

INTERNAL CONTROL OVER FINANCIAL REPORTING AND FINANCING POLICY

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

Author
Manuel Sigot
Head of Administration &
Taxes

Reviewed
David Perez Renovales
CFO

Approved
Board
of Directors

1. Introduction

The Board of Directors of LORCA TELECOM BIDCO, S.A. ("MÁSMÓVIL" or the "Company"), is responsible for the policies and strategy of the Company and the companies that make up its group of companies (the "Group"), and for this reason recognizes the implementation of the control system within the Group as a strategic objective.

2. Object

In accordance with the foregoing, the purpose of this Policy is to establish an Internal Control over Financial Reporting (hereinafter "ICFR") System based on best business practices and good governance, to provide reasonable assurance of the reliability and integrity of the financial information generated by the Company and its Group companies. For this reason, the Board of Directors is competent to design the ICFR System Policy to be applied to the Company and Group companies (hereinafter "MÁSMÓVIL Group"), as well as to establish the maximum financing limit for the Company and Group companies.

3. Basic ICFR principles

The Company has implemented its ICFR control system based on the COSO (Committee Of Sponsoring Organizations of the Treadway Commission) model, and this consists of the following elements:

Responsibilities:

- i. Existence and maintenance of an adequate and effective ICFR system: driven and monitored by the Board of Directors.
- ii. Design, implementation and operation of the ICFR system: Responsibility for the design and implementation of the ICFR lies with the Finance Area, although the control of the Company and its Group companies must be carried out with the support of all areas of the Company, and especially the Management Committee.
- iii. ICFR supervision: The Audit and Control Committee is responsible, among other duties, for supervising the effectiveness of the Company's internal control, internal audit, and risk management systems, as well as reviewing with the auditors any significant weaknesses in the internal control system detected, if applicable, during the course of the audit, all of the foregoing without infringing its independence.

Organization:

The Chief Executive Officer, with the support of the Human Resources Department, is ultimately responsible for the design and review of the organizational structure. There is a Group organization chart published on the corporate intranet accessible to all employees, which identifies the roles and functions of each member of the organization, and in particular the areas responsible for the preparation of financial information and its review.

Limited power structure:

MÁSMÓVIL has a framework of powers of attorney limited by a scale of amounts and whether the basis is joint or joint and several, which enables constraints on the disposition of funds, contracting, and representation.

Code of Ethics:

MÁSMÓVIL has a Code of Ethics, approved by the Board of Directors, which constitutes the reference framework for the basic principles by which the Group companies and all their employees and administrators must abide in the course of their activities.

In relation to financial information, the Code of Ethics textually stipulates the obligation to: "Pay special attention to aspects related to the Internal Control over Financial Reporting System (ICFR) in order to ensure the clarity and accuracy of transactions and their respective accounting records and the preparation of financial information."

Whistleblower channel:

The Company has a whistleblower channel available to all Group employees, one of whose purposes is to serve as a transparent channel for reporting conduct that may involve the commission of any irregularity or any act contrary to the law or to the rules of the Code of Ethics and internal regulations.

In the event that the facts reported through the whistleblower channel involve possible irregularities of potential financial and accounting significance, the Group's Compliance Officer shall immediately inform the Audit and Control Committee.

Training programs:

The Company, through the corresponding functional areas, will prepare a training plan in line with the Group's strategic objectives and the needs identified, which includes specific training for staff involved in the preparation and review of financial information, as well as courses on compliance and ethics for the entire workforce.

4. Control activities

Descriptive documentation of activity flows and controls of key processes:

As an integral part of the MÁSMÓVIL Group ICFR system, 10 key processes have been identified that have a significant impact on the Group's consolidated financial information:

- i. Accounting closing, consolidation and reporting cycle
- ii. Billing and revenue recognition cycle
- iii. Cash flow and financing cycle
- iv. Budget and business plan cycle
- v. Procurement and accounts payable cycle
- vi. Terminal purchase, financing, subsidy, and distributor commission cycle
- vii. CAPEX and fixed assets cycle
- viii. Taxation cycle
- ix. Human resources and payroll cycle
- x. Mergers and acquisitions (M&A) cycle

Narratives are available for the 10 processes that describe the flows of activities and controls that materially affect the financial statements, as well as risk and control matrices that summarize the risks identified in the narratives and the controls in place to mitigate them. Controls are classified as "key controls" or "non-key controls", depending on the criticality of the risks and the importance of the controls in mitigating them.

The risk and control matrices include, among other fields, the objectives of the financial information they are covering, the person responsible for the control and its execution, the frequency of control activities, whether they are for prevention or detection, manual or automatic, and whether there is a risk of fraud.

The Areas and Departments mentioned in the different narratives (process owners) are responsible for compliance with them and for communicating any changes in the processes that could affect the design or compliance of controls identified in the processes.

Regarding the review of relevant judgments, estimates, valuations, and projections, as an integral part of the model, in the different processes identified (narratives and risk and control matrices), specific controls are included, where the control, the persons responsible for execution, supervision and/or approval are clearly defined.

Procedures for the review and authorization of financial information and the ICFR description to be published on the markets:

MÁSMÓVIL has a Financial Information Review and Approval Policy approved by the Board of Directors, the purpose of which is to establish the internal review and approval practices for the financial information to be provided to the markets and regulators (including the annual accounts, interim accounts and the Management Report that

includes the Annual Corporate Governance Report and the ICFR section) by members of the Board of Directors.

The Board of Directors has also approved a Development Procedure for the Financial Information Review and Approval Policy, which describes in greater detail the process of preparing the financial statements, the necessary internal approvals, and the deadlines set for submitting information to the management bodies for final approval.

Policies and procedures for internal control over

IT systems:

All new employees must sign the following policies and procedures related to IT systems:

- i. Information Security Policy.
- ii. Equipment use and information security regulations

In addition, the Board of Directors has approved the Personal Data Policy, one of whose aims is to effectively manage the security of the information processed by the Company's computer systems, in order to guarantee the confidentiality, integrity, availability, and privacy of the information, as well as to comply with the laws and regulations in force at all times, maintaining a balance between risk levels and an efficient use of resources, with criteria of adequacy and proportionality.

On the other hand, as an integral part of the ICFR system, the narratives and risk and control matrices of the different processes include specific controls related to access controls, segregation of duties, and proper interfacing between different systems, to guarantee the integrity and reliability of the information held in the systems and computer applications.

Policies and procedures designed to supervise the management of activities outsourced to third parties, as well as those aspects of valuation entrusted to independent experts, which may materially affect the financial statements:

MÁSMÓVIL has a Procurement Policy approved by the Board of Directors, which aims to establish a global framework for the control and management of risks resulting from the purchasing of equipment and materials, as well as the contracting of works and services throughout the Group.

As stipulated in the Policy, the Procurement Department is responsible for maintaining an active relationship with suppliers and ensuring control of the risks associated with

them, with the Area requesting a service or product being responsible for monitoring compliance with contractual conditions and SLAs (Service Level Agreements), if applicable.

On the other hand, with respect to the services entrusted to independent experts that involve evaluation, calculation, or valuation and that could materially affect the Group's financial statements, authorization for the services must always comply with the Internal Procurement Procedure in which the prestige, experience, and independence of the independent expert will be evaluated, among other aspects, and this entity must undergo a prior approval process by the Group's Procurement Department.

The results of the work by independent experts that have a significant impact on the financial statements are submitted to the Audit and Control Committee as part of the presentation of the accounting closure, thus ensuring the correct supervision of the work performed.

5. Information and communication

Responsibility for defining and updating accounting policies

las políticas contables:

For the purposes of preparing the financial information for individual companies under the PGC (Spanish GAAP) and consolidated under IFRS-EU, the Company has developed an Accounting Policies Manual applicable to all Group companies. This manual is updated periodically and its purpose is to define the criteria followed for the preparation of individual and consolidated financial statements under the PGC and IFRS-EU, respectively.

The Head of Accounting and Taxes, who reports to the Chief Financial Officer, is responsible for developing, updating, and communicating uniform accounting and administrative policies. He/she is also in charge of maintaining and mapping the chart of accounts in the SAP finance module, in accordance with the criteria and principles established in the Accounting Policies Manual.

Capture and preparation mechanisms

for financial information:

The Company has an Integrated Management System (SAP) where the accounting record of operations and the preparation of financial information is centralized for all Group companies, thus facilitating uniform treatment when preparing the consolidated financial statements.

The ICFR risk and control narratives and matrices include controls relating to interfaces with other systems, access controls, and segregation of duties. Critical files are stored in shared network folders with restricted access by users.

The Financial Information Review and Approval Policy Development Procedure describes the process for the preparation and review of financial information by the areas involved.

6. System performance monitoring

The Audit and Control Committee, within the framework of its powers set forth in the Regulations of the Board of Directors, and with the support of the Internal Audit and Compliance areas, is entrusted, among other powers, with supervising the effectiveness of the Company's internal control, internal audit, and risk management systems, as well as discussing with the auditors or audit firms any significant weaknesses in the internal control system detected, if applicable, in the course of the audit, all without infringing their independence.

In relation to the ICFR, the Internal Audit Area's functions, as described in the Company's job descriptions, include supporting the Audit and Control Committee in supervising the design, implementation, and effective operation of the risk control and management systems, including the ICFR.

The Internal Audit Area prepares the Annual Internal Audit Plan each year, which will be approved by the Audit and Control Committee. This plan shall include a specific section on the review of the operation and effectiveness of the ICFR, as well as the presentation of results, recommendations, and corrective action plans to the Audit and Control Committee.

In this regard, the Internal Audit Area 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 corrective action plans for the deficiencies identified (including recommendations, parties responsible, expected date of implementation, and tracking previous recommendations) to the Audit and Control Committee.

7. Group financing

As an internal control measure, the maximum financing limit, of any nature, for the Company and its Group companies may not exceed the amount of 4.5 times the Group's Consolidated EBITDA. In the event that this sum is exceeded, even slightly or temporarily, the financial area shall immediately inform the Audit and Control Committee.

8. Approval, monitoring and updating of the Policy

This Policy is approved by the Board of Directors, at the proposal of the Audit and Control Committee, the competent body for these purposes, and it shall enter into force on the date of its approval.

The application of this Policy shall be subject, in any case, to modifications in line with the legislation in force at any given time, or how the Company itself construes it and what it deems appropriate to include.

The Board of Directors shall periodically evaluate the effectiveness of this Policy and shall adopt the appropriate measures to remedy any deficiencies, making such modifications as it deems necessary.

9. Revision log

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