

CRIME PREVENTION MANUAL

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1. INTRODUCTION

The GRUPO MASMOVIL:

- ▶ is committed to a zero tolerance policy regarding the commission of crimes as evidenced by its Crime Prevention Policy against Fraud and Corruption approved by its Board of Directors,
- ▶ has communicated to the entire Group the obligation to collaborate in the prevention and prosecution of crimes that may be committed within the Group,
- ▶ has appointed a Compliance Officer, whose responsibilities include the mitigation of all regulatory compliance risks for the Group, the periodic verification of the model and potential amendments, as well as the promotion of a culture of integrity and compliance,
- ▶ has implemented an organisational and management model for criminal and anti-bribery risks and has instructed the Compliance Officer to set up appropriate monitoring and control measures to prevent crimes or significantly reduce the risk of such crimes being committed,
- ▶ has identified the activities in which such crimes that must be prevented may be committed and has defined procedures establishing processes to conform the intention of the Group as well as decision-making processes and processes intended to carry out the instructions of the Group,
- ▶ has implemented an appropriate financial resource management model to prevent the commission of crimes,
- ▶ has imposed on its Directors and Officers an obligation to report potential risks and breaches through an Ethical Channel also available to Suppliers and third parties through the websites of the Group's companies,
- ▶ has established a disciplinary system to sanction non-compliance with the measures established in the model,
- ▶ has set up an Anti-Bribery Compliance Function, assigned to the Head of Regulatory Compliance (Compliance Officer) to establish and operate a bribery and corruption risk management system integrated into the MASMOVIL Group's criminal risk management model.

The GRUPO MASMOVIL has a Policy of Crime Prevention against Fraud and Corruption (hereinafter, the "**Policy**"), initially approved by the Board of Directors of Masmovil Ibercom, S.A.¹ on May 22, 2017. The latest version of such Policy was approved by the

¹ I.e., the parent company of Grupo MASMOVIL at the time.

Board of Directors of Lorca Telecom Bidco, S.A.² (the “**Company**”) on September 29th, 2022, stating that:

“The Company bases its actions on minimizing the organisation’s exposure to criminal risks, in accordance with the principle of due control, assuming compliance with the commitments described in this Policy and in the criminal and anti-bribery compliance system it has implemented, which can be summarized in the following elements:

✓ Establish the general framework of reference for the establishment, definition, review and achievement of the objectives of criminal and anti-bribery compliance that encourages the establishment of effective control and communication mechanisms and awareness of all employees, such as the Crime Prevention Manual (also known as the “Manual” or “CPM”), in order to prevent the commission of crimes and consequently avoid fraud, corruption and bribery, as well as the commission of administrative offenses by or in MASMOVIL. ”

The Crime Prevention Manual (hereinafter, the “**Manual**” or “**CPM**”), which develops such Policy, establishes the organization, prevention, management and crime control model of the Company and the rest of the companies of the GRUPO MASMOVIL (jointly, “**GRUPO MASMOVIL**” or the “**GROUP**”), in relation to the criminal liability regime of legal persons established in article 31 bis of the Criminal Code.

From this perspective, the purpose of this Manual is to guarantee before third parties, and specifically before the judicial and administrative bodies, that the GROUP MASMOVIL exercises the due control legally established and that it has adopted and executed, effectively, surveillance measures and suitable control over its directors, senior management, employees, collaborators, business partners, shareholders and other dependents in order to prevent the commission of unlawful acts.

In this sense, in accordance with the Policy, the Manual includes the set of measures aimed at the prevention, detection and reaction of crimes. The CPM includes, as **Appendix I**, the map of criminal risks that identifies risks and controls associated with them, which, together with the procedures and development processes, integrate and coordinate the set of actions necessary to prevent and combat the commission of illegal acts by any employee of the GRUPO MASMOVIL or its external collaborators, such as, in general, possible irregular situations, fraud or possible corruption. Likewise, the Compliance Officer carries out the corresponding evaluation of the risks identified and their assessment, which must be reviewed and updated periodically, informing the Board of Directors of the result.

This Manual is the result of a review that, in the light of the regulatory changes in criminal matters and, particularly, of the international standards on regulatory compliance, has been carried out to develop a model for the prevention of the commission of crimes in the GRUPO MASMOVIL and compile the procedures and controls that currently exist for the effective prevention and mitigation of crimes. In this review, the criteria defined by

² I.e., Grupo MASMOVIL’s parent company as of the date of this document.

the Attorney General's Office and by international standards on regulatory compliance have been particularly taken into account.

For this reason, for preparing this Manual, a detailed analysis has been carried out of the crimes that hypothetically may occur in the exercise of the business activity of the different divisions, departments and areas of the GRUPO MASMOVIL, taking into account, on the one hand, the already existing procedures and controls and, on the other hand, the sensitivity to crimes detected in specific processes, depending on the sector and the activities that GRUPO MASMOVIL carries out.

In this way, this Manual is based on the existing control systems and those that, as a result of the review carried out as a result of the provisions of article 31 *bis* of the Criminal Code, have been reinforced or introduced in the GRUPO MASMOVIL for complying with the aim to prevent and mitigate the commission of crimes within the group.

For making this Manual, the nature and characteristics of the GRUPO MASMOVIL have been taken into account. To this effect, the Company, in accordance with the provisions of article 3 of its Bylaws, has the following corporate purpose:

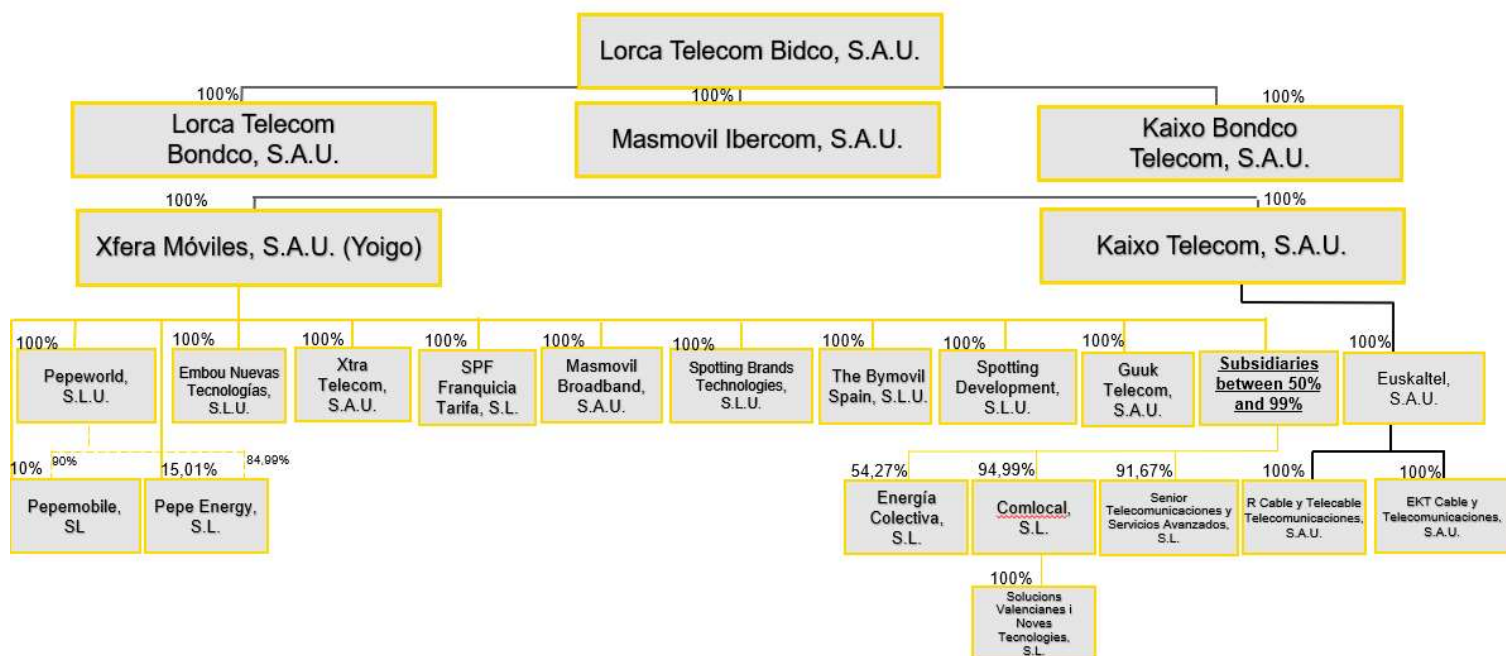
- "a) The provision of telecommunication services by the exploitation of networks or the resale of telephone, mobile, fixed, internet and television services, and the development of computer applications.*
- b) The provision and marketing of all types of works, services and activities of its own or related to or through the computer network.*
- c) Advice and consultation in the area of computing and telecommunication. Business analysis and technical software and hardware collaboration. Application and teaching of computer and telecommunications applications. Advice on strategic and operational planning. Organization of human and material resources and the carrying out of business studies and reports, as well as advice and consultancy for the operation of telecommunications operating companies and business strategy.*
- d) The sale, distribution, import, export, maintenance and service of all kinds of products and services related to computing and telecommunications, with regard both to hardware and software and the Internet, as well as the distribution and sale of any product and service through the Internet, Infovía or any other telematic network similar, complementary or substitute to the currently existing ones.*
- e) The provision of services to third parties for studies, projects and technical and investment advice on telecommunications and computer applications. Management support services are expressly included in this section.*

This expressly includes management support services in the areas of finance, tax and accounting administration, collections, payments, treasury management, human resources and personnel management, IT services, purchasing and any other services necessary for the successful completion of the corporate purpose.

It also includes the acquisition, holding or disposal, disposal, custody or deposit for its own account of shares, debentures or securities of other companies or entities, whether private or public, whose corporate purpose includes the aforementioned activities.”

Thus, the GROUP, headed by LORCA, is made up of different companies that offer services of fixed and mobile phone, television and Internet to residential customers, companies and operators, through their main brands: Yoigo, Masmovil, Pepehone, Llamaya, Lebara, Guuk, Lycamobile, Embou, Euskaltel, R y Telecable. It also sells electricity through its brands Pepenergy, Energy Go, Masmovil Energía and Lucera. Lastly, the GROUP markets telemedicine services (under the “Doctor Go” brand) as well as teleassistance (through Senior Telecomunicaciones y Servicios Avanzados, S.L.), insurance and home security services.

Specifically, the current structure of GRUPO MASMOVIL is described in the following table:



The development of the social activity of GRUPO MASMOVIL, is organized as follows:

- ▶ LORCA, the parent company of the GROUP, provides management services and technical assistance to each of the companies of the GRUPO MASMOVIL, by adopting the management decisions that LORCA deems appropriate, necessary for the development of the corporate purpose of these companies.
- ▶ The execution of these arrangements is carried out by the Managing Director (CEO) of LORCA who usually acts as Sole Director, natural person representing the Sole Director or Managing Director of each of these

companies, with the collaboration of the GRUPO MASMOVIL management team.

- ▶ The management team of GRUPO MASMOVIL, according to its functional organization chart, is made up of ten officers that make up the STAFF and one officer responsible for business development (Residential, Companies and New Businesses services). These officers, regardless of the specific Group company of which they are employees, provide -through their divisions- a comprehensive service to all the companies of the GROUP.
- ▶ The divisions that make up the STAFF are: Deputy CEO, Internal Audit, Legal and Compliance, Strategy, Investor Relations and ESG, Finance, Communication, Human Resources, Resources and Technology.
- ▶ And the division responsible for business development is divided into the following departments:
 - (i) Residential: aimed at providing fixed and mobile connectivity services to private end customers. In this unit, services are sold under the following brands: Masmovil, Yoigo, Pepephone, Llamaya, Lebara, Guuk, Lycamobile, Embou, Euskaltel, R, and Telecable, which belong to the companies Xfera Móviles, S.A., Pepemobile, S.L., Guuk Telecom, S.A., Lycamobile, S.L., Embou Nuevas Tecnologías, S.L.U., Euskaltel, S.A. and R Cable and Telecable Telecomunicaciones, S.A.
 - (ii) Companies: responsible for marketing the services and products aimed at meeting, on the one hand, the telecommunications needs of companies and organisations of all types and sizes (Business and Corporate segments), under the Yoigo, Masmovil, Euskaltel, R and Telecable brands and, on the other hand, the provision of wholesale services (connectivity to the national network) and distribution services, for the marketing of private brands (Small and Large Operators segments).
 - (iii) New businesses: aimed at marketing products and services that are more distant from the traditional business of a telecommunications operator, such as energy, telemedicine, tele-assistance, home security and insurance.

However, the members of the management bodies of the GRUPO MASMOVIL companies are broadly the same. For this reason, it has been decided to jointly design a single Criminal Risk Organization and Management Model (expressly including corruption and bribery) that is applicable to all the companies of the GRUPO MASMOVIL. In the same way, the configuration itself of the organizational structure of the GRUPO MASMOVIL is supported in a service provision unit that requires an identification of criminal risks by the GROUP and not by companies.

The GRUPO MASMOVIL Criminal Risk Organization and Management Model, into which this Manual is integrated, continues to be developed at the initiative of Lorca's Board of Directors, covering all the companies of the GRUPO MASMOVIL, previously

established, with the firm commitment to incorporate into the due control already exercised by the GROUP companies, the management and prevention of criminal risks that could affect each of them according to their activity and business sector, in compliance with: (i) Organic Law 5/2010, of June 22; (ii) Organic Law 1/2015, of March 30; (iii) Organic Law 1/2019, of February 20; and (iv) also taking into account the provisions of Circular 1/2016 of the State Attorney General's Office on the criminal liability of legal persons regarding the reform of the Criminal Code implemented by Organic Law 1/2015.

The GRUPO MASMOVIL assumes as an essential element of its strategy a firm and determined commitment to the principles of ethics, corporate responsibility, transparency and good corporate governance practices. This GRUPO MASMOVIL Criminal Risk Organization and Management Model seeks to reinforce the corporate culture that the GROUP's companies have in place for years and which is periodically updated in order to meet the different needs that may arise.

2. LIABILITY REGIME OF LEGAL PERSONS

The introduction of criminal liability of the legal person in Spain has generated a wide debate among legal operators. On December 23, 2010, the Organic Law to reform the Criminal Code entered into force, which regulates, with respect to **certain crimes, the criminal responsibility of legal persons** as a consequence of numerous international legal instruments that had been demanding a clear criminal response for delimiting this special responsibility, mainly in those criminal figures where their possible intervention was more evident.

This entry into force was followed by Organic Law 1/2015, of March 30, which introduced an important modification of article 31 *bis*, partially reforming article 66 *bis* and introducing three new articles specifically on 31 *ter*, 31 quarter and 31 *quinquies*, which, with the only novelty of extending responsibility to public companies, reproduce the content of sections 2, 3, 4 and 5 of the original article 31 *bis*.

Subsequently, Organic Law 1/2019, of February 20, modifies the Criminal Code and, with respect to the criminal responsibility regime of the legal person, includes two new criminal categories in the closed list of crimes that can generate criminal responsibility of the legal person (embezzlement of public funds and terrorism), broadens the concept of public official, modifies the classification of some crimes and increases some penalties.

The reform of the Criminal Code by Organic Law 8/2021, of 4 June, on the comprehensive protection of children and adolescents against violence, modifies various provisions with an impact on the criminal liability of legal persons, introducing two new offences in Articles 189.ter (relating to prostitution and sexual exploitation and corruption of minors, for conduct carried out through technological and communication media) and 361 bis (punishing the distribution or public dissemination through the Internet, telephone or any other information or communication technology of content specifically intended to promote or facilitate, among minors or persons with disabilities or in need of special protection, the consumption of products, preparations or substances or the use of techniques of ingestion or elimination of foodstuffs whose use is likely to generate a risk to the health of persons, and which, in accordance with Article 366 of the Criminal Code, is likely to generate criminal liability for legal persons).

Recently it has taken place another reform of the Criminal Code that has affected the criminal liability of legal persons. Concretely, the reform of the Criminal Code by Organic Law 10/2022, has established that legal entities may be responsible for some offences against moral integrity and sexual harassment committed by their employees.

In addition to the legislative changes, it must be added the interpretation of Circular 1/2016 of the State Attorney General's office on the criminal liability of legal persons. The Attorney General starts from the principle of mistrust, which requires extreme zeal in the adoption, implementation and review of the organization and management models aimed at preventing crimes introduced by the new article 31 *bis* of the Criminal Code.

Thus, according to article 31 *bis*.1 of the Criminal Code, the legal persons shall be criminally liable:

- ▶ For crimes committed in the name or on behalf of the legal person and, for their direct or indirect benefit, **by his legal representatives** or by those who, acting individually or as members of a body of the legal person, **are authorized to make decisions on behalf of the legal person or have organizational and control powers** within it.
- ▶ For the crimes committed, in the exercise of social activities and on behalf and for the direct or indirect benefit of the legal person, by those who, **being subject to the authority of the natural persons mentioned in the previous paragraph**, have been able to carry out the acts due to having **seriously breached the duties of supervision, surveillance and control of their activity**.

Thus, the explicit duty of legal persons to supervise and control their activity and the performance of their personnel is incorporated into the criminal law, for trying to prevent activities that, for the direct or indirect benefit of the companies, imply a certain penal risk.

Thus, in accordance with the provisions of article 31 *bis* of the Criminal Code, the legal entity may only be criminally liable for actions that have been committed for its direct or indirect benefit. Therefore, those actions that are not committed in the name and for the account and benefit of the company, shall not generate criminal liability in the same.

Organic Law 1/2015 incorporates a second section to article 31 *bis* of the Criminal Code that establishes that the legal person shall be exempt from criminal responsibility provided that:

1. The administrative body has adopted and executed effectively, before the commission of the crime, organizational and management models that include suitable surveillance and control measures to prevent the commission of crimes or to significantly reduce the risk of its commission.
2. The supervision of the operation and the compliance of the implemented prevention model has been entrusted to a body of the legal entity with autonomous powers of initiative and control or that is legally entrusted with the function of supervising the effectiveness of the internal controls of the legal person.
3. The crime has been committed fraudulently evading the organization or prevention models.
4. There has been no omission or insufficient exercise in the functions of supervision, surveillance and control.

Therefore, the distrust of the State Attorney General's Office regarding the ability of companies to organize in an ethical key has led it **to interpret the exemption from liability of legal persons very restrictively**. So:

- a) On the one hand, compliance programs are required to be adequate for the prevention of the specific crime that has been committed, which requires

accreditation that *"the organizational models are perfectly adapted to the company and its specific risks."*

- b) However, and at the same time, the effectiveness of compliance programs depends on the fact that the set of compliance actions developed by the company are not directed only at crime prevention, but at the creation of a true culture of ethics that bathes business activity in the premise of respect for the law.

In this regard, in its judgment No. 154/2016, of February 29, the Spanish Supreme Court indicates that the criminal liability system of the legal person is based on the establishment and application of effective control measures that minimize the risk of commission of criminal offenses by those who make up the organization and not in the absence of business ethics. This, although highly recommended, is not part of the requirements established by article 31 *bis* of the Criminal Code.

2.1 Ethics

One of the essential elements for the program to be effective, **on which the aforementioned Circular emphasizes is the «corporate ethical culture»**, whose existence and validity would be a kind of essential requirement not written in article 31 *bis* of the Criminal Code, of importance such that, in its absence, prosecutors must consider the model ineffective.

The State Attorney General's Office goes so far as to say that: *«the organization and management models are not only intended to avoid the criminal sanction of the company but to promote a true business ethic culture. **Therefore, the key to assessing its true effectiveness lies not so much in the existence of a prevention program but in the importance it has in the decision-making of its leaders and employees and to what extent it is a true expression of their culture of compliance.** This general criterion shall preside over the interpretation by the Prosecutors of the organization and management models to determine if, beyond their formal compliance with the conditions and requirements established by the precept, they express a corporate commitment that really discourages criminal conduct.»*

The position that the Public Prosecutor shall assume as a result of Circular 1/2016 is clear: in front of the commission of a crime that entails criminal liability of the legal person within a company whose regulatory compliance model is complete and effective, although not supported by an adequate business ethics, it shall request the conviction of the legal person as a criminally responsible subject.

The essential question at this point lies in what shall be taken into account to assess the effectiveness of the model: for the State Attorney General's Office, an effective model exists only to the extent that it is supported by a solid ethical culture of the businesses. **If this does not exist or is not established, the model shall be considered ineffective, even if it is complete and adequate to prevent crimes that may be committed within the legal entity.** In other words, the effectiveness of the compliance

programs depends on the set of actions carried out by the company that are not directed only at crime prevention, but rather at creating a culture of ethics and that accreditation is essential.

This paradox becomes essential, since the existence of a «culture of ethics» over the mere existence of a compliance program shall be essential for the State Attorney General's Office to assess the effectiveness of the model, at least in four very important areas:

- a) In the cases of **commission of the crime by any of the company's main managers, its directors or its supervisory bodies**. Only if a true culture of ethics has been implemented, can it be interpreted that the model, despite the failure that reveals the commission of a criminal act, was, ex ante, reasonably effective. In the event that the crime that gives rise to the criminal responsibility of legal persons had been committed by one of the aforementioned subjects, «the Prosecutors shall presume that the program is not effective», since «it reveals a lesser ethical commitment of society and calls into question the seriousness of the program».
- b) In **hiring, promotion and dismissal of managers**. Given that compliance programs must «guarantee high ethical standards», the legal entity must be very much aware of the trajectory of those whom it intends to incorporate, promote or dismiss from key positions, since they are the bastions of ethical commitment. In relation to potential hires, «*the legal entity must take careful account of the professional career of the applicant and not promote those who lack the requisite suitability*». In an inversely proportional sense, it shall be indicative of the absence of ethical commitment and, consequently, shall provoke the opposition of the Public Prosecutor's Office to the assessment of the defence «*the maintenance in the position of a director or manager who has been subjected to criminal proceedings in the one that the commission of the crime has been accredited*». Finally, the Prosecutor's Office also deduces the establishment of the corporate ethical culture of the mechanisms «*promotion of managers and employees and their application in the specific case*», so that the ratio *decidendi* for the promotion of company personnel becomes especially important to the effects of article 31 bis of the Criminal Code and its defence.
- c) In cases of **indirect benefit**, if the culture of ethics is well established (above the mere execution of suitable and company-appropriate prevention models) exemption from criminal liability shall also be possible.
- d) **Self-reporting**: if a culture of ethics has really been installed, over and above suitable models, the company should not fear self-reporting of the discovered crime, as this shall trigger that «*the Prosecutors (...) must request the exemption from penalty of the legal person*».

In summary, the State Attorney General's Office considers that having a corporate ethical culture as the basis for establishing the effectiveness of the model is an extensive interpretation of article 31 bis of the Criminal Code to the detriment of the defendant, by

establishing elements that are absent from the literalness of the precept based on which subsequently the concurrence of a defence of criminal responsibility shall be denied.

2.2 Effectiveness of the Model

The recent rulings of the Supreme Court and the praxis developed place the accent both on the ethical culture and **the effectiveness of the model** as the keystone of the compliance system.

The prevention model must comply with all the legal requirements established by article 31 *bis*.5 of the Criminal Code, which are:

- “1. They shall identify the activities in which the crimes that must be prevented may be committed.*
- 2. They shall establish the protocols or procedures that specify the process of formation of the shall of the legal person, the adoption of decisions and the execution of the same in relation to the former.*
- 3. They shall have models for the management of adequate financial resources to prevent the commission of crimes that must be prevented.*
- 4. They shall impose the obligation to report possible risks and non-compliance to the body in charge of monitoring the operation and observance of the prevention model.*
- 5. They shall establish a disciplinary system that adequately penalizes non-compliance with the measures established by the model.*
- 6. They shall carry out a periodic verification of the model and its eventual modification when relevant infringements of its provisions become apparent, or when there are changes in the organization, in the control structure or in the activity carried out that make them necessary”.*

Beyond the fact that the company has a document entitled "Identification of the activities in which the crimes that must be prevented may be committed", **what is truly important is that the analysis of criminal risks has been exhaustively carried out, thereby tracing the plane on which to erect a sufficient and effective ethical structure.** Similarly, having control measures on paper shall not be enough if it does not come hand in hand with consistent execution. Its true capacity to minimize the risk of committing crimes and, precisely for this reason, the legislator has alluded to the effectiveness of the organization and management model on two occasions in the new article 31 *bis* of the Criminal Code.

So much so that the "paper" compliance models that are not backed by real risk mitigation and control measures shall be clearly ineffective and shall lack any defensive potential for the legal entity. Such paper libraries have been harshly criticized by the doctrine, and also recently by one of the parties in the criminal process, the Public Prosecutor's Office, which makes it clear that this option has not been and shall not be

viable as a way to operate in the market and that shall come with serious risks for the companies that implement it and the individuals who work in them.

Equally ineffective the models shall be that are incomprehensible to their recipients (employees, managers, directors and third parties hired by the company) since it is clear that understanding the meaning and purpose of the rule are necessary assumptions for compliance. In the same way that States have constitutions, a penal code and special laws to try to prevent the commission of crimes, **the companies must have internal codes of conduct, policies and procedures for the same purpose, the content of which must be understood in order to be able to have an impact on the behaviour of its recipients.** The effectiveness of the organization and management model is the key to the defence of criminal responsibility of the legal person, and this is extracted from the reading of article 31 *bis* and the Circular of the State Attorney General's Office. It shall be crucial, therefore, to determine the features of an effective compliance system, in a world in which cases of absolute nonexistence (or perfection) of the model shall turn out to be the least common.

As has already been warned, **the assessment of the effectiveness of the compliance models should be carried out from the existing panorama immediately prior to the commission of the act considered criminal**, including the analysis of the compliance model in its generality and its concrete impact on the conduct carried out by the natural person.

In addition to the references to the corporate ethical culture and the criteria for evaluating effectiveness, in cases of failure of the crime prevention system, the State Attorney General's Office shall take into account the reaction promoted by the legal entity itself to the discovery, evaluating such parameters. as the number of people involved, the duration of the criminal activity or the history of administrative sanctions imposed on the company, the capacity of investigation that the company itself allows and promotes to its Compliance Officer, allocated financial resources, etc.

3. ADOPTION OF THE MANUAL BY GRUPO MASMOVIL

3.1 Scope of the Manual

This Manual covers the analysis of possible crimes and mitigating controls, and is applicable to the GRUPO MASMOVIL in the activities it carries out in Spanish territory and on which it has been identified that there is relevant exposure to crimes.

3.2 Recipients of the Manual: Subject Persons

This Manual is applicable to the employees and executives of each of the companies that make up the GRUPO MASMOVIL (hereinafter, "**Employees**"³), their legal representatives and directors in law or in fact (hereinafter, "**Representatives**"⁴).

The GRUPO MASMOVIL shall promote, in the area that is applicable, the adoption of appropriate preventive measures with respect to companies and professionals, with whom it can maintain professional relationships of any kind or even subcontract or with whom it can associate and collaborate (hereinafter, "**Third Parties**"⁵). For this, the GRUPO MASMOVIL may require them to comply with and adapted version of the Code of Ethics and its internal regulations.

³ Any natural person who maintains an employment relationship with any of the companies of GRUPO MASMOVIL, including all managers and persons who hold powers of organization and control, as well as any person who provides labor services for any of these, regardless of their contracting regime.

⁴ The legal representatives of the companies of the GROUP, including the *de iure* directors, and those who act individually or as a member of a body of the companies of the GROUP that are authorized to take decisions on behalf of the latter, including any *de facto* directors or other external control bodies, and any natural or legal persons linked to the companies of the GROUP by legal relationships and/or relations of any nature whatsoever other than an employment relationship, who act on their behalf.

⁵ Any natural or legal person providing services to the companies of GRUPO MASMOVIL through any relationship other than an employment relationship and who is not included in the definition of Representatives, including operators, suppliers, contractors, call centers, distributors and collaborators.

4. PURPOSE OF THE MANUAL AND CONTROL MEASURES ADOPTED

4.1 Purpose of the Manual

Article 31.1 *bis* of the Criminal Code establishes the implicit obligation of legal persons to exercise due control over the actions of their directors and persons under their authority, in such a way that if due diligence is demonstrated, the legal entity would have a solid basis on which to base a claim that it is not liable for the crimes committed by their employees.

In the event that the aforementioned consideration does not apply, article 31.1 *bis* section 4 of the Criminal Code contemplates as mitigating the responsibility of the legal person, having established, after the commission of the criminal act, effective measures to prevent and discover crimes that could be committed with the media or under the cover of the legal entity itself.

In accordance with the foregoing, and observing international standards on crime prevention, the GRUPO MASMOVIL's criminal prevention system has been designed taking into account the following requirements:

- (i) To identify the activities in which scope the crimes to be prevented may be committed;
- (ii) To establish the protocols or procedures that specify the process of formation of the shall of the legal entity, of the adoption of decisions and of the execution of the same in relation to those;
- (iii) To have adequate financial resource management models to stop the commission of the crimes to be prevented;
- (iv) To impose the obligation to report possible risks and breaches to the body in charge of overseeing the operation and observance of the prevention model through the Compliance Officer;
- (v) To establish a disciplinary system that adequately sanctions non-compliance with the measures established by the model; and all of it;
- (vi) To be entrusted to a body (Compliance Officer) with sufficient powers, autonomy and control, in charge of both the design and implementation of the model, as well as its subsequent supervision and operation.

The ultimate purposes of this Manual are therefore: (i) to illustrate the fundamental elements of the crime and anti-bribery management system, (ii) to serve as an instrument to prevent the commission of crimes, (iii) to ensure the effectiveness of control rules and procedures that minimize the risk of illegal behaviour by the Employees and Representatives of the GRUPO MASMOVIL; (iv) to establish due control over by GRUPO MASMOVIL over its business activity with respect to criminal risks and bribery and corruption, thereby complying with the requirement set forth in the Criminal Code, and (v) to promote a culture of corporate ethics, anti-bribery and compliance.

To this end, these types of crimes have been delimited in this Manual as crimes that, being capable of generating criminal liability for legal persons according to the Criminal

Code, may hypothetically occur in the GRUPO MASMOVIL due to the activities it carries out. Said identified crimes are detailed in the GRUPO MASMOVIL Criminal Risks Report and in the special part of this Manual, Appendices I and II.

Further, the MASMOVIL Group has decided to include in its criminal risk map certain conducts whose commission does not directly entail criminal liability for the legal entity, but which could affect its image and/or reputation insofar as such conduct is carried out within the scope of its business activity.

It should be clarified that the list of identified risks included in the Criminal Risks Report and in the special part, does not imply that the commission of the crimes has been detected, but that they are simply risks intrinsic to the type of activities carried out by the GRUPO MASMOVIL and therefore, they have been the object of special study and analysis for their proper prevention. As this Manual is a dynamic document, its scope shall be periodically reviewed in relation to crimes as well as the controls that may affect the GRUPO MASMOVIL and, where appropriate, it shall be updated in accordance with the provisions of section fourteen.

4.2 Risk Analysis

All business activity entails, in itself, the assumption of certain risks (operational, financial, legal, etc.). What the legislator requires in the Criminal Code, and the GRUPO MASMOVIL's Organization and Management Model for Criminal and Bribery Risks, which includes this Manual, revolves around this, is an attempt to identify the criminal risks affecting the legal entity, analyse them and adopt the appropriate measures to try to control the materialization of the risks detected.

The risk analysis has been carried out by the GRUPO MASMOVIL with the appropriate specialized advice in the field of Criminal Compliance, thus combining the knowledge we have of the organization and business activity of each of the companies of the GROUP, with the analysis by an independent expert of the criminal risks to which, by the sector of activity of each one of these, they could potentially be exposed.

The activities in which the GRUPO MASMOVIL companies find the greatest exposure to criminal risks are:

- ▶ Provision and operation of all kinds of retail and wholesale telecommunications services (fixed and mobile telephony, data services and internet access) and other related technological and value-added services.
- ▶ Marketing of telecommunications services and other related value-added technological services.
- ▶ Activities of purchase and sale of all kinds of electrical energy to consumers and other subjects of the system.
- ▶ Relations with national and international operators, suppliers and clients.

- ▶ Construction, deployment and maintenance of telecommunications networks.
- ▶ Acquisition and sale of companies and businesses.
- ▶ Relations with Public Administrations.
- ▶ Obligations with the Public Treasury and the General Treasury of the Social Security.

The Organisation and Management Model for Criminal and Bribery Risks implemented in the GROUP is not a rigid and watertight control system, but is subject to periodic updating by the GRUPO MASMOVIL based on regulatory changes or corporate, structural and sectors to which any of the GROUP companies, among others, may be subjected.

Specifically, for establishing due control over the GRUPO MASMOVIL's business activities and for designing the Model described in this Manual, a thorough review and analysis of the crimes and associated controls existing in the GRUPO MASMOVIL has been carried out. The revision project has consisted of the following actions, some of which are developed throughout this Manual:

- ▶ The Compliance Officer identified, on a preliminary basis, the crimes applicable to the GRUPO MASMOVIL based on the activities carried out by it, also identifying, for each area of the Group, the crimes that could potentially be applicable depending on the activities carried out. These criminal risks were subsequently reviewed and updated by independent experts in the period from January to February 2020 and throughout the second half of 2021. Likewise, in September 2022 it was carried out a new update of the criminal risks on the occasion of the approval of the Organic Law, 10/2022
- ▶ In each of the potentially affected areas, we have proceeded to:
 - a) Raise awareness in the organization about the need to maintain ethical professional behaviour at all times in accordance with the GRUPO MASMOVIL Code of Ethics (“**Code of Ethics**”).
 - b) Analyze which of the crimes established in the Criminal Code that may entail liability for the legal entity or personal liability for Employees or Representatives of Grupo MASMOVIL or subsidiary civil liability or administrative sanctions may potentially materialize in each area depending on their activities and responsibilities.
 - c) Identify the most relevant control procedures and activities that can reasonably prevent the aforementioned hypothetical crimes or risks from being committed by the Employees and Representatives of the GRUPO MASMOVIL.
- ▶ As a consequence of this process:

- a) The most relevant policies, protocols and procedures of the GRUPO MASMOVIL have been reviewed and the proper application of them has been verified to favour the effective prevention of crimes, as well as the adequate custody of the evidence justifying the effective compliance with the controls.
- b) A review of the GRUPO MASMOVIL financial resource management model has been carried out.
- c) The GRUPO MASMOVIL has a Compliance Officer as a specific internal control body to control the implementation, development and compliance of the GRUPO MASMOVIL's crime prevention Model.
- d) There is a channel for complaints of the GRUPO MASMOVIL, through which the Employees and Representatives of each of the companies of the GROUP can communicate the possible risks and breaches detected in them, in terms of prevention of criminal risks, as well as to raise any queries that may arise to them in this regard.
- e) A periodic verification of GRUPO MASMOVIL's Organisation and Management Model for Criminal and Bribery Risks has been established, as well as its eventual modification when relevant infractions of the same are revealed; changes occur in the GROUP companies, in the control structure or in the activities carried out by them, which make them necessary; or there is any regulatory change that affects them.

However, as it was indicated, this Manual is a dynamic document, so that it shall subject to a permanent review process to incorporate, where appropriate, new preventive controls, areas of activity or entities that may be added to the GROUP's structure, in the terms established in the fourteenth section.

Additionally, it is important to note that in accordance with letter a) of section 1 of article 31 *bis* of the Criminal Code, the companies of the GRUPO MASMOVIL shall also be criminally liable *"for crimes committed in their name or on their behalf, and in their direct or indirect benefit, by their legal representatives or by those who, acting individually or as members of a body of the legal person, are authorized to make decisions on behalf of the legal person or have organizational and control powers within it"*.

Therefore, all decisions and acts carried out by the Lorca Board of Directors and/or the administrative bodies of the GROUP companies, as well as by their attorneys within the powers granted, may generate criminal liability for the same. Therefore, they must comply with all the policies, procedures and controls regarding good corporate governance, as well as with the rules of action established in the Code of Ethics, in the Crime Prevention Manual of the GRUPO MASMOVIL, and in any other regulation that shall be applicable.

In this regard, it should be noted that, as referred to in Circular 1/2016 of the State Attorney General's Office: *"The behaviour and involvement of the Board of Directors and the main executives are key to transferring a culture of compliance to the rest of the company. On the contrary, their hostility towards these programmes, ambiguity,*

equivocal messages or indifference to their implementation conveys to the company the idea that non-compliance is only a risk that may be worthwhile in order to achieve greater economic benefit".

5. CRIMES THAT MAY BE COMMITTED IN THE GRUPO MASMOVIL

The risks that, due to the activity and business sector of the GRUPO MASMOVIL companies, could materialize in the GROUP companies, are:

- ▶ Crimes against personal and family privacy: article 197 C.P.
- ▶ Crime of fraud: article 248 C.P.
- ▶ Crime of corruption between individuals and corruption in international commercial transactions: articles 286 bis-ter C.P.
- ▶ Bribery offense: Articles 419 and 424 C.P.
- ▶ Influence peddling offense: article 430 C.P.
- ▶ Crime of computer damages: article 264 C.P.
- ▶ Crime against intellectual property: articles 270 to 272 C.P.
- ▶ Crime against industrial property: articles 273 to 277 C.P.
- ▶ Crime of discovery and disclosure of company secrets: article 278 C.P.
- ▶ Misleading advertising crime: article 282 C.P.
- ▶ Crimes of money laundering and financing of terrorism: articles 301 and 576 C.P.
- ▶ Crime of illegal financing of political parties: article 304 C.P.
- ▶ Crimes against spatial planning and urban planning: article 319 C.P.
- ▶ Crimes against the Public Treasury and Social Security: articles 305 to 310 C.P.
 - Crime against the Public Treasury: article 305 C.P.
 - Crime of accounting fraud: article 310 C.P.
 - Crime of fraud to Social Security: article 307 C.P.
 - Crime of subsidy fraud: article 308 C.P.
- ▶ Misappropriation of public funds: article 432 C.P.
- ▶ Crimes of frustration of execution and punishable insolvencies: articles 257 to 261 C.P.
- ▶ Crime of alteration in the price of things: article 284 C.P.
- ▶ Crime of abuse of privileged information: article 285 C.P.
- ▶ Crime against improper access to broadcasting or television services or interactive services: article 286 of the C.P.
- ▶ Crimes against natural resources and the environment: article 305 C.P.

- ▶ Crime of fraudulent billing to the detriment of consumers: articles 278 to 286 C.P.
- ▶ Crime of forgery of credit and debit cards: 399 bis of the C.P.
- ▶ Crimes against the rights of foreign citizens: article 318 bis C.P.
- ▶ Crime of incitement to hatred: article 510 C.P.
- ▶ Crime against moral integrity: 173.1 C.P.
- ▶ Crime of sexual harassment: artículo 184 C.P.
- ▶ Crimes against the rights and safety of workers *: 316 C.P.
- ▶ Offense of alteration of prices in competitions and public auctions *: 262 C.P.

Crimes against the rights and safety of workers and altering prices in public tenders and auctions do not generate criminal liability for the legal entity. However, taking into account the activities carried out by the GRUPO MASMOVIL, their inclusion is advisable, since the companies of the GROUP could be subject to the ancillary consequences provided for in article 129 of the Criminal Code.

In this regard, it should be noted that there are other criminal risks that, although they are included within the *numerus clausus* system established in the Criminal Code and, therefore, may generate criminal responsibility of the legal person, they have not been expressly identified in the Report of Criminal Risks, because, once the analysis of the activities carried out by the GRUPO MASMOVIL and the way in which they are carried out, it is considered that the possibilities that these criminal risks may occur are very remote.

However, due to the fact that it is impossible to completely eliminate the risk of committing these crimes, the GROUP shall analyze each situation in particular and adopt all the necessary measures to prevent or mitigate them, committing to comply with the rules of action that are established in this regard indicated in their Code of Ethics, Crime Prevention Manual, as well as any other procedure that may be applicable.

Specifically, these criminal risks are:

- ▶ Crime of illegal trafficking of human organs (156 bis.3 C.P.);
- ▶ Crime of trafficking in human beings (177 bis.7 C.P.);
- ▶ Crimes of prostitution, sexual exploitation and corruption of minors (189 bis C.P.);
- ▶ Crimes related to ionizing radiation (343 C.P.);
- ▶ Risk crimes caused by explosives and other agents (348 C.P.);
- ▶ Crime of detraction from the market of raw materials or basic necessity products (281 C.P.)

- ▶ Crimes against public health (366 C.P.);
- ▶ Crimes against public health (drug trafficking) (368 C.P.);
- ▶ Crime of counterfeiting currency (386 C.P.);
- ▶ Terrorism crime (576 C.P.); and
- ▶ Smuggling crime (article 2.6 Spanish Act 12/1995).
- ▶ Organised criminal group (570 *quater* C.P.)

6. CONTROLS AND PROCEDURES UNDERPINNING THE MANUAL

6.1 Controls, Procedures and Rules of Action

This Manual establishes the model of organization, prevention, management and control of crimes of the GRUPO MASMOVIL in Spain. Our Criminal Code in its article 31 *bis* 5.2º establishes the need for companies to have “*protocols or procedures that specify the process of formation of the shall of the legal person, decision-making and execution of the same in relation to those ones*”.

To this end, the GRUPO MASMOVIL provides and has implemented a series of internal control and supervision mechanisms to try to prevent breaches from occurring that increase the chances that the aforementioned criminal risks may materialize.

In line with international recommendations, the GRUPO MASMOVIL distinguishes three lines of defence within its control environment.

- ▶ First: control by the management team;
- ▶ Second: control by those members of the organisation who have supervisory and risk control powers; and
- ▶ Third: control by the Internal Audit Function.

The GRUPO MASMOVIL's Criminal Risk Organisation and Management Model is part of this general control environment, which structures the prevention of crimes through:

- ▶ General policies, procedures and controls that are constituted as the basis of risk control and are effective in mitigating the generic risk of committing crimes (hereinafter, “**General Controls**”).
- ▶ Specific procedures and controls made up of a series of measures whose purpose is to mitigate a specific crime or a group of specific crimes (hereinafter, “**Specific Controls**”), which correspond with the controls of specific processes.

In addition to the General Controls and the Specific Controls, this Manual incorporates a system of action measures in relation to the aforementioned controls that allows optimizing the GRUPO MASMOVIL crime management system. The measures adopted are mainly:

- ▶ Raise awareness and train all GRUPO MASMOVIL Employees and Representatives on the importance of regulatory compliance and, especially, on compliance with the Code of Ethics and crime prevention.
- ▶ Inform all Employees, Representatives and Third Parties that a violation of the provisions contained in the Code of Ethics may imply the imposition of disciplinary measures, including the termination of the employment contract or the termination of contracts and powers of attorney.
- ▶ Express and public record of the outright condemnation by the GRUPO MASMOVIL of any type of illegal behaviour, highlighting that, in addition to

contravening the legal provisions, it is contrary to the vision and values of the GROUP.

- ▶ Adopt the necessary measures to allow the GRUPO MASMOVIL to act quickly, both in prevention, as well as in detection and intervention, in the case of the risk of committing crimes.
- ▶ Especially monitor the controls implemented in the operations or processes likely to generate, hypothetically, crimes.
- ▶ Supervise the operation of the implanted system and of this Manual with its consequent periodic updating, either due to organizational changes within the GRUPO MASMOVIL or as a result of modifications in current legislation.

The controls and procedures on which the Manual and the aforementioned rules of action are based, as developed herein, allow the GRUPO MASMOVIL's Organisation and Management Model for Criminal and Bribery Risks to be a structured and organic prevention system and effective control to reduce the risk of committing crimes related to its activities.

Specifically, of the different rules of action mentioned above that are the object of development in this Manual, the GRUPO MASMOVIL considers that the awareness of its Employees and Representatives is essential in the prevention of crimes and, therefore, pays special attention to the measures of dissemination and training that are articulated as an essential part of the General Controls and are regulated in more detail in the thirteenth section of this Manual.

6.2 General Controls and Specific Controls

The GRUPO MASMOVIL structures crime prevention from the following General Controls that constitute, together with the Compliance Officer, the basis of risk control, without prejudice to the existence of specific measures to mitigate specific crimes:

6.2.1 Regulations of the Board of Directors.

The purpose of these Regulations is to determine the principles of action of the Board of Directors (including its delegated bodies and commissions, as well as the members that comprise them) of the Company, the basic rules of its organization and operation and the rules of conduct of its members, in accordance with the recommendations and uses of good governance and the regulations in force at all times.

The rules of conduct established in these Regulations for the directors of the Company shall be equally applicable to the senior managers of the Company (understood as such as all those who report directly to the Board of Directors or the Chief Executive Officer - if any - and, in any case, the person responsible for the internal audit of the Company and those who have been so considered by the Board of Directors), to the extent that they are compatible with their specific nature.

6.2.2 Policy of Remuneration to Directors

This policy includes the main aspects and commitments of the Company regarding the remuneration of directors, and is intended to establish the remuneration criteria for the members of the Board of Directors of MMI, all in accordance with applicable regulations and best practices of **corporate governance**.

The Lorca Board of Directors must prepare and disseminate an Annual Report on directors' Remuneration, which shall include complete, clear and understandable information on the remuneration policy for the Company's directors approved by the latter for the current year, as well as, where appropriate, the one foreseen for future years. It shall also include a global summary of the application of the remuneration policy during the year, as well as the detail of the individual remuneration accrued by each of the directors.

This report shall be disseminated and submitted to a vote, on a consultative basis and as a separate item on the agenda, at the ordinary General Shareholders' Meeting.

6.2.3 Policy of Crime Prevention, Against the Fraud and Corruption of GRUPO MASMOVIL

The purpose of this Policy is to send a clear message to all the Employees and Representatives of the GROUP, as well as to Third Parties that are related to it, that it does not tolerate and opposes the commission of any illegal act, criminal or otherwise, and that it is prepared to combat it and prevent a possible deterioration of the image and reputational value of the GRUPO MASMOVIL and, ultimately, the value of the share and the brand. This Policy for the Prevention of Crimes and Against Fraud and Corruption is a commitment to permanently monitor and punish fraudulent acts and conduct, to maintain effective communication and awareness mechanisms for all Employees and Representatives, and to develop a corporate culture of ethics and honesty.

The GRUPO MASMOVIL bases its actions on the principle of due control, aimed at fulfilling the commitments described in this policy and which can be summarized in the following elements:

- ▶ Surveillance, prevention and punishment of criminal or fraudulent acts and conduct.
- ▶ Development of a business culture based on ethics and honesty, which entails the prevention of a possible deterioration of its image and its reputational value and, ultimately, of the value of the share and of the GRUPO MASMOVIL brand.
- ▶ Compliance with the Law and internal regulations, both by the Employees and Representatives of the GROUP and, where appropriate, by Third Parties that are related to it and the establishment of mechanisms to ensure compliance.
- ▶ The internal control system over financial information as a mechanism for the prevention and control of internal fraud in financial information.

- ▶ Establish the general framework that encourages the establishment of effective control and communication mechanisms and awareness of all Employees and Representatives, such as the Crime Prevention Manual, in order to prevent the commission of crimes and consequently avoid fraud and corruption, as well as the commission of administrative offenses by or in the GRUPO MASMOVIL.

6.2.4 Risk Management and Control Policy of GRUPO MASMOVIL

The fundamental objective of this policy is to establish the principles and guidelines that ensure that the risks that could affect the strategies and obligations of the GRUPO MASMOVIL are at all times defined, identified by categories, quantified, communicated and, as far as possible, controlled.

6.2.5 Code of Ethics of the GRUPO MASMOVIL

The Code of Ethics is the central element of this Manual, as well as of the Criminal Risk Organization and Management Model. It includes the ethical principles of the GRUPO MASMOVIL and the norms and guidelines for action in the different risk areas. Additionally, the Code of Ethics contains the rules that regulate the consequences of its non-compliance and the formulation and processing of reports of allegedly illegal actions.

6.2.6 Canaletico@masmovil.com

The Employees and Representatives of and Third Parties engaged with the GRUPO MASMOVIL have at their disposal, on a permanent basis, a channel specifically enabled by the GROUP, through which the Compliance Officer shall be informed of:

- a) Queries or doubts that may arise in relation to the content, interpretation, application or compliance with the Code of Ethics, the Criminal Risk Organization and Management Model and the regulations that develop them.
- b) The existence of any possible irregularity or non-compliance with the provisions of this Code of Ethics, in the Model of Organization and Management of Criminal Risks or in related regulations.

These communications may be made anonymously and shall be addressed to the email address canaletico@masmovil.com. Likewise, the Employee or Representative may provide these communications by physical delivery to the Compliance Officer, as well as through the corporate website and the Group's intranet. This channel shall be managed exclusively by the GRUPO MASMOVIL's Compliance Officer.

In any case, the GRUPO MASMOVIL shall communicate the existence of this Ethical Channel by email or any other accessible support for all Employees and Representatives, within the framework of its improvement policy, informing about the form and manner of carrying out this type of communication.

The use of this Channel shall be governed by the "Statute of the Compliance Officer and Operation of the Ethical Channel" which is published on the Employee Portal.

6.2.7 Statute of the Compliance Officer and Operation of the Ethical Channel.

It regulates the configuration of the Compliance Officer of the GRUPO MASMOVIL, its functions and the procedures that must be followed for the exercise of these, guaranteeing the necessary autonomy of the function of supervision of the operation and compliance with the Organization and Management Model of Criminal Risks of the GROUP.

6.2.8 General Policy of Corporate Governance

Lorca and the rest of the GRUPO MASMOVIL companies are committed to good corporate governance and transparency. This commitment guides the actions of the Board of Directors, its committees and the other bodies of the Company in their relations with shareholders, investors and other interested groups, as well as the development of its corporate governance strategy, which is based on the following principles:

- ▶ Recommendations of generally recognized good governance and updating of its internal corporate governance standards.
- ▶ The GROUP envisages the corporate interest as the common interest of all the shareholders of an independent public limited company aimed at the sustainable exploitation of its corporate purpose and the creation of long-term value for the benefit of those, taking into consideration the other related interest groups with their business activity.
- ▶ The Company encourages the informed participation of shareholders in the General Shareholders' Meeting and adopts the appropriate measures to enable it to effectively exercise its functions and powers in accordance with the law and corporate governance regulations.
- ▶ Transparency is one of the values that make up GRUPO MASMOVIL's relationships with the markets.
- ▶ The Board of Directors seeks the proper balance in its composition.
- ▶ The Board of Directors seeks diversity of age, gender and experience in its composition and in that of its committees and of the other bodies of the Company.
- ▶ The corporate governance standards incorporate the mechanisms and procedures necessary to prevent, identify and resolve situations of conflict of competence and interest, whether specific or structural and permanent.

- ▶ Lorca seeks to ensure, to the extent of its possibilities, the good repute, suitability, solvency, competence, experience, qualification, training, availability and commitment with their function of its directors and key executives, through the Appointments and Remuneration Committee.
- ▶ The corporate governance rules maintain the proper separation between the management and supervision functions within Lorca.
- ▶ The GRUPO MASMOVIL is permanently committed to the application of ethical governance practices and to the maintenance, development and supervision of the GROUP's compliance policies.
- ▶ It includes compliance with the applicable regulations and risk management policies, ensuring that the internal procedures of the GROUP meet the highest ethical standards.
- ▶ The corporate tax Policy of the GRUPO MASMOVIL includes, among its principles, compliance with the current legislation on tax matters in the different countries and territories in which the GROUP operates.

The Board of Directors prepares an Annual Corporate Governance Report, with the content and structure required by the applicable legislation at all times. The Company includes in the management report, in a separate section thereof, the Annual Corporate Governance Report.

6.2.9 Principles of Corporate Governance

Although the recommendations contained in the Code of Good Governance of Listed Companies, approved by resolution of the Board of the National Securities Market Commission, of February 18, 2015 (the "CBGSC") are only applicable to companies whose shares are admitted to trading on an official secondary stock market, with the motivation of increasing transparency and security for investors, the Company has implemented several recommendations established in this regard by the CBGSC.

In this regard, the following Good Governance practices stand out (recommendations of the Unified Code), which the Company fully or partially complies with.

▶ Size of the Board of Directors

The Board of Directors is made up of thirteen (13) directors. In this way, recommendation 13 of the Unified Code is complied with, which advises that the council shall have between five and fifteen members, in order to achieve an effective and participatory operation.

▶ Creation of Commissions

There are two specific committees in the Board of Directors: the Audit Committee and the Appointments and Remuneration Committee, in accordance with the recommendations of the Code of Good Governance.

The Appointments and Remuneration Committee is in charge of supervising the selection process and the remuneration policy of the directors and senior management of the GROUP.

The Audit and Compliance Committee is responsible for conducting periodic reviews of the financial information presented, and for ensuring compliance with all legal requirements and the correct application of accounting standards. It also oversees internal audit systems, internal controls and risk management practices, in addition to coordinating with the external auditor.

6.2.10 Conflict of interest procedures

The purpose of this rule is to regulate the applicable procedure regarding those operations or decisions which may collide, directly or indirectly, with the interests of the GRUPO MASMOVIL and the personal interests of the Directors or of any of the People subject to the rules of conflicts of interest of the GROUP.

6.2.11 Code of Ethics of Suppliers

The GRUPO MASMOVIL considers the suppliers as a group of strategic interest, so this Code establishes the specific principles of action that suppliers must comply with for their area of activity, in accordance, in any case, with the principles and values that are identified with the GRUPO MASMOVIL and with its own Code of Ethics.

6.2.12 Training

The GRUPO MASMOVIL carries out specific training activities for the awareness of the Employees, and Representatives, when applicable, related to general matters and especially crime prevention, with the Code of Ethics and specific training plans in matters such as anti-corruption, prevention of labour risks and personal data, among others. In this regard, the GRUPO MASMOVIL develops and executes an annual training plan.

6.2.13 Website

The GRUPO MASMOVIL's commitment to transparency and continuous information is based, among other actions, on the development of the corporate website, where public and private information is disclosed.

6.2.14 Material and Personal Resources

GRUPO MASMOVIL, on an annual basis, shall allocate a sufficient budget item to ensure effective compliance with its Organisation and Management Model for Criminal and Bribery Risks, thus guaranteeing the provision of sufficient personal and material resources for a correct and effective compliance with it.

6.2.15 Policies, Procedures and Manuals of GRUPO MASMOVIL

The policies and procedures of the GROUP bind the Employees and Representatives of the GRUPO MASMOVIL. All of them have the obligation to know and comply with the provisions of said documents and collaborate with their implementation in the companies of the GROUP.

Likewise, the various policies or procedures that have been approved by the companies of the GROUP, including those not expressly referred to herein and those that are issued after the approval of this Manual. must also be respected

Along with the aforementioned General Controls, the GRUPO MASMOVIL has a set of Specific Controls that are suitable for mitigating specific crimes.

As for the Specific Controls, these are listed in the criminal risk map, Appendix I, for each of the crimes that may be committed by the GRUPO MASMOVIL.

6.3 IT Management Tool

GRUPO MASMOVIL has introduced the use of an IT tool to digitalise its criminal and bribery risk management system, thereby customising the functionalities of the tool to adapt it to specific aspects of its activity as an operator of electronic communications services. This tool is used to identify and assess risks, establish controls to mitigate such risks and operate the system, thus providing traceability of the control actions carried out and recording evidence to facilitate access to and establish such evidence.

7. MANAGEMENT OF FINANCIAL RESOURCES

The GRUPO MASMOVIL has an Internal Control Model of Financial Information that, in order to reasonably guarantee the reliability of said information, establishes responsibilities over the different companies and corporate areas, identifies the most relevant risks of error in the financial information in each area, documents the compliance with controls associated with the risks identified and establishes a periodic review of the model itself to adapt it continuously to the circumstances of the business activity.

The Financial Department supervises the most operational processes, identifying those responsible for them and also defines the internal controls to prevent the activities that make up these processes from being carried out irregularly.

Additionally, Internal Audit is responsible for supervising the internal control and the risk management system of the GRUPO MASMOVIL, reporting directly to the Audit and Control Committee.

In this sense, the GRUPO MASMOVIL has a series of policies, procedures and controls related to information and financial resources that provide absolute transparency to its system and which are set out below:

- ▶ Manual of Accounting Policies.
- ▶ Policy of the Internal Control System on Financial Information and Financing.
- ▶ Policy of risk management and control.
- ▶ Fiscal policy.
- ▶ Policy for the revision and approval of financial information.
- ▶ Procedure for preparing and communicating financial information.
- ▶ Prevention Policy of Money Laundering.
- ▶ Policy of hiring and relations with the account auditor.
- ▶ Purchasing Policy and Purchasing Procedure.
- ▶ Policy of acceptance and delivery of gifts and invitations.
- ▶ Policy of travel and reimbursable expenses of GRUPO MASMOVIL.
- ▶ Policy for granting and using the powers of attorney of the MÀSMOVIL Group. Matrix of powers of attorney.
- ▶ Procedure for negotiating, signing and filing agreements.
- ▶ Purchasing Instruction: Policy and Procedures (Purchases through web pages, of small amount, that only accept payment by credit card).
- ▶ Prior to the approval of the financial statements by the Administrative Body, they must have the following ones: Director of Finance, Internal Auditor, External Auditors (when they have intervened in the review of the same) and a favourable report from the Committee on Audit and Control.
- ▶ Comprehensive Management System (SAP) from which the accounting record of operations and the preparation of financial information are carried out in a centralized way for all the companies of the GROUP, which facilitates a homogeneous treatment for the preparation of the consolidated financial statements.
- ▶ Internal Audit must test the operation and effectiveness of the ICFR “key controls” at least once a year, and must present the results of the tests and the corrective action plans for identified deficiencies (including recommendations, responsible parties, expected date of implementation and monitoring of previous recommendations) to the Audit and Control Committee.
- ▶ Risk and Controls narratives and matrices exist for each of the key SCIIF processes (such processes being: Accounting closing, consolidation and reporting; Billing and income recognition; Treasury and financing; Budget and business plan; Purchases and accounts payable; Purchase of terminals, financing, subsidies and commissions to distributors; CAPEX and fixed assets;

Taxation; Human Resources and payroll management; and Mergers and acquisitions –M&A–).

- ▶ All Purchase operations over one million Euros (€1,000,000) must be approved by the CEO and, in addition, a report on these operations is made by the Purchasing Department to the CEO, at least annually.
- ▶ All purchases of goods and services, over €600, must be supported by a Purchase Order, unless it is expressly excepted according to the Purchasing Instruction: Policies and Procedure.
- ▶ Chinese walls. Matrix of segregation of duties in SAP: billing, treasury and accounting functions.
- ▶ Purchase orders are approved according to the established authorisation matrix.
- ▶ Centralization in the Purchasing Department of the approval and creation of suppliers in the system.
- ▶ GRUPO MASMOVIL payments can only be made by the CEO, the Chief Financial Officer and the Head of the Treasury Department.
- ▶ List of authorized persons for each payment order, according to the Power of Attorney Matrix.
- ▶ Masterfile for transfer prices.
- ▶ External Audit of the Annual Accounts.
- ▶ External Tax Advice.

The aforementioned models, together with other procedures and controls established in the Company, promote adequate management of financial resources, insofar as the same reasonably ensure the reliability of financial information and control in the financial treasury area.

8. CONTROL AND MONITORING BODIES

The exercise of due control requires the implementation in the GRUPO MASMOVIL of mechanisms of continuous control, as well as the specification of internal control bodies for the follow-up of the controls implemented and any possible crimes. In this sense, the GRUPO MASMOVIL has the following bodies that carry out control and monitoring tasks:

- ▶ **Board of Directors:** the Lorca Board of Directors holds the ultimate responsibility in matters of regulatory compliance and prevention of criminal risks of the GROUP, having delegated to it the administrative bodies of the rest of the companies of GRUPO MASMOVIL for the functions in this regard.

Therefore, the Lorca Board of Directors is the leading officer of the Criminal Risk Organization and Management Model implemented by the companies of the GROUP and shall be informed of the monitoring and activity carried out in relation to the Criminal Risk Organization and Management Model. As such, it must deal with the adequate fulfilment of the following obligations:

- to approve all the documents that make up the Criminal Risk Organization and Management Model of GRUPO MASMOVIL and, very specially, the Crime Prevention Manual and the Code of Ethics of GRUPO MASMOVIL, as well as any update that may be carried out; and
 - to verify, in view of the Reports that the GRUPO MASMOVIL Compliance Officer presents to it annually, the effectiveness of the Model and to approve, where appropriate, the necessary corrective measures, applicable to the GROUP companies or to one or more of them, providing the necessary means that this requires for guaranteeing such effectiveness.
- ▶ **Audit and Control Committee:** this is a permanent internal body, of informative and consultative nature, without executive functions, whose main competences in relation to compliance with legal and good governance requirements and the prevention and correction of illegal or fraudulent conducts are associated with risk supervision and management, as well as with information and non-financial risks.
 - ▶ **Appointments and Remuneration Committee:** it is an internal informative and consultative body, which has no powers. Without prejudice to other tasks that may be assigned by the Board of Directors, the Appointments and Remuneration Committee shall be responsible for studying, issuing reports and preparing proposals for the Board of Directors, on the following matters: (i) Appointments, (ii) Remuneration and (iii) Corporate Social Responsibility.
 - ▶ **Compliance Officer:** the Compliance Officer shall always act with autonomy and criteria of independence. He/she reports to the Lorca Board of Directors, through the Audit and Control Committee of such Company. In this regard, the Compliance Officer regularly reports to the Audit and Control Committee on the exercise of his/her functions, regulated in the Statute of the Compliance Officer and Operation of the Ethical Channel.

The GRUPO MASMOVIL Compliance Officer actively promotes and drives the dissemination and compliance with the Criminal Risk Organization and Management Model and the Code of Ethics, having to perform, among other functions, in accordance with the Statute of the Compliance Officer and Operation of the Ethical Channel, the following:

- a. To promote an ethical culture in the GROUP and of compliance with the Criminal Risk Organization and Management Model of the GRUPO MASMOVIL and the regulations that comprise it.
- b. To manage the Ethical Channel of the GRUPO MASMOVIL and carry out (i) the relevant investigation and processing of complaints and (ii) respond to the queries that are sent to it, in relation to the content, interpretation, application or compliance of the Code of Ethics, the Criminal Risk Organization and Management Model and the regulations that develop them.
- c. To coordinate the work of disseminating and training the GRUPO MASMOVIL Criminal Risk Organization and Management Model, the Code of Ethics and the standards that develop them, promoting a culture of regulatory and ethical compliance in the GRUPO MASMOVIL.
- d. Periodically to report to the Lorca Board of Directors, through the Audit and Control Committee, when required or on its own initiative when it considers that they should be informed directly, mainly on everything related to the Criminal Risk Organization and Management Model of the GROUP and its Code of Ethics.
- e. To perform a periodic verification of the Criminal Risk Organization and Management Model, at least once a year, and its eventual modification when relevant infringements of its provisions are revealed, or when changes occur in the organization, structure or activity carried out, that make them necessary, as well as in the applicable legislation.
- f. To prepare an annual management report that shall be submitted to the Lorca Board of Directors, which includes, among other things, developed actions, improvements, proposals, implemented updates, agreed measures, as well as any other aspect that is considered relevant. in the performance of its function.
- g. To establish the necessary tools to ensure the constancy and record of the actions that make up the Compliance system.
- h. To adopt and/or coordinate the adoption of those measures it deems appropriate to ensure adequate compliance with the Criminal Risk Organization and Management Model of GRUPO MASMOVIL. Among them, in the cases where the commission of an irregular act by the Representatives or Third Parties of the GROUP is evidenced, this body must propose and adopt the actions or measures, including resolution and

promote the claim of the responsibilities that proceed according to the contract that regulates them.

The person designated as the Compliance Officer of the GRUPO MASMOVIL processes all the information available to him or her as confidentially as possible. Likewise, in the performance of his or her functions, regarding the supervision and control of GRUPO MASMOVIL's Organization and Criminal Risk Management Model, he or she shall ensure adequate compliance with the following responsibilities:

- He or she shall have direct access to the governing bodies of the GRUPO MASMOVIL companies, which includes the members of the MMI Board of Directors.
 - He or she shall have free access to the documentation, information and locations of the GRUPO MASMOVIL companies that are necessary to consult within the scope of his or her powers.
 - He or she may request the support of any management, division, department, staff, manager, directors, advisor or any person who maintains a professional and/or labour relationship with the companies of the GRUPO MASMOVIL in the field of an investigation, and they are obliged to provide him or her the right help.
 - He or she shall have the adequate means and resources necessary to carry out his or her work, including the adequate management of financial and computer resources.
 - He or she must be up to date in all matters that concern him or her, for which the GRUPO MASMOVIL must support (within the limits of reasonableness) his or her attendance at courses and conferences that are appropriate for this purpose.
 - He or she shall be subject to the duty of confidentiality and cannot use the information/documentation received for a purpose other than that of the prevention of criminal risks and the investigation of incidents in this area.
- ▶ **Internal audit:** In this way, the Internal Audit is constituted as the only "third line of defence" that must act autonomously and independently, in compliance with the Criminal Risk Organization and Management Model and shall carry out the verification of the existence of controls.
- ▶ **Ethics Committee:** this is a support body for the Compliance Officer that is in charge, mainly, of the knowledge and resolution, together with the Compliance Officer, (i) of complaints due to non-compliance with the Code of Ethics, the Organization Model and Criminal Risk Management or derived from any other type of regulatory breach, received through the Ethics Channel; and (ii) of investigations that are initiated at the request of the Compliance Officer or the Ethics Committee, due to the knowledge that they have of irregular events, in the development of their functions, which could be considered as a breach of the regulations, as before mentioned.

The Ethics Committee is made up of:

- The Chief Human Resources Officer.
 - The Chief Financial Officer.
 - The Chief Legal Officer.
 - The Group General Manager.
 - A representative of other directions of the GROUP, which shall be convened on a rotating basis.
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- ▶ **Management Committee:** a body in charge of ensuring that the Policy, the Anti-Bribery and Criminal Risk Management System and its objectives are implemented, maintained and reviewed and are aligned with the organisation's strategy, as well as reporting to the Governing Body on the content and functioning of the Policy, the Anti-Bribery and Criminal Risk Management System and its objectives.
 - ▶ **Secretary to the Board of Directors:** his/her responsibilities include ensuring that the actions of the Board of Directors comply with the applicable regulations and are in accordance with the Articles of Association and other internal regulations.
 - ▶ **Legal Affairs Department:** its functions include identifying the legal risks inherent to the business and proposing actions for improvement.
 - ▶ **Finance Department:** this department ensures budgetary control and monitoring to prevent the resources of GRUPO MASMOVIL from being used for criminal activities, thereby avoiding fraudulent conduct that could be detrimental to the Public Treasury, the Social Security and/or Business Partners.
 - ▶ **Resources Department:** among its functions relating to risk prevention, is responsible for carrying out the due diligence processes for Suppliers and Professionals of the MASMOVIL Group.
 - ▶ **Human Resources Department:** among its functions relating to risk prevention, it manages labour risks and is responsible for carrying out the due diligence processes for Employees.

9. NOTIFICATIONS AND ANALYSIS OF SUSPICIOUS ACTIONS (ETHICAL CHANNEL)

The Employee or Representative who has indications or suspicions of any infraction of the Organization and Management Model for Criminal and Bribery Risks, the Code of Ethics or the legality, must immediately report it to the Compliance Officer through the ethical channel that has been established⁶.

Taking any action against an Employee that constitutes retaliation or any type of negative consequence for filing a (good faith) report is strictly prohibited. Complaints must be based on criteria of truthfulness and proportionality and may be filed anonymously.

The identity of the person who reports an anomalous action through the Ethics Channel shall be considered confidential information and, therefore, shall not be communicated to the accused, thus guaranteeing to the Compliance Officer the reservation of the identity of the complainant and the absolute confidentiality of the complaints of which he or she had knowledge, unless such information is required by an administrative or judicial authority, including the Public Prosecutor's Office.

The Compliance Officer shall be responsible for processing the complaints received through the ethical channel, as well as processing and instructing the files that are initiated as a result of the complaints, together with the Ethics Committee, in accordance with the provisions of the Compliance Statute and Operation of the Ethical Channel. The Ethics Committee acts as an internal body to support the management of the Compliance Officer.

The people who make a communication through the Ethical Channel must guarantee that the personal data provided are true, exact, complete and updated.

The users of the Ethical Channel may at any time exercise their rights of access, rectification, cancellation and opposition regarding their personal data by means of a written communication addressed to the registered office of GRUPO MASMOVIL, accompanying a photocopy of their ID and stating the specific right they wish to exercise.

The GRUPO MASMOVIL shall collaborate and cooperate with the administrative and judicial authorities, as well as with the Public Prosecutor's Office, in relation to any action taken by those that are linked to the activity carried out by the companies of the GROUP or by any of its members. Likewise, it shall attend with the utmost diligence any requirement made by the aforementioned authorities in relation to actions that are followed against any of the GRUPO MASMOVIL companies or for any other reason.

⁶ The ethical channel of the GRUPO MASMOVIL is regulated in the Code of Ethics, as well as in the Statute of the Compliance Officer and Operation of the Ethical Channel.

10. DISCIPLINARY PROCEDURE - ETHICAL CODE

In the event that the final issued report concludes that an Employee has committed any irregularity or act contrary to the law or to the standards of action of the Code of Ethics, of the Organization and Management Model of Criminal Risks or of the regulations that develop them, the Compliance Officer shall send a report to the Human Resources Department in order that it may apply the appropriate disciplinary measures, of which adoption and content this Department must inform the Ethics Committee and the Compliance Officer.

If it is an irregularity or act contrary to legality committed by a member of the Board of Directors, the Compliance Officer shall send a final report to the President and Secretary of the Board of Directors of MMI, for the application of the relevant measures, of which adoption and content shall be reported to the Ethics Committee and the Compliance Officer.

If, as a result of the internal investigation, non-disciplinary measures outside the Organisation and Management of Criminal and Bribery Risks Model have to be adopted, the Compliance Officer shall send a report to the Legal Director so that he or she may initiate the legal actions that he or she deems appropriate in each case. The Legal Director must report to the Ethics Committee and the Compliance Officer on the measures taken.

In the cases in which the commission of an irregular act by the Representatives or Third Parties of the companies of the GROUP is evidenced, the Compliance Officer shall send a report and a proposal of the relevant action to the Director of Legal Advice, for him or her to adopt, according to his or her competence, the actions or measures, including contractual ones that may be appropriate and promote the claim of the relevant responsibilities under the contract that regulates them., This Department must inform the Ethics Committee and the Compliance Officer of the actions taken.

If in the conclusions of the final report issued it is specified that it is a criminal act, the Compliance Officer must send a report to the MMI Board of Directors, which shall decide, based on it, the decision to adopt and the measures to be taken, including the adoption of disciplinary and/or legal measures, as well as the possible communication to the competent judicial authorities.

The sanctions that, where appropriate, might be applied shall be proportional to the violation of the detected regulations, according to the labour regulations and the applicable collective agreement, based on the following criteria:

- ▶ Severity of the rule violation and potential/actual harm.
- ▶ Type of relationship that the offending party maintains with the GRUPO MASMOVIL company and applicable discipline.
- ▶ Job position and professional level of the Employee.

- ▶ Damage suffered by the GRUPO MASMOVIL company or companies or by a third party.
- ▶ Possible media and social repercussion that it may have on the GROUP.

The disciplinary regime shall be applied in accordance with the provisions of the labour legislation and the collective agreement applicable to the specific Employee.

The penalties that may be imposed in the labour order are understood to be without prejudice to the fact that the illicit behaviours may be sent to the competent courts when the act committed may constitute a crime.

11. SUPERVISION, MONITORING AND VERIFICATION

The supervision, monitoring and verification of the Anti-Bribery and Criminal Risk Management and Organisation Model is one of the essential requirements in order to provide it with content, validity and usefulness.

Thus, the organization and management models, in any case, requires a periodic verification of their content and its eventual modification when relevant infractions of its provisions are apparent, or when there are changes in the applicable regulations, in the organization, in the control structure or in the activity carried out that make them necessary.

Following these indications, the Criminal Risk Organization and Management Model established in the GRUPO MASMOVIL is subject to periodic verifications, in order to ascertain the effectiveness of the existing controls, as well as the evolution of the same, so that the GRUPO MASMOVIL has at all times a general overview that allows it to take all the necessary actions for its adequacy and effectiveness.

In this regard, the development of a report of Criminal Risks by directions and departments of the GROUP and its updating whenever necessary, is also configured as a necessary mechanism for the adequate supervision and monitoring of the Organization and Management Model of Criminal Risks of the GROUP MASMOVIL, by allowing:

- ▶ a periodic review of the criminal risks that might potentially affect the GROUP;
- ▶ the realization of the existing prevention mechanisms for mitigating such risks in each direction or department of the GROUP; and
- ▶ to establish the necessary corrective measures for that these controls to be really effective or, where appropriate, to introduce new ones.

The following is a detailed description of the supervision and monitoring process of the Criminal Risk Organization and Management Model of GRUPO MASMOVIL:

11.1 Supervision

The Compliance Officer shall establish the review and control measures, in common agreement with the departments involved, in order to verify that the GROUP's activities are carried out in accordance with the policies and procedures of this Model.

The Compliance Officer shall meet with the heads of the directorates and departments, at least once every six months, in order to be informed about the evolution of the Model in all those aspects related to criminal risks and controls that may affect these directorates and departments.

11.2 Monitoring

The monitoring of the Model especially includes the necessary modifications when relevant infringements of its provisions are revealed, or when there are changes in the regulations, in the organization, in the control structure, in the activity carried out, or even legislative modifications that make necessary adaptations in order to ensure their correct operation. For this, the GRUPO MASMOVIL carries out specific periodical reviews, detecting possible faults and recommending the relevant changes and improvements.

This monitoring task corresponds to the Compliance Officer of the GRUPO MASMOVIL with the assistance, where appropriate, of external advice.

Additionally, he or she must establish:

- ▶ a procedure for the control and custody of the documents and records generated in the verification and monitoring process; and
- ▶ a procedure for the control and custody of documents that are part of the Criminal Risk Organization and Management Model of GRUPO MASMOVIL (Group Criminal Risk Report, Disciplinary System, Complaint Channel, among others).

11.3 Verification

The verification process is the procedure defined to evaluate the effectiveness of the Criminal Risk Organization and Management Model of GRUPO MASMOVIL at the end of each financial year, which includes any material incident or deficiency that affects it.

Consequently, annually, the Compliance Officer of the GRUPO MASMOVIL shall prepare and present to the Lorca Board of Directors, through the Audit and Control Committee, a Report in which it shall highlight:

- The developed actions, improvements, proposals, implemented updates, agreed measures, as well as any other aspect that is considered relevant in the performance of his or her function.
- His or her opinion on the sufficiency and effectiveness of the existing policies or procedures to manage and prevent the criminal risks identified in the GROUP and of the current supervision and monitoring mechanisms of the Model.
- The recommendations he or she deems appropriate to improve the deficiencies detected, if they exist.
- The proposal of an annual action plan containing the activities and measures that in the matter of prevention of criminal risks he or she considers to be carried out in said period.

Additionally, said body may entrust to a specialized external advisor to prepare a verification report on the operational effectiveness of the control mechanisms in the companies of the GRUPO MASMOVIL.

12. FILE AND DOCUMENTATION

The Criminal Risk Organization and Management Model of GRUPO MASMOVIL generates evidence that allows the proper development, monitoring and supervision of the Model itself, as well as proving that the same works effectively and is subject to a process of continuous improvement.

With this objective, the Compliance Officer of GRUPO MASMOVIL shall be responsible for identifying, compiling, standardizing and guaranteeing the custody of the documents that reflect the effective and efficient application of the mechanisms for criminal risk prevention in each company of the GROUP.

All documentation generated in this regard must be kept for a minimum period of ten years.

13. DISSEMINATION AND TRAINING - ETHICAL CODE

An essential element for the proper implementation of the Criminal Risk Organization and Management Model is its distribution, as well as that of the Manual and the documents that comprise it. In this regard, it should be stated that the Employees and Representatives of the GRUPO MASMOVIL companies have been trained and have expressly accepted the Code of Ethics and Crime Prevention Manual of GRUPO MASMOVIL, together with the related Appendices I and II, for the purposes of that may assume them in their professional work. This Model is configured as a dynamic project subject to all the changes and improvements that may be necessary to reach its effect.

Thus, the implementation of the control measures contained in this Manual must be accompanied by the appropriate distribution of the same and by its explanation to the Employees and Representatives of the GRUPO MASMOVIL. It must be emphasized the importance of its compliance and the assumption by the GRUPO MASMOVIL of principles of action aimed at avoiding the commission of illegal acts.

For this purpose, the GRUPO MASMOVIL has adopted the following measures of dissemination and training:

- ▶ The GRUPO MASMOVIL has thus developed a specific training plan on crime prevention for all its Employees and Representatives. This training plan shall be managed by the Compliance Officer in coordination with the Human Resources Department.
- ▶ Attendance to training courses on crime prevention shall be mandatory, and Employees and Representatives, when applicable, must leave a written record of their attendance and carry out an evaluation test of the acquired knowledge.
- ▶ It shall be insisted the training plans in the knowledge of the Employees and Representatives of the Code of Ethics.
- ▶ The training may be on-site or online and it shall be adapted to the working hours of the Employees so that it does not interfere with the normal development of their professional work.

14. MONITORING AND SUPERVISION OF THE APPLICATION OF THE CRIMINAL RISK ORGANIZATION AND MANAGEMENT MODEL OF GRUPO MASMOVIL

This Criminal Risk Organization and Management Model of GRUPO MASMOVIL has its practical application in the compliance with the internal regulations –codes, manuals, procedures, etc.– that the GROUP companies have approved for professional activities to be carried out with adequate rigor and quality and, in any case, in strict compliance with the current legislation. Therefore, the control and supervision of compliance with said regulations must result in an adequate application of the Criminal Risk Organization and Management Model of GRUPO MASMOVIL.

The Compliance Officer of the GRUPO MASMOVIL shall establish the review and control measures, in common agreement with the departments involved, in order to verify that the GROUP's activities are carried out in accordance with the policies and procedures of this Criminal Risk Organization and Management Model of GRUPO MASMOVIL. For that purpose, the Compliance Officer shall hold regular meetings with the heads of each department or Directorate for assessing the compliance with the Model by them and the need, where appropriate, to adopt new measures or correct the existing ones.

Finally, and as a part of the aforementioned Model, the GRUPO MASMOVIL's Compliance Officer shall prepare an Annual Compliance Report in which it shall be assessed whether the existing policies or procedures are adequate to managing and preventing the risks identified in the GROUP. Such Report shall be submitted to the MMI Board of Directors.

15. APPROVAL

The Lorca Board of Directors has the ultimate responsibility for regulatory compliance and prevention of criminal risks of the GROUP, having delegated to it the functions in this regard of the administrative bodies of the rest of the companies of the GRUPO MASMOVIL.

This Crime Prevention Manual of the GRUPO MASMOVIL was first approved by the Board of Directors of Masmovil Ibercom, S.A. for all the companies of the GRUPO MASMOVIL on December 18, 2019. The current version was approved by the Board of Directors of Lorca on September 29, 2022.

The Compliance Officer of the GRUPO MASMOVIL may propose to the Board of Directors of Lorca any modifications of the Model that it deems necessary to ensure its effective and efficient compliance with the purpose of minimizing the risk of criminal offenses in the GROUP's companies.