

AUDIT, CONTROL AND SUSTAINABILITY COMMITTEE

The Audit, Control and Sustainability Committee is regulated by the Article 22 of the Regulation of the Board:

“Article 22: Audit, Control and Sustainability Committee

- 22.1. An audit and control committee shall be set up within the Board, called the Audit, Control and Sustainability Committee, with no fewer than three nor more than five directors. All the members of this Committee shall be non-executive directors and at least the majority shall be independent directors. On the whole, they will be appointed on the basis of their experience and expertise in accounting, auditing, internal control and financial and/or non-financial risk management, sustainability or any other areas considered adequate to enable the Committee to perform its duties. Also on the whole, the members of the Audit, Control and Sustainability Committee shall have technical expertise in the economic sector in which the company operates.
- 22.2. The Board shall appoint one of the independent directors on the Audit, Control and Sustainability Committee to chair that committee, subject to a report by the Nomination and Remuneration Committee. The Committee Chairman shall be replaced every four years and will become eligible for re-election one year after his retirement as such. The Chairman of the Audit, Control and Sustainability Committee will be appointed on the basis of their experience and expertise in accounting, auditing, internal control and financial and/or non-financial risk management, sustainability or any other areas that may be adequate to enable the Committee to perform its duties. In the event of absence or temporary unavailability of the Chairman, he will be substituted by the Committee member provisionally designated by the Board, or otherwise the oldest Committee member.
- 22.3. The Audit, Control and Sustainability Committee shall meet at least once every three months.
- 22.4. The Audit, Control and Sustainability Committee shall have the following powers, in addition to those assigned to it by law, regulations or the Articles of Association:
 - a) With regard to supervision of financial and non-financial reporting:
 - i) Inform the General Meeting on any issues raised by shareholders regarding matters within the Committee’s remit, particularly the outcome of the audit and verification of the sustainability report, explaining how they contributed to the integrity of the financial information and sustainability information and the role played by the Committee in those processes.
 - ii) Oversee the process of preparing and presenting the financial information in the Directors’ Report, which shall include, where appropriate, the mandatory information on sustainability presented, and submit

recommendations or proposals to the Board with a view to safeguarding its integrity.

- iii) Ensure that the systems used for preparing the separate and consolidated Annual Accounts and Directors' Report submitted to the Board to be authorised for issue in accordance with current legislation give a true and fair view of the equity, financial and non-financial position and results of the Company, making sure that any interim statements are drawn up according to the same accounting principles as the annual accounts, considering the possibility of asking the External Auditors to make a limited audit if necessary.
 - iv) Ensure that the Board of Directors endeavours to submit the annual accounts and sustainability report to the General Meeting with unqualified and unlimited audit and verification reports. If the Auditor or Verifier have included a qualification in their audit or verification report, the Chairman of the Committee shall explain clearly at the General Meeting the Committee's opinion on the contents and extent of that qualification.
 - v) See that the internal control systems for both financial reporting (ICFR) and the non-financial statement (ICNFR), where appropriate, are adequate and effective in respect of the accounting practices and principles used for drawing up the company's annual accounts, supervising the policies and procedures established to ensure due compliance with applicable legal provisions and internal regulations. The Committee shall, through its Chairman, obtain information and collaboration from the Company's Finance Manager, Internal Audit Manager, External Auditors and the sustainability report Verifier to perform these duties.
 - vi) Check that both the financial and non-financial information contained in the annual and interim financial reports published on the Company's website is permanently updated and coincides, where appropriate, with the information authorised for issue or approved by the Board of Directors and published on the CNMV website. If, after checking, the Committee considers any modifications necessary, it shall inform the Board.
- b) With regard to risk control and management oversight:
- i) Supervise, assess and promote internal control of the Company and the financial and non-financial risk management systems (including operating, technological, legal, sustainability, political, reputational and corruption risks), checking compliance with legal requirements, adequate definition of the consolidated group and correct application of the accounting principles.
 - ii) Submit proposals to the Board to determine the risk management and control policy, including tax risks, specifying at least:
 - The types of financial and non-financial risk to which the Company is exposed.

- The risk level that the company considers acceptable.
 - The measures for mitigating the impact of identified risks, should they actually occur.
 - The control and reporting systems used to control and manage those risks.
- iii) Supervise the unit responsible for internal risk management and control in the Company.
- iv) Supervise the confidential whistle-blowing channel accessible to all Group employees and other persons related with the Company (such as Directors, shareholders and other financial investors, customers, suppliers, contractors or subcontractors) and establish a protocol for establishing priority, processing, investigating and solving any issues reported through that channel according to their importance and nature. The channel shall accommodate anonymous reporting, respecting the rights of the whistleblower and the person concerned, in pursuance of prevailing laws.
- c) With regard to supervision of internal control and the Internal Audit Department:
- i) Supervise and promote the policies, procedures and systems used for drawing up and controlling the Company's financial and non-financial information, checking the services performed in this regard by the Internal Audit Department, the Financial Department, the CSR Department and the Management Committee and ensuring adequate awareness thereof throughout the Group.
 - ii) Ensure the implementation of and compliance with the internal codes and regulations applicable to the risk management and control systems.
 - iii) Receive the information sent regularly to the Stock Exchange Councils, issue prospectuses and any public financial and non-financial information offered by the Company and, in general, all information prepared for distribution among shareholders, ensuring the existence of internal control systems that guarantee the transparency and truth of the information.
 - iv) Secure the independence of the Internal Audit Department; report on the selection, appointment and removal of the Internal Audit Manager; propose the budget for the department, where appropriate; approve the approach and annual work plan of the Internal Audit Department, ensuring that it focuses mainly on the aspects considered most important; oversee implementation of that plan, receiving regular reports on the department's activities; and verify that Management takes into account the conclusions and recommendations of its reports.
- d) With regard to the External Auditors and the sustainability report Verifier:

- i) Submit to the Board, to be tabled at the General Meeting, proposals for the selection, appointment, re-appointment and replacement of the Company's External Auditors and the sustainability report Verifier and inform the Board of their terms of contract and the scope of their commission.
 - ii) Ensure the independence of the External Auditors and the Verifier and the existence of a discussion procedure enabling the External Auditors, the Verifier, the Internal Audit Department and any other expert to inform the company of any material weaknesses in its internal control detected while checking the annual accounts, the sustainability report or any other processes in which they have worked.
 - iii) Issue an annual report, prior to issuance of the auditor's report and the report on verification of the sustainability report, with the content required by law, expressing an opinion on whether the independence of the External Auditors and the Verifier may be compromised.
 - iv) Maintain an effective, regular, two-way communication channel with the External Auditors and the sustainability report Verifier to receive information on any issues that may jeopardise their independence, and any other issues relating to the auditing of accounts and verification of the sustainability report, receiving information from and exchanging communications with the External Auditors and the Verifier in accordance with prevailing auditing standards and legislation and any standards or regulations applicable to verification of the sustainability report.
 - v) Be informed of the decisions adopted by the senior management according to recommendations made by the External Auditors in connection with the audit, and by the Verifier in respect of the sustainability report.
- e) With regard to supervision of sustainability and the corporate governance system:
- i) Oversee compliance with the internal codes of conduct and corporate governance rules, including the policies approved by the Board, supervision of which corresponds to the Audit, Control and Sustainability Committee.
 - ii) Supervise application of the general policy on the reporting of financial, non-financial and corporate information and communication with shareholders and investors, proxy advisors and other stakeholders.
 - iii) Assess and regularly review the Company's corporate governance system and environmental and social policy to make sure they fulfil their mission of promoting social interests and take account, where appropriate, of the legitimate interests of the other stakeholders.
 - iv) Ensure that the Company's environmental and social practices comply with the strategy and policy established.



f) Other duties:

- i) Inform the Board in advance on the creation or acquisition of stakes in special purpose vehicles or companies domiciled in countries or territories considered non-cooperative jurisdictions.
- ii) Oversee Related Party Transactions and report to the Board or the General Meeting, as the case may be, prior to their approval, on any related party transactions that are to be submitted for approval, and propose, supervise and review any internal procedure the Company may have established for transactions whose approval has been delegated by the Board in pursuance of the applicable legal provisions.
- iii) Issue an annual report on its activities during the year, on which the assessment to be made by the Board will be based.”

The current composition of the Audit, Control and Sustainability Committee is as follows:

- Elena Segura Quijada, Chairman - External Independent
- Meritxell Batet Lamaña- External Independent
- Mercedes Costa García - External Independent
- Javier Fernández Alonso - External Proprietary
- Jordi Xuclà Costa - External Proprietary
- Luis Peña Pazos - Non-member Secretary
