 - ii. Review and validate the annual budget of the Compliance Unit, prior to the submission thereof to the Board of Directors for final approval, and approve its annual activities plan, endeavouring to ensure that the Compliance Unit has the human and material resources required to perform its duties, and endeavouring to ensure the independence and effectiveness thereof.
 - iii. Each year, issue an opinion on compliance with the annual activities plan and the performance of the Compliance Unit, submitting it to the Board of Directors.
 - iv. Receive information from the Compliance Unit concerning significant matters relating to the effectiveness of the Company's Compliance System. In any case, the Committee must issue its opinion on the annual report prepared by the Compliance Unit regarding the effectiveness of the Company's Compliance System, as well as on the annual report on the effectiveness of the Compliance Systems of the Company and of the head of business companies in which the Company holds an interest, and shall forward both reports to the Board of Directors, for acknowledgement.
 - v. Receive information from the Compliance Unit in relation to any significant issue regarding regulatory compliance and the prevention and correction of improper conduct and acts that are illegal or contrary to law or the Governance and Sustainability System.
 - vi. Use the Compliance Unit to review the Company's internal policies and procedures in order to prevent improper conduct and identify policies or procedures that may be more effective in promoting the highest ethical standards.
 - vii. Have direct access, in accordance with the provisions of the *Regulations of the Compliance Unit*, to grievances or reports submitted through the internal reporting channels provided by the Company that might have a material impact on the financial statements or internal control thereof and, if it so deems necessary, propose appropriate actions to reduce the risk of future occurrences thereof. To this end, the Compliance Unit shall inform it of the existence of the aforementioned grievances or reports and shall provide it with any documentation requested in relation to the processing of the case files.
 - viii. Report to the Board of Directors on proposed amendments of the *Regulations of the Compliance Unit* of the Company.
- g. With regard to Related-Party Transactions:
 - i. Report on Related-Party Transactions, prior to the approval thereof by the sole shareholder or by the Board of Directors, as applicable, without prejudice to the exceptions established in the *By-Laws*.
 - ii. Ensure that Related-Party Transactions are fair and reasonable from the viewpoint of the Company.
 - iii. If the approval of a Related-Party Transaction does not require a prior report from the Committee in accordance with the *By-Laws*, the Committee shall participate in the internal information and periodic control procedure established by the Board of Directors in relation thereto, verifying the fairness and transparency of said transaction and, if applicable, compliance with the legal criteria applicable to the delegation of the Related-Party Transaction by the Board of Directors without a prior report from the Committee.
 - iv. Within the first six months following the close of each financial year of the Company, the Committee shall prepare an overview of the Related-Party Transactions with respect to which it has issued a report.
 - v. The Committee shall also inform the sole shareholder of Related-Party Transactions that might affect the classification of directors.
- h. In relation to compliance with the regulations on the separation of regulated activities:
 - i. Give an opinion on the reports compiled in the area of separation of regulated activities and, particularly, on the annual report prepared by the Compliance Director as set out in section 20 of the *Code for the Separation of Activities of Companies of the Iberdrola España Group with Regulated Activities* (the "**Code for the Separation of Activities**"), for submission to the Board of Directors.

- ii. Report in advance on the amendments to the *Code for the Separation of Activities*.
- iii. Report in advance on agreements concerning the appointment and removal of directors of the Group's regulated companies in Spain, ensuring the suitability of the proposed candidates for the effective independence of the management of said regulated companies.
- i. Other powers:
 - i. Report on structural modifications that the Company plans to make, analysing their terms and financial conditions, including, if appropriate, the exchange ratio, as well as the accounting impact thereof.
 - ii. Report to the Board of Directors, prior to the adoption of the corresponding decisions thereby, regarding the creation or acquisition of equity interests in special purpose entities that are directly or indirectly controlled by the Company or entities registered in countries or territories that are considered to be tax havens or territories included in the EU blacklist of non-cooperative jurisdictions in effect at any time, as well as any other transactions of a similar nature that, due to the complexity thereof, might diminish the transparency of the Group's activities, and submit the report to the chair of the Audit and Risk Supervision Committee of IBERDROLA, S.A.
 - iii. On an annual basis, report to the Board of Directors regarding the status of the companies registered in tax havens or territories included in the EU blacklist of non-cooperative jurisdictions in effect at any time and special purpose entities that are directly or indirectly controlled by the Company and, if applicable, regarding the operating condition thereof, and submit the report to the chair of the Audit and Risk Supervision Committee of Iberdrola, S.A.
 - iv. On an annual basis, submit to the Board of Directors for approval a report on the level of compliance with the *Corporate Tax Policy* and the tax standards applied, and also submit said report to the chair of the Audit and Risk Supervision Committee of Iberdrola, S.A.
3. The Committee shall also be responsible for any other duties that may be assigned thereto by the *By-Laws* or the Board of Directors.

Article 4.- Information to the Board of Directors

Where appropriate, the chair of the Committee shall report to the Board of Directors on any resolutions approved or significant events occurring at Committee meetings, which report shall be submitted at the first meeting held by the Board after the relevant Committee meeting.

Article 5.- Activities Report

The Committee shall submit to the Board of Directors for approval a report on its activities during the prior financial year within six months following the close thereof. Said report shall subsequently be made available to the chair of the Audit and Risk Supervision Committee of Iberdrola, S.A.

Article 6.- Relations with the Audit Committees of Iberdrola, S.A. and of companies in which the Company Holds an Interest

1. The relations of the Committee with the Audit and Risk Supervision Committee of Iberdrola, S.A. and with the audit committees that may be established at the companies directly or indirectly controlled by the Company shall be governed by the provisions of the *General Framework of Relations of Coordination and Information among the Audit Committees of Iberdrola and its Group* approved by the Board of Directors of Iberdrola, S.A. and adopted by the Board of Directors of the Company in order to ensure the cooperation, coordination and exchange of information required for the proper performance of their respective duties, while respecting the corporate autonomy of all companies of the Group.
2. The coordination relationships shall be channelled through the chairs of the audit committees of the Company and of the relevant company belonging to the Iberdrola Group, with the purpose of informing the Committee of the matters handled by such companies that might have a potentially significant impact at the level of the Iberdrola Group.
3. If other companies directly or indirectly controlled by the Company have their own audit committees, said committees may have their own regulations governing the principles of conduct and the rules of internal operation thereof, and whose scope, in compliance with the level of guarantees required by the Governance and Sustainability System as well as with the principles of coordination and information that must govern the relations among the audit committees of the Group companies to ensure the full discharge of their respective duties, shall conform to the provisions of these *Regulations*, without prejudice to such adjustments as may be needed in view of the circumstances of each company.
4. In order to fulfil the duties assigned to the Committee in these *Regulations* in connection with Internal Audit, the Chief Internal Audit and Risk Officer of the Company shall establish the appropriate framework of relations of cooperation, coordination and information with the internal audit and risk divisions that may be established at other companies directly or indirectly controlled by the Company, always in compliance with the *Basic Regulations for the Internal Audit Function*, in order to ensure the coordination and exchange of information required for the proper performance of their respective duties, while respecting the corporate autonomy of all companies of the Group.

Along the same lines, the Company's Compliance Unit shall establish the appropriate framework of relations of cooperation, coordination and information with the compliance units or functions that may be established at other directly or indirectly controlled by the Company, while respecting the corporate autonomy of all companies of the Group.

CHAPTER III. COMPOSITION, APPOINTMENT AND CESSATION OF OFFICE OF MEMBERS

Article 7.- Composition.

1. The Committee shall be composed of a minimum of three and a maximum of five directors, at least one of whom shall be an external director pursuant to Article 28 of the Company's *By-Laws*.
2. The Committee shall have a chair and a secretary, who should not have the status of director, with the secretary being responsible for the maintenance, conservation and custody of the minute book of the Committee and of the corporate documentation generated in connection with the operation thereof.
3. In the event of absence, the chair shall be replaced by the member with the longest length of service in office, and in case of equal length, by the oldest among those present. In the event of absence of the secretary, he or she shall be replaced by the Committee member with the shortest length of service in office, and in case of equal length, by the youngest among those present.

Article 8.- Appointment

1. Both the members and the chair of the Committee shall be appointed by the Board of Directors.
2. The Board of Directors shall endeavour to ensure that the members of the Committee as a whole, and especially the chair thereof, have the expertise, qualifications and experience appropriate for the duties they are called upon to perform in the area of accounting, auditing and management of risks, both financial and non-financial, and that at least one of them has experience in information technology. It shall also endeavour to ensure that the members of the Committee have relevant technical knowledge in the finance and internal control area, as well as in relation to the energy sector, provided, however, that they need not be experts in these fields.

Article 9.- Term of Office

1. Unless otherwise resolved by the Board of Directors, directors who are members of the Committee shall remain in office for as long as they remain directors of the Company.
2. Directors who are members of the Committee and are re-elected as directors of the Company by resolution of the sole shareholder in the exercise of the powers of shareholders at a General Shareholders' Meeting shall continue holding their positions on the Committee, without the need for a new election, unless the Board of Directors resolves otherwise.

Article 10.- Cessation of Office

Committee members shall cease to hold office:

- a. When they cease to be directors of the Company.
- b. By resolution of the Board of Directors.

Article 11.- Training Plan

1. The Committee shall have a periodic training plan that ensures that their members update their knowledge relating to new developments in accounting rules, the specific regulatory framework of the Company's businesses, internal and external audit, the management and supervision of risks, internal control and technological advances relevant to the Company.
2. In addition, prior to the first meeting that they attend, new Committee members shall take an orientation programme that facilitates their active participation from the very beginning.

CHAPTER IV. COMMITTEE MEETINGS

Article 12.- Meetings

1. The Committee shall meet as many times as its chair deems necessary for the fulfilment of its duties, and at least four times per year or when so requested by half of its members. Prior to the commencement of each financial year, the Committee shall set a schedule for its ordinary meetings, including tentative agendas and any appearances that are deemed necessary, which schedule may be changed by resolution of the Committee itself or by decision of the chair thereof. The meetings shall be held in person at the place designated in the call to meeting.
2. The chair of the Board of Directors and the chief executive officer, if any, may request informational meetings with the Committee on an exceptional basis.



Article 13.- Call to Meeting

1. The secretary shall call the meetings of the Committee, at the direction of the chair thereof, through the use of new technologies, and particularly through the directors' website as a fundamental tool for the efficient performance of the duties of the Committee, setting forth the place, date and time of the meeting and the agenda to be dealt with thereat.
2. The call to meeting shall be sent sufficiently in advance for the Committee members to receive it no later than the third day prior to the date of the meeting, except for meetings that must be called on an urgent basis.
3. No prior call to a meeting of the Committee shall be required if all of its members are present and unanimously agree to the holding of the meeting and to the items of the agenda to be dealt with.

Article 14.- Establishment of a Quorum and Approval of Resolutions

1. A valid quorum for Committee meetings shall be established with the attendance, in person or by proxy, of a majority of its members.
2. Members of the Committee may give a proxy to another member thereof by notice addressed to the secretary of the Committee by any of the means set forth in the preceding article and including specific instructions on the direction of the vote.
3. Meetings shall be presided over by the chair of the Committee, who shall be assisted by the secretary.
4. If so allowed by the chair thereof with respect to one or more directors in view of the circumstances of each case, Committee meetings may be held by conference systems or any other means that permit the recognition and identification of remote attendees, permanent communication among them regardless of their location, as well as participation and the casting of votes, all in real time, using any procedures that ensure that connections are made while fully verifying the identity of the participants and ensuring the duty of secrecy and the protection of the corporate interest in securing access to the information transmitted and generated at the meeting, both during the deliberations therein and with respect to the decisions and resolutions adopted, with the members being required to comply with the security and privacy protocols established by the Company. Wherever they are located, attendees shall be deemed to have attended the same individual meeting for all purposes relating to the Audit and Compliance Committee. The meeting shall be deemed to have been held at the registered office.
5. If no Committee member objects thereto, votes may be cast in writing and without a meeting, in which case the provisions of the *By-Laws* regarding meetings of the Board of Directors shall apply.
6. Resolutions shall be approved by an absolute majority of the votes cast by the members present at the meeting in person or by proxy. In the event of a tie, the chair shall have the tie-breaking vote.
7. The secretary of the Committee shall prepare minutes of each meeting held, which shall be approved at the end of the meeting or at the beginning of the meeting held immediately thereafter.

Article 15.- Attendance at Committee Meetings

1. At the request of the chair of the Committee, which request shall be submitted for these purposes to the chair of the Company's Board of Directors, any member of such Board of Directors may be called to attend meetings of the Committee. The chair of the Committee may also request, through the secretary of the Board of Directors, the appearance before the Committee of any officer or employee of the Company as well as of any member of the management and internal decision-making bodies of companies in which the Company has an effective interest and whose appointment has been proposed by the Company, provided that there is no legal impediment thereto.
2. Persons who are not members of the Committee may not attend its meetings when the issues being discussed are beyond the scope of the powers or duties of such persons.
3. The Committee may request the presence at its meetings of both the Company's statutory auditor and the auditors of any entity in which the Company has an effective interest, provided that there is no legal impediment thereto. The Company's statutory auditor shall in no event attend the decision-making portion of the Committee's meetings.
4. The presence at Committee meetings of officers, professionals or other directors, whether executive or not, shall be on an occasional basis and only when required, after an invitation from the chair of the Committee through the secretary thereof, shall be strictly limited to those items on the agenda for which they are called, and they shall not attend the decision-making portion of the Committee's meetings.

CHAPTER V. POWERS OF THE COMMITTEE, PARTICIPATION, RIGHT OF ITS MEMBERS TO RECEIVE INFORMATION, AND DUTIES

Article 16.- Powers and Advice

1. The Committee may, through the secretary of the Board of Directors, freely access any information or documents available to the Company regarding matters within the purview of the Committee and that the Committee deems necessary to perform its duties, without prejudice to the obligations arising from any applicable legal provisions, notwithstanding the restrictions arising from rules on the separation of regulated activities in Spain.

NOTICE. This document is a translation of a duly approved Spanish-language document, and is provided for informational purposes only. In the event of any discrepancy between the text of this translation and the text of the original Spanish-language document which this translation is intended to reflect, the text of the original Spanish-language document shall prevail.

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2. The Committee may also seek, at the Company's expense, cooperation or advice from outside professionals, who shall address their reports directly to the chair of the Committee and who may attend the Committee meetings, as well as the meetings of the Board of Directors when requested to do so, with the right to speak but not to vote. In such case, the Committee shall ensure that any potential conflicts of interest do not compromise the independence of the outside advice received.
 3. Said experts shall in any event be hired in compliance with the provisions of the Company's *By-Laws*.

Article 17.- Participation and Right to Receive Information

1. In order to promote a diversity of opinion that enriches the analyses and proposals of the Committee, its chair shall ensure that all members freely participate in the deliberations, without being affected by any internal or third-party pressures, and shall encourage constructive dialogue among them, promoting free expression and a critical attitude.
2. The secretary of the Committee shall channel and provide the information and documentation required to the other members of the Committee sufficiently in advance of each meeting so that they can analyse it and properly prepare for the meeting.

Article 18.- Duties of Committee Members

1. Committee members must act with independence of judgement and action with respect to the rest of the organisation and perform their work with the utmost diligence and professional competence. In particular, attendance at Committee meetings shall be preceded the sufficient dedication of its members to analyse and evaluate the information received.
2. In exercising their powers, the members of the Committee shall comply with the provisions of these *Regulations* and applicable law on professional scepticism and critical attitude regarding the conclusions reached by the executive directors and members of senior management of the Company, acknowledging the arguments for and against, and with each of the members, and the Committee as a whole, forming their and its own position.
3. Committee members shall be subject as such to all of the duties of a director set forth in the *By-Laws*, to the extent they are applicable to the responsibilities discharged by the Committee.

CHAPTER VI. COMPLIANCE WITH, INTERPRETATION AND INTEGRATION OF THE REGULATIONS

Article 19.- Compliance

1. The members of the Committee, as well as any other directors to the extent they are affected, have the obligation to know and comply with these *Regulations*, for which purpose the secretary of the Board of Directors shall provide them all with a copy hereof.
2. In addition, the Committee shall have the obligation to ensure compliance with these *Regulations*, adopting such measures as may be appropriate for that purpose.

Article 20.- Interpretation and Integration of the Regulations

1. These Regulations shall be interpreted in accordance with law and the Governance and Sustainability System of the Company.
2. Any question or dispute regarding the interpretation of these *Regulations* shall be resolved by an absolute majority of votes of the members of the Committee itself, and in the absence of such resolution, by the chair of the Committee, who shall be assisted by such persons, if any, as may be appointed by the Board of Directors for such purpose. The Board of Directors shall be informed of the interpretation and resolution of the questions or disputes that may have arisen.
3. In the absence of a specific rule, the provisions of the *By-Laws* regarding the operation of the Board of Directors shall apply to the Committee, to the extent they are not inconsistent with the nature or duties thereof.

