



ECONOMIC SANCTIONS COMPLIANCE POLICY

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Policy approved by the Board of Director of Lorca Telecom, S.A. at its meeting of September 29th, 2022.

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The Board of Directors of LORCA TELECOM BIDCO, S.A. has the power, which cannot be delegated, to determine the general policies and strategies of the MASMOVIL Group.

MASMOVIL Group is committed to conducting business with integrity and in compliance with all applicable economic sanctions. The MASMOVIL Group's Economic Sanctions Compliance Policy (the "Policy") provides the framework for this commitment and is designed to communicate the MASMOVIL Group's culture of compliance to all employees, contracted staff, and third parties acting on the Company's behalf (collectively, "Company Personnel"). Violations of applicable economic sanctions can lead to severe financial and criminal penalties. Company Personnel who violate the spirit or letter of this Policy may be subject to disciplinary action, up to and including termination of employment or engagement.

Notification of potential violations of economic sanctions or suspected non-compliance with the Policy should be made promptly to the Compliance Officer. The Company will not tolerate retaliation against Company Personnel for making good faith reports, and disciplinary action may be taken against anyone who retaliates against Company Personnel that have reported a violation or who cooperate with an investigation.

The Compliance Officer has responsibility for administering the Policy. Any questions concerning this Policy should be directed to compliance@masmovil.com.

I. Economic Sanctions Overview

Economic sanctions are financial, trade, and travel-related restrictions targeting individuals, entities, and countries ("Sanctioned Parties").

A. European Union Restrictive Measures

Within the framework of the Common Foreign and Security Policy ("CFSP"), the European Council passes "restrictive measures" against third countries, entities, or individuals. These restrictive measures (which include arms embargoes, travel bans, asset-freezing measures, and economic sanctions) have direct effect in EU Member States, with national law of each Member State stipulating penalties for violation of the restrictive measures. Some Member States incorporate these restrictive measures into national law with additional measures that exceed the EU-level restrictive measures.

The EU restrictive measures are enforced by the competent authorities of each of the EU Member States, and the authorities' approaches to enforcement and interpretation of EU restrictive measures can differ. Accordingly, it is important to ensure compliance with both



EU law and the relevant national law and guidance implementing an EU-level restrictive measure.

EU restrictive measures apply to any EU national or EU-established legal entity in the course of its activities anywhere in the world. EU restrictive measures also apply on board any vessel or aircraft under the jurisdiction of any EU Member State and to any non-EU persons or entities in respect of any business done by them in whole or in part within the European Union.

The European Union maintains list-based sanctions to further the objectives of the CFSP and, particularly, to prevent the financing of terrorism. Persons or entities targeted by asset-freezing measures are included on the Consolidated List of Persons, Groups and Entities Subject to EU Financial Sanctions (the “EU Consolidated List”). Persons to whom EU restrictive measures apply are required to freeze all funds and economic resources of persons included on the EU Consolidated List, and are prohibited from making funds or resources available to them. The asset-freezing measures generally extend to any listed party and, in some circumstances, may extend to a non-listed party that is majority-owned or otherwise controlled (e.g., through non-ownership or control rights) by a listed party.

Following the U.S. withdrawal from the Joint Comprehensive Plan of Action, the European Union re-activated the Blocking Regulation 2271/96 (“Blocking Regulation”) to counteract and protect against the extraterritorial effect on EU businesses of certain U.S. sanctions on Cuba and Iran. Pursuant to the Blocking Regulation, EU nationals and residents and EU-established legal entities are prohibited from complying with certain U.S. secondary sanctions measures on Cuba and Iran. If Company Personnel believe that a proposed transaction or dealing may present a potential conflict between the requirements of this Policy and applicable laws, please consult the Compliance Officer immediately.

B. U.S. Sanctions

The Office of Foreign Assets Control (“OFAC”), within the U.S. Department of the Treasury, is responsible for administering and enforcing economic sanctions against individuals, corporate entities, and foreign countries. OFAC sanctions generally apply to “U.S. Persons,” which include (1) U.S. companies and their foreign branches; (2) U.S. citizens, wherever located; and (3) any person physically located in the United States. Certain sanctions programs apply more broadly (i.e., to foreign entities owned or controlled by U.S. Persons).

1. OFAC Sanctions Programs



OFAC sanctions come in many nuanced varieties, but can be organized into three broad categories:

- Country-Based Sanctions* *Country-based sanctions are wide-ranging sanctions that prohibit covered parties from engaging in most business or dealings involving any individual ordinarily resident in, entity located or organized in, or government entity of a targeted country, absent OFAC authorization.*

- List-Based Sanctions* *List-based sanctions are targeted sanctions that prohibit covered parties from engaging in transactions with “Blocked Persons” on the Specially Designated Nationals List (“SDN List”) and entities majority-owned by Blocked Persons.*

- Sectoral Sanctions* *Sectoral sanctions are targeted sanctions that prohibit covered parties from engaging in certain limited transactions with Russian financial institutions, Russian defense companies, and Russian energy firms.*

2. Extraterritorial Application

As a result of its current shareholding, the Company is required to comply with certain U.S. sanctions requirements. In addition, certain aspects of U.S. sanctions explicitly apply to activities by non-U.S. individuals and entities that involve a U.S. jurisdictional nexus. For example, the Company’s activities outside of the United States may implicate U.S. sanctions if they involve (1) U.S. dollars or the U.S. financial system; (2) U.S.-origin items or technology; (3) U.S. nationals, regardless of physical location; (4) U.S.-organized entities; or (5) any person physically located in the United States, regardless of nationality.

Finally, U.S. sanctions authorize OFAC to impose sanctions on non-U.S. persons for engaging in certain types of transactions involving sanctioned parties (e.g., the Government of Venezuela) or targeted industries (e.g., the Russian defense and intelligence sectors). Any questions concerning extraterritorial application of U.S. sanctions should be directed to the Compliance Officer.

C. Facilitation & Anti-Circumvention

EU and U.S. sanctions prohibit covered parties from engaging in direct violations of the applicable sanctions regulations. In addition, EU and U.S. sanctions bar covered parties from engaging in “circumvention” and “facilitation,” respectively. The EU restrictive measures prohibit covered parties from knowingly and intentionally participating in activities that circumvent EU restrictive measures. Similarly, the facilitation provisions in U.S. sanctions



prohibit covered parties from assisting, supporting, or approving non-U.S. Persons' dealings with Sanctioned Parties, if those dealings would be unlawful if carried out by a covered party. Company Personnel are prohibited from facilitating (i.e., assisting, supporting, or approving) transactions involving Sanctioned Parties in violation of applicable sanctions or restrictive measures. Examples of prohibited facilitation could include:

- Approving or financing transactions involving Sanctioned Parties;
- Referring business requests from a Sanctioned Party to a third party; or
- Providing competitors' equipment (e.g., SIM cards) to customers, or supporting customers' access to competitors' services, if the Company would be prohibited from providing the equipment or services directly.

D. Licensing

1. European Union Restrictive Measures

EU restrictive measures provide for a process pursuant to which a covered party can apply for a license to engage in a transaction or dealing with a Sanctioned Party that otherwise would be prohibited under the EU restrictive measures. Such licenses are limited in scope and can only be obtained on specific grounds. Company Personnel should consult the Compliance Officer if they wish to obtain a license to engage in an activity otherwise prohibited by EU restrictive measures.

2. U.S. Sanctions

Through a licensing process, OFAC can authorize covered parties to engage in certain transactions that otherwise would be prohibited by U.S. sanctions. OFAC issues two types of licenses that authorize covered parties to engage in otherwise prohibited conduct: general licenses and specific licenses. General licenses are broadly available, and authorize all covered parties to engage in certain types of specified conduct, as set forth in the applicable sanctions regulations. If a general license is not available, a covered party may apply for a specific license from OFAC to engage in conduct—within a set period of time—that otherwise would be prohibited. Company Personnel should never assume that a contemplated transaction is authorized pursuant to a general or specific license without first consulting the Compliance Officer.

Of relevance, OFAC has published a general license that authorizes covered parties to engage in transactions “incident to the provision of telecommunications services related to



the transmission or the receipt of telecommunications involving Cuba, including the entry into and performance under roaming service agreements with telecommunications services providers in Cuba.” The general license also authorizes covered parties “to enter into, and make payments under, contracts with telecommunications service providers, or particular individuals in Cuba, for telecommunications services provided to particular individuals in Cuba, provided that such individuals in Cuba are not prohibited officials of the Government of Cuba . . . or prohibited members of the Cuban Communist Party.”

Importantly, parties relying on the general license described above are subject to certain affirmative reporting obligations. Specifically, parties relying on the general license must:

- notify OFAC in writing within 30 days after commencing or ceasing to offer services authorized under the general license; and
- submit to OFAC by January 15 and July 15 of each year semiannual reports providing the total amount of all payments made to Cuba or a third country related to any of the services authorized under the general license during the prior six months.

The Compliance Officer is responsible for coordinating with external sanctions counsel to ensure compliance with any applicable reporting requirements under the above-described general license.

E. Other Jurisdictions

Other jurisdictions also have implemented various sanctions regimes. Company Personnel are responsible for (1) familiarizing themselves with local laws; and (2) working with the Compliance Officer and local resources, as appropriate, to ensure compliance with country-specific requirements.

II. Restricted Country Screening

As a matter of policy, the Company generally does not conduct business in or with North Korea, Syria, Sudan, Crimea, Cuba, or Iran (each a “Restricted Country”), in view of the corruption, financial crime, terrorist financing, political, and business risks that these jurisdictions present.

For each transaction, Company Personnel shall determine whether the prospective transaction would involve a party located, organized, or ordinarily resident in a Restricted Country. Company Personnel may not engage in or facilitate transactions involving a Restricted Country in violation of applicable sanctions. Note, this prohibition applies equally to direct and indirect conduct (i.e., transactions conducted through third-party agents).



If a prospective transaction would involve any (1) individual ordinarily resident in; (2) entity located or organized in; or (3) government entity of a Restricted Country, place the transaction on hold and immediately contact the Compliance Officer for further guidance.

If a party to a prospective transaction cannot, or will not, provide its location or country of organization, place the transaction on hold and contact the Compliance Officer. Company Personnel may not proceed with a transaction if the location or country of organization of a counterparty is unknown.

III. Restricted Party Screening

Restricted Party Screening (“RPS”) is the process of confirming that an individual or entity is not the target of sanctions or restrictive measures imposed by governments or international organizations. Targeted individuals or entities are included on “Restricted Parties Lists.”

Company Personnel may not engage in or facilitate transactions involving a Sanctioned Party included on a Restricted Parties List in violation of applicable sanctions. Note, this prohibition applies equally to direct and indirect conduct (i.e., transactions conducted through third-party agents).

Company Personnel should screen counterparties (including agents, vendors, suppliers and other third parties) against relevant Restricted Parties Lists. RPS may be performed manually or using a software solution. If RPS reveals a potential match against a Restricted Parties List, the individual who performed RPS should transmit a record of the result, including all listed references, and immediately notify the Compliance Officer, who will review the potential match and make a decision with respect to the alert message. In no event should a transaction proceed until cleared by the Compliance Officer. The Compliance Officer should retain all records, whether in hard copy or electronic form, indicating a potential match against a Restricted Parties List for a period of five years.

IV. Recordkeeping

Certain trade laws impose stringent recordkeeping requirements. Failure to timely produce relevant documents in response to a demand from a government regulator may result in the imposition of substantial recordkeeping penalties. Records must be retained in accordance with the requirements of applicable laws or a minimum of five years from the date of the underlying transaction, whichever is longer.



V. Reporting Requirements and Whistleblower Protection

The Company takes its commitment to economic sanctions compliance very seriously and expects all Company Personnel to share this commitment. The Company therefore expects and requires any Company Personnel who have knowledge of, or reason to suspect, any violation of this Policy to contact the Compliance Officer immediately. If any Company Personnel fail to report known or suspected violations, then the relevant Company Personnel may be subject to disciplinary action, up to and including termination.

It is the Company's policy that, if the report of known or suspected violations is made honestly and in good faith, no adverse employment-related action will be taken against any Company Personnel in retaliation for reporting a violation or suspected violation of economic sanctions or this Policy.

All questions regarding this Policy should be directed to the Compliance Officer.

VI. Version History

Current version	<i>2.0</i>	
Change History	Date	Version
	<i>26/02/2021</i>	<i>1.0</i>
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