

## CORPORATE GOVERNANCE POLICY

Document reference number:	POL-04
Version:	2.0
Applicable from:	29/09/2022
Security level:	Public information

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

**Prepared by**  
Compliance Officer

**Reviewed by**  
Secretary of the Board of  
Directors

**Approved by**  
Board  
of Directors

The Board of Directors of LORCA TELECOM BIDCO, S.A. ("MASMOVIL" or the "Company") has the authority to design, evaluate and regularly monitor review the corporate governance rules and, specifically, to approve the Corporate Policies. These policies develop the principles reflected in such set of rules and contain the guidelines that govern the actions of the Company and its Business Group.

This General Corporate Governance Policy (the "Policy") sets out the key aspects and commitments of the Company and its Group in this area.

The Company expects its shareholders and other stakeholders having rights or interests in the Company's shares to respect and comply with the provisions of this Policy in their dealings with the Company.

## **1. GENERAL POLICY PRINCIPLES**

The Company and its group companies have a Group commitment 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 stakeholders, as well as the development of its corporate governance strategy, which is based on the following principles:

- i. The generally accepted good governance recommendations and updating of its internal corporate governance rules.
- ii. The Company understands the corporate interest as the common interest of all 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 its shareholders, taking into consideration other stakeholders concerned with its business activity.
- iii. The Company encourages the informed participation of shareholders in the General Shareholders' Meeting and takes appropriate measures to facilitate the effective exercise by the General Shareholders' Meeting of its functions and powers under the law and corporate governance rules.
- iv. Transparency is one of the values that shape MASMOVIL's relations with the markets. The Company operates a corporate website, designed as an instrument for channelling its relations with shareholders and investors.
- v. The Board of Directors strives for diversity of age, gender and experience in its composition and in the composition of its committees and other bodies of the Company.

- vi. Corporate governance rules incorporate the mechanisms and procedures necessary to prevent, identify and resolve situations of conflict of competence and interest, whether specific or structural and permanent.
- vii. The Company seeks to ensure, to the best of its ability, the respectability, suitability, solvency, competence, experience, qualifications, training, availability and commitment to their duties of its directors and key management, through the Appointments and Remuneration Committee.
- viii. The corporate governance rules maintain an appropriate separation between management and supervisory functions within the Company.
- ix. The Company is permanently committed to the application of ethical governance practices and the maintenance, development and supervision of the Group's compliance policies. This includes compliance with applicable regulations and risk management policies, ensuring that the Group's internal regulations are in line with the highest ethical standards.
- x. MASMOVIL's Corporate Tax Policy includes among its principles compliance with current tax legislation in the different countries and territories where the Group operates.

## **2. THE COMPANY'S SHAREHOLDERS: RIGHTS AND OBLIGATIONS**

Each share of the Company confers on its legitimate holder the status of shareholder. Shareholders must exercise their rights vis-à-vis the Company and the other shareholders and perform their duties with loyalty, good faith and transparency, within the framework of the corporate interest as a priority interest over the individual interest of each shareholder and in accordance with the law and, to the extent applicable, with the rules of corporate governance. To this end, the Company expects them to act with full transparency vis-à-vis the Company and the other shareholders, which must be a constant feature of the full exercise of their status as shareholders and of the rights derived therefrom.

In particular, every shareholder and every holder of an interest in shares in the Company or of voting rights therein, even if not a shareholder, must be prepared, as an expression of its commitment to transparency and the corporate interest, to disclose and provide timely and complete information to the Company.

## **3. COMPANY DIRECTORS: RIGHTS AND OBLIGATIONS**

Directors must comply with all statutory obligations and duties and those established by the Company's corporate governance rules, which include, among others, the following:

- i. A duty of diligent administration, which includes the obligation to adequately prepare for and attend meetings of the Board of Directors and its committees, actively participating in the deliberations so that their judgement contributes effectively to decision-making. In the event that, for justified reasons, such attendance is not possible, they must give the appropriate instructions to the director representing them at the corresponding meeting. This duty of diligence also includes a duty to report to the Board of Directors any irregularity in the management of the Company of which they may become aware and to monitor any situation of risk.
- ii. A duty to collect the information necessary for the preparation of the councils.
- iii. A duty of confidentiality, even after leaving the office of director, whereby they shall refrain from disclosing information to which they have had access in the course of their duties.

#### 4. CORPORATE GOVERNANCE AND COMPLIANCE RULES

These are all the rules, policies, formal procedures and material actions that aim to ensure that the Company and its Group act in accordance with ethical principles and applicable law, and to prevent misconduct or conduct that is unethical, unlawful or contrary to the law or internal corporate governance rules.

#### 5. VERSION HISTORY

<b>Current version</b>	<i>2.0</i>	
<b>Change History</b>	<b>Date</b>	<b>Version</b>
	<i>24/01/2018</i>	<i>1.0</i>
	<i>29/09/2022</i>	<i>2.0</i>