

STATUTORY AUDITOR APPOINTMENT AND RELATIONSHIP 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. ("MASMOVIL" or the "Company") has approved this Statutory Auditor Appointment and Relationship Policy (the "Policy"), whose purpose is to ensure that the position of statutory auditor for the Company is held by an independent firm possessing the necessary technical capabilities to work effectively and responsibly and in accordance with the applicable regulations. The principles set forth herein shall apply to all Group companies (hereinafter referred to as the Group).

1. Appointment, reappointment and removal

The appointment, reappointment and, if applicable, release, of the auditor for the Company's individual financial statements and the financial statements consolidated with those of the companies comprising the Group is the responsibility of the General Shareholders' Meeting.

The Board of Directors shall submit a proposal for the appointment, reappointment or removal of the aforementioned auditor to the General Shareholders' Meeting, in accordance with the provisions of this Policy and the applicable regulations.

2. Procedure for selection, engagement and proposal of appointment

The procedure for selecting and engaging the entities applying to be the Company's auditors must be impartial, transparent, efficient and non-discriminatory, to which end a competition must be held among the various suitable candidate entities for which there is no conflict of interest, to ensure compliance with the above requirements.

For these purposes, a tender document shall be approved, which shall be prepared by the Procurement Department in coordination with the Finance Department and shall be sent to all the candidates invited to participate to familiarize them with the Company's activities and the characteristics and scope of the services required including, if applicable, those other than audit services. The tender document shall also contain a tentative timetable for the process.

To protect the integrity of the selection procedure and the confidential information that the Company makes available to the candidate firms, the corresponding confidentiality agreement will be signed with each of them.

The tender document will include the transparent and non-discriminatory selection criteria that MASMOVIL will apply objectively in evaluating the bids submitted. These criteria must guarantee the independence of the auditor, the sufficiency and adequacy of its experience, solvency, and operating capacity, as well as strict compliance with any other requirement or demand that the applicable regulations may establish from time to time. A weighting will be established for each of the selection criteria defined in the tender document, which shall not form part of the same.

The process shall be conducted in line with the best governance recommendations, which include:

- i. Resources and experience of the auditor or audit firm, with technical systems and/or resources specialized in dealing with complex issues matching the size and complexity of the Company's business and its activity, to ensure it has specific knowledge.
- ii. Independence of the auditor or audit firm, in particular with regard to personal situations or to the provision of non-audit services to the entity, in accordance with the regulations governing the statutory audit and, in particular, in relation to independence.
- iii. Non-discrimination against smaller audit firms by including them in the list of potential candidates, to the extent that they meet the objective criteria established in the tender conditions.
- iv. Quality and efficiency of the services, for which purpose the Board of Directors shall take into account the information on the results of the inspections of the various auditors or audit firms, if any, carried out by the Instituto de Contabilidad y Auditoría de Cuentas (Accounting and Auditing Institute).

The Board of Directors may expect the collaboration of any division or area of MASMOVIL or Group companies. In this regard, the division or area indicated in the tender document shall include the conclusions of the selection process in a report that shall be ratified by the Board of Directors.

The candidate firms shall present their bids at one or more meetings convened for this purpose, at which the Board of Directors may ask the candidate firms such questions and request such clarifications as it deems appropriate and, in particular, shall ensure equal treatment of the candidate firms.

The tender document may provide for the possibility, at any time, of declaring the bidding process void or abandoning it.

Candidate firms must refrain from requesting additional information through channels other than those established for this purpose in the tender document. Likewise, no Group company will respond to any inquiry or request for information that is not properly channeled.

The Board of Directors shall abstain from proposing the appointment of any audit firm as auditor of the Company's accounts to the General Shareholders' Meeting when it is aware that it is in a situation of lack of independence, prohibition, or grounds for incompatibility in accordance with the legislation on the statutory audit. In particular, this is the case when the fees accrued from the provision of audit and non-audit services that the Company and any other entity of the Group expects to pay to the statutory auditor or audit firm, or to a member of its network, in each of the

last three consecutive fiscal years, represents more than fifteen percent of the total annual revenues of the statutory auditor or audit firm and of the aforementioned network.

Once the bids submitted have been evaluated in accordance with the selection criteria defined in the tender document, a report will be prepared with the different proposals received, the evaluation carried out, and an award proposal that must be duly justified in accordance with the terms set forth in the applicable regulations.

The Board of Directors, in the light of the report, shall propose to the General Shareholders' Meeting the appointment of one of the candidates listed in the report.

3. Proposal for reappointment

Before the end of the fiscal year in which the appointment of the Company's auditor is to expire, the Board of Directors shall assess whether to reappoint the auditor or, as the case may be, to embark on the procedure to select and engage a new auditor, in accordance with the provisions of the preceding section.

For this purpose, the Board of Directors shall take into consideration the result of the annual evaluation of the independence and quality of the work performed by the Company's auditor, as well as the time and quantitative limitations established in the applicable regulations.

In the light of the foregoing, the Board of Directors shall submit the proposal for the reappointment of the Company's auditor to the General Shareholders' Meeting.

If the proposal for reappointment is approved, the General Shareholders' Meeting shall authorize the Board of Directors, with express power of substitution, to enter into the corresponding service agreement.

4. Proposal for release

The Board of Directors may only propose the release of the statutory auditor to the General Shareholders' Meeting when so permitted by law.

5. Relationship with the statutory auditor

Communication between the Board of Directors and the external auditor must be fluid and continuous. The Board of Directors should regularly seek information from the auditor on the audit plan, its execution and any other matters related to the audit process, in particular referring to any discrepancies that could arise between the auditor and the entity's management.

Communications between the auditor and the Board of Directors must be in accordance with the obligations established in the regulations governing the audit activity and must not impair the

auditor's independence or effectiveness, or how the audit procedures are performed (for example, in terms of the timing or scope of the work).

The Board of Directors shall establish a calendar of activities and an annual agenda of meetings, most of them without the presence of the entity's management, including all matters that may influence the audit opinion and the independence of the external auditor. To facilitate such communication, it is advisable that:

- i. The Board of Directors and the external auditor should communicate to each other any significant issue detected in relation to the accounting, the internal control system or the audit.
- ii. The external auditor should be requested to describe the most relevant aspects of its strategy and work plan for the audit of the entity; the resources allocated to the work; the justification, if necessary, for the use of specialists; and a timetable for the tasks envisaged, indicating the nature and extent of the planned tests of controls and substantive tests.
- iii. There should be discussion with the external auditor of the judgments made about the quality and applicability of the entity's accounting principles, significant assumptions used in critical estimates, in particular those a high degree of uncertainty, and significant changes therein. Likewise, this discussion will extend to the errors and noncompliances identified by the auditor, whether or not they have been corrected by the entity, and the difficulties encountered during the course of the audit.
- iv. The auditor should be requested, during the course of the audit work, for such communications as may be necessary to facilitate supervision of the process of preparing and preparing the economic and financial information, including its opinion on the accounting treatment given by management to complex, high-risk, or controversial operations or transactions.
- v. The external auditor should be requested for information regarding materiality figures, for the financial statements as a whole and, if applicable, for certain transactions, balances, or disclosures in the management report, the consideration of qualitative aspects for their determination, as well as materiality for the performance of the audit work and how this will determine the scope and level of the same.
- vi. There should be discussion with the external auditor of the methods and assumptions used by management in making significant accounting estimates, as well as the effect of considering alternative methods or assumptions, and the auditor's consideration of data or information that could be inconsistent with management's assumptions.
- vii. There should be joint assessment of whether the mutual relations have been adequate and, if necessary, whether the committee should take steps to improve them.

At the end of the audit, the Board of Directors must review with the external auditor the significant findings derived from its work, as well as the content of the audit report.

In this review of the audit work, the Board of Directors should:

- i. Review with the auditor the main incidents detected during the audit, comparing them with the management's opinion, verifying that these have been resolved or, if not, understanding why not, and following up on the auditor's recommendations;
- ii. Verify the accomplishment of the audit plan and, if not, obtain an explanation of the changes made;
- iii. Obtain an explanation from the auditor on how it has addressed the risks encountered;
- iv. Analyze the auditor's opinion in light of the evidence available on each relevant area of the business; and
- v. Evaluate the appropriateness of the relationship and collaboration of senior management and the Finance Department with the auditor.

To complete its supervisory duties, the Board of Directors must make a final assessment of the auditor's performance and how it has contributed to the quality of the audit and the integrity of the financial information, including, among other parameters, its independence; its knowledge of the business; the frequency and quality of its communications; the opinion of the auditor both at corporate level and for each of the business units and those other areas engaged in assurance work, such as internal audit or the regulatory compliance unit; the published results of the quality controls or inspections carried out by the ICAC or other supervisors, and the auditor's transparency reports and any other available information.

6. Independence

The Company's corporate governance rules guarantee the establishment of the necessary relationships between the Board of Directors and the auditor to ensure that the Board receives timely information from the latter on matters that could threaten its independence.

The Board of Directors shall ensure that the Company's auditor is independent and that this is made clear in the relations between the auditor and the Company. For this purpose, it shall authorize, in advance, the provision of non-audit services to the Company or to any Group company, so it can analyze individually and globally the threats to independence that such contracts could pose.

The Board of Directors of the Company shall also be immediately informed of any engagement, of either audit or non-audit services, from firms that audit the accounts of Group companies, with

a sufficient degree of detail to enable a global and effective analysis of the repercussions such an engagement may entail in terms of independence, from an individual or overall perspective.

When the Board of Directors approves the provision of non-audit services by the auditor, it shall assess:

- i. Their nature, the circumstances and context in question, the status, position, or influence of the party performing the service, and other relationships with the auditee, as well as their effects and whether such services could threaten the auditor's independence and, if so, whether there are measures that could eliminate or reduce such threats to a level that does not compromise the auditor's independence;
- ii. Whether the audit firm, based on its knowledge and experience, is the best suited to provide such services; and
- iii. Remuneration for non-audit services, individually or as a whole, in comparison with the audit services, and the parameters used by the audit firm to determine its own remuneration policy.

To ensure independence, the Board of Directors shall:

- i. Establish an indicative limit on the fees to be received by the statutory auditor for non-audit services.
- ii. Review and approve internal policies on prohibitions after the audit work has ended.
- iii. Establish sources of internal information within the entity that provide relevant information on the independence of the auditor, from financial management, internal audit, the compliance officer, such as information that could be provided by the auditor itself.
- iv. Request explanations from the auditor regarding the internal quality control system it has in place in terms of independence, as well as information on internal rotation practices for audit partners.
- v. Discuss with the auditor any circumstance that may threaten its independence and evaluate the effectiveness of the safeguards adopted, as well as understand and evaluate all relationships between the audited entity and its related entities and the auditor and its network, involving the provision of non-audit services or any other type of relationship.
- vi. Ensure that the auditor's remuneration does not compromise the quality of its work or its independence. In particular, for the latter, the rules on fees set out in the Audit Act shall be taken into account.
- vii. Analyze the variations that may occur in the total compensation of the external auditor.

The Board of Directors shall receive written confirmation each year from the Company's auditor of its independence from the Company or entities directly or indirectly related to it, as well as detailed and individualized information on additional services (other than audit) of any kind

rendered to these entities by the aforementioned auditor, or by persons or entities related to it, in accordance with the provisions of the legislation on auditing.

The Board of Directors shall issue a report expressing an opinion on the independence of the auditor each year before the auditor's report itself is issued. This report shall contain an assessment of the possible impact on the auditor's independence of each and every one of the additional services, other than the statutory audit, referred to in the preceding paragraph, individually and as a whole.

In addition, the Board of Directors shall supervise the internal quality assurance and independence safeguarding procedures implemented by the Company's auditor.

The audit firms that audit Group companies shall send the Board of Directors, on an annual basis, information on the profiles and records of the members of the audit teams for the Company and the Group, indicating in particular the rotations that have occurred in the audit teams with respect to the immediately preceding year.

Likewise, the Board of Directors shall receive information on the hiring by any Group company of staff from any audit firm for the Group.

7. Transparency

The Board of Directors shall publicly disclose the fees paid by the Company to the various audit firms of the Group for both audit and non-audit services, with a breakdown of the fees paid to the auditor and those paid to any company in the network to which the auditor belongs or to any other company with which the auditor is linked by common ownership, management or control.

8. Revision log

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	28/11/2017	1.0
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