



## MASORANGE, S.L.

### TERMS OF REFERENCE OF THE AUDIT AND RISK COMMITTEE

#### 1. Background

- 1.1 This Audit and Risk Committee Terms of Reference (the **Terms of Reference**) regulate the nature, organization, functions, powers and duties of the Audit and Risk Committee of MASORANGE, S.L. (the **Committee** and the **Company**, respectively).
- 1.2 The Terms of Reference have been approved by the Company's board of directors (the **Board**) and shall not be terminated, replaced or amended in any way without the approval of the Board as a Reserved Matter.

#### 2. Purpose

- 2.1 The Committee shall provide assistance to the Board with respect to its oversight of:
- (a) the quality, accuracy and integrity of the Company and its subsidiaries' (from time to time) (together, the **Group**) financial reporting and the adequacy of related disclosures;
  - (b) the Group's compliance with internal control and risks management policies and procedures, including the appropriateness and effectiveness of these controls, policies, procedures, and programs, considering the applicable legislation (including those relating to anti-bribery, anti-money laundering and economic sanctions) and business risks and ensuring these are effective and in line with international standards, considering adequacy to the business, its size, risks and business activity, and covering both financial and non-financial risk;
  - (c) the external and internal audit functions;
  - (d) examine sustainability matters (including environmental, social and governance (**ESG**) affecting the Group's business model and strategy;
  - (e) the monitoring systems of the sustainability management and performance of the Group, in accordance with applicable laws, regulations and regulatory requirements and international standards;
  - (f) the review of M&A and investments transactions; and
  - (g) any investigations relating to breaches of ESG laws or regulations, reported by the Group's compliance officer (the **Compliance Officer**), together with the



standards and/or the policies, management systems and plans on ESG matters of the Group.

- 2.2 The Committee will be an advisory and informative Committee only with no delegated powers, will present its findings and recommendations to the Board and its directors (the **Directors**) and will have a non-executive role with regard to its findings and recommendations.
- 2.3 The duties and responsibilities of the Committee to fulfil this purpose are described in Section 5.

### 3. Composition and Committee Officers

#### 3.1 Composition and qualifications

- (a) The members of the Committee shall be appointed by the Board by the favorable vote of the majority of the Board and in accordance with the Shareholders Agreement of the Company (the **Shareholders Agreement**).
- (b) The Committee shall be comprised of four (4) members who must be non-executive Directors (therefore excluding, for the avoidance of doubt, the Chairman of the Board and the chief executive officer (*consejero delegado*) of the Company (the **CEO**)), of which (i) Lorca JVCo Limited (**Lorca**) shall be entitled to nominate two (2) members; and (ii) Orange, S.A. (**Orange**) shall be entitled to nominate two (2) members.
- (c) The nominated members of the Committee shall (and each Lorca and Orange shall direct the members nominated by it to) comply with the provisions of these Terms of Reference, the Company's bylaws, the Shareholders Agreement, and *mutatis mutandis*, any provision under applicable Law that applies to members of the Board of the Company.
- (d) Each of Lorca and Orange shall have the right to appoint two (2) observers. Each observer will be entitled to receive notice of the meetings of the Committee, the agenda and the relevant supporting documents for the meetings and attend the meetings of the Committee. The rules set forth for the observers in the Shareholders Agreement shall apply, *mutatis mutandis*, to the observers appointed for the Committee.
- (e) The members of the Committee as a whole shall have knowledge and experience in financial and non-financial accounting, auditing, finances, internal control, compliance and risk management, as well as technical expertise necessary in relation to the industries in which the Group operates. In particular, the chairperson of the Committee shall have relevant financial experience and the ability to analyze and evaluate financial and accounting statements, a relevant experience in relation to the mechanisms of internal and audit control



relating to the financial reporting process and competence and knowledge relevant to the sector in which the Group operates, including financial and compliance risks.

- (f) The role of the Committee members shall not be remunerated.

### 3.2 Term, appointment and removal

- (a) The members of the Committee shall serve in their positions for a term of four years and may be reappointed for periods of the same duration.
- (b) In case of a vacancy arising due to a resignation, dismissal, incapacity or to any other cause, of one or more Committee members, Orange and Lorca hereby agree to vote in the immediately next Board meeting for the appointment of a replacement as per the indication of Orange or Lorca, depending on who had proposed the vacating member.
- (c) Any member of the Committee will be automatically removed as such if: (i) the period for which they were appointed has elapsed or they otherwise cease to be a Director; (ii) such member is or becomes ineligible to be a member of such Committee under any Applicable Law, (iii) is guilty of any fraud, (iv) is convicted of any criminal offence, bribery, corruption, fraud, money laundering, sanctions breach, tax evasion, serious harassment or discrimination or other serious administrative, regulatory or ethical breach other than (A) an offence under road traffic legislation, or (B) a similar, minor criminal offence unconnected to business and/or dishonesty for which a non-custodial penalty is imposed, or (iv) is declared bankrupt or subject to any similar personal insolvency process. In the event that such member is removed from office, Lorca or Orange, as the case may be, may appoint a replacement.

### 3.3 Chairperson

- (a) The Committee will appoint the chairperson of the Committee from amongst the members to be nominated by Orange (the **Chairperson**). The Chairperson shall hold office until his or her successor is duly elected or his or her earlier resignation, removal, disability or death.
- (b) The Chairperson will chair all regular sessions of the Committee and is responsible for setting the agendas of Committee meetings.
- (c) In the absence or inability of the Chairperson, or in the event of a vacancy in that office, his or her duties shall be exercised by the member elected for this purpose amongst one of the members appointed by Orange.
- (d) The Chairperson shall be responsible for the effective operation of the Committee.



- (e) The Chairperson of the Committee shall serve as the spokesperson for the Committee at all meetings of the Board and, as the case may be, shareholders meetings. In particular, the Chairperson of the Committee shall notify the Board of the subjects discussed and decisions adopted in each Committee meeting, providing enough detail to enable the Board to fulfill its responsibilities.

### 3.4 Secretary

- (a) The secretary of the Board shall be also the secretary of the Committee (the **Secretary**). The Secretary shall assist the Chairperson and provide for the proper functioning of the Committee, taking care to duly reflect in the minutes the progress of the meetings, the content of the deliberations and the resolutions adopted. The minutes of the Committee shall be made available to all members of the Board.
- (b) The Secretary shall also support the Committee in all matters affecting said Committee, including but not limited to supporting the Chairman in the implementation of an annual work plan and in drawing up the agenda for each meeting; in drafting the Committee Report and the Related Party Transactions Report; as well as in collecting and distributing documents relevant to the agenda.

## 4. Proceedings and Meetings

### 4.1 Meetings

- (a) The Committee shall establish an annual work plan laying out specific objectives for each of the duties of the Committee as well as an annual meeting schedule, taking into account the time required for each of the Committee's duties and the meeting schedule of the Board.
- (b) The Committee shall meet six (6) times per year or more frequently as may be agreed by the Committee. A meeting calendar for all the meetings of the Committee to take place in a year shall be approved by the Committee in the first meeting of such year, and shall take into consideration the timing of the meetings of the Board, scheduling the meetings of this Committee at least one week in advance when matters requiring the Committee's involvement are expected to be addressed at Board meetings. Meetings will generally be held in English and take place in Spain.
- (c) Notwithstanding the foregoing, any two Committee members may request that an additional meeting of the Committee be convened by sending a written request to the Chairperson at least seven (7) days prior to the proposed date of the meeting. Following any such request, the Chairperson shall convene a meeting of the Committee on the date requested by serving prior written notice to each Committee member and any relevant attendee.



- (d) As an exception to the foregoing, if (i) any two Committee members (which may include the Chairperson), or (ii) the CEO, deem urgent to convene a meeting of the Committee, an extraordinary session of the Committee shall be convened by the Chairperson by serving prior written notice to each Committee member and any relevant attendee at least two (2) days in advance.

#### 4.2 Notice of the meetings

- (a) The Committee meetings shall be convened by the Chairperson by serving written notice by mail, e-mail or any other means of distance communication to all the members of the Committee and any other attendee at least five (5) **Business Days** (i.e., a day on which banks are open for business in Madrid, Spain, but does not include a Saturday, Sunday or a statutory holiday in Madrid, Spain) prior to the proposed date of the meeting, setting out the specific date, time, location and connection details of the relevant meeting.
- (b) The Chairperson shall set the agenda for all meetings of the Committee, taking into account the agenda of the Board and the Committee's annual work plan. Furthermore, the agenda shall include those items requested by the Board Chairman, the CEO or, as the case may be, any two members that requested the meeting.
- (c) The agenda for the meeting and accompanying papers shall be sent by mail, e-mail or any other means of distance communication to each member and any relevant attendee at least three (3) Business Days prior to the proposed date of the meeting. Notice of meetings and information regarding the business to be considered at the meeting shall be provided to all members of the Committee and any relevant attendant simultaneously.
- (d) To the extent there is a subsequent second call of any meeting, provided there has been no change to the agenda for the meeting and/or any accompanying papers, each subsequent call shall be made on no less than 24 hours' notice. Any notice requirement herein may be waived by the unanimous consent of all members of the Committee.
- (e) If possible, the Committee should meet ahead of any regularly scheduled Board meetings in order to be able to provide input and recommendations to those meetings.
- (f) A meeting of the Committee shall be considered validly held, without a previous call, if all the members are present or represented and unanimously consent to hold a meeting.

#### 4.3 Assistance and representation



- (a) The Committee meetings will usually be held at the Company's registered office, but may also be held at such other location as may be determined by the Chairperson and stated in the meeting notice. As deemed appropriate by the Chairperson of the Committee, the Committee may meet remotely with all or some of its members and the Secretary using videoconferencing, conference calls, or any other means of distance communication, provided there is interactivity and intercommunication in real time, thereby guaranteeing simultaneity of developments. In such case, the meeting notice and minutes shall indicate, as the case may be, the connection system. The resolutions shall be considered passed at the registered offices.
- (b) The members of the Committee and any relevant attendee may attend a meeting of the Committee in person, by conference telephone or any other remote communication means (e.g. videoconference) or may designate by proxy another member of the Committee to attend the meeting and vote in his or her place. Such designation shall be in writing, shall be signed by the member of the Committee, and shall identify the meeting at which the designated member may act as a proxy and any instructions that may be applicable.
- (c) If all members of the Committee so accept it unanimously, the resolutions of the Committee may also be passed in writing in lieu of a meeting.
- (d) Minutes (in English) shall be kept for each meeting of the Committee and signed by the Secretary with the approval of the Chairperson.

#### 4.4 Quorum and approval of resolutions

- (a) The Committee meetings shall be validly assembled when the majority of its members are in attendance, in person or by proxy.
- (b) Any resolutions of the Committee shall be taken with the favorable vote of half plus one of the members attending the meeting, present or represented (including at least the favorable vote of one member nominated by Lorca and one member nominated by Orange). The Chairperson will not have a casting vote.
- (c) Any resolution of the Committee regarding the matters listed in the Shareholders Agreement as Reserved Matters shall not be effective unless and until approval of the general meeting of shareholders or the Board (as applicable) of the Company has been obtained.
- (d) The deliberations shall be conducted by the Chairperson.

#### 4.5 Other attendees



- (a) The executive officers and representatives of Lorca and Orange will be permitted to attend Committee meetings, if invited by at the request of any member of the Committee, subject to applicable law.
- (b) The Chairperson of the Committee may request that the Chairman of the Board, the CEO or any other member of the Board attend any meeting of the Committee, as deemed appropriate and in all cases at the meeting to be held upon publication of annual or interim financial information.
- (c) The Committee meetings shall also be attended, whenever deemed appropriate by its Chairperson, by the external auditor and the internal auditor of the Group, as well as by any member of the staff of the Company or its Group whose activity may be related to the functions performed by the Committee.
- (d) Any meetings held with the internal auditor or statutory auditor shall be held, whenever deemed appropriate by its Chairperson, in whole or in part, without the attendance of the Group's management so that any specific issues arising from the reviews performed may be discussed in private.
- (e) Whenever the Committee deems it necessary, it may seek the advice of external professionals to provide advice on specific matters including legal, strategic, accounting or any other type of advice, in relation to which the Committee shall have sufficient economic resources to carry out this duty. In such a case, the selected external professionals may attend the Committee meetings with the right to speak but not to vote.

#### 4.6 Reporting and authority

- (a) The primary duty of the Committee is to advise the Board and to monitor and oversee the independence of the statutory auditor, the effectiveness of internal control and risk management mechanisms, and oversee the processes for drafting and presenting financial and non-financial information and make recommendations to the Board, as well as to report to the Board or the General Shareholders' Meeting on related-party transactions, in accordance with the legislation in force and as detailed in Section 5. In any case, the Board may assign other duties to the Committee not reserved to another body by virtue of law or the Bylaws or the Shareholders Agreement.
- (b) The Committee does not have any executive powers to commit the Board or the Company to the implementation of its recommendations.
- (c) The Committee must have adequate, timely and sufficient access to information, for which purpose any Committee member shall be entitled to receive additional information and supporting documents from key personnel which may be appropriate or necessary in order to perform their duties and request from time to time that certain key personnel involved in the governance and management



of the Group attend Committee meetings. The Chairperson of the Committee, through the Secretary of the Committee, shall channel the information and key personnel attendance to Committee meetings, and the Chairperson shall not deny such requests unreasonably. The relevant information and documentation shall be supplied to the rest of Committee Members sufficiently in advance for such information to be considered prior to meetings thereof and at the latest three (3) Business Days in advance.

- (d) The members of the Committee, as required to perform their duties, shall have access to all of the Group's services which may be appropriate or necessary in order to perform their duties and shall have a duty to request, and the right to receive, all information from the Group which may be appropriate or necessary in order to perform their duties. The Chairperson of the Committee, through the Secretary of the Committee, shall channel such access to services and information requests, and the Chairperson shall not deny such requests unreasonably.
- (e) The Committee is not responsible for supervising the daily performance of management and does not become involved in day-to-day operations, management functions or decision making.
- (f) The Committee is not responsible for certifying the Group's financial statements or guaranteeing the external auditor's report. The fundamental responsibility for the Group's financial statements and disclosures rests with management, while the external auditor is responsible for conducting the annual audit in accordance with the audit legislation and generally accepted auditing standards applicable to the Group.

## **5. Responsibilities and Duties**

The following functions shall be the common recurring activities of the Committee in carrying out its responsibilities.

### **5.1 Audit Duties and Responsibilities**

#### **(a) Financial Reporting**

The primary responsibility of the Committee is to monitor the integrity of the financial statements and to oversee the financial reporting process on behalf of the Board including the supervision of the design and management of the internal control system, evaluation of whether the Group has correctly applied accounting policies and review the clarity and integrity of all the financial information (including by monitoring and discussing with management and the external auditor the integrity of the financial statements), and to recommend to the Board appropriate actions in the interests of the integrity, objectivity and thoroughness of financial reporting.





- (b) Financial Statements, financial situation, Budget and Business Plan
- (i) Review the draft audit reports (individual and consolidated) and the draft annual and interim reports for the current financial year and verify that these reports provide a true and fair view of the financial affairs of the Group for the purpose of safeguarding its integrity, reviewing compliance with regulatory requirements, the appropriate delimitation of the scope of consolidation and the correct application of accounting criteria.
  - (ii) Advise on whether the annual and interim reports, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's financial position and performance, business model and strategy.
  - (iii) Monitor and assess on an on-going basis the preparation and presentation of all required financial and non-financial information on the Company and the Group, including the Annual Budget and the Business Plan and any amendment thereto, as well as to submit recommendations or proposals to the Board with a view to safeguarding the integrity thereof, and oversee the Group's financial management.
  - (iv) Examine the Group's financial situation and cash position, and overall treasury process.
  - (v) Examine the Group's commitments to third parties as well as off-balance sheet commitments, in particular when reviewing the annual and interim financial statements.
  - (vi) Review and monitor the Financing plan of the Group, in line with the policies agreed in the Shareholders Agreement, as well as the issuance of third-party financing.
  - (vii) Advise on correspondence from any authority regarding accounting or financial topics in relation with the Group and on the responses provided by the Group.
  - (viii) Report to the general meeting of shareholders on the outcome of the audit, explaining how the audit has contributed to the integrity of the financial information and the role the Committee has played in this process.
  - (ix) Check the quality and appropriateness of both the accounting policies and practices for compliance with legal provisions and the correct application of generally accepted accounting principles, and informing the Board before adopting any decisions regarding:



- (A) the financial statements and directors' report, ensuring that the interim financial statements are drawn up in accordance with the same accounting principles as the annual financial statements and, to this end, considering the advisability of its review by the Group's external auditor;
  - (B) the creation or acquisition of shares in special purpose vehicles or entities resident in countries or territories considered tax havens, and any other transactions or operations of a comparable nature whose complexity might impair the transparency of the Group; and
  - (C) related party transactions.
- (x) Supervise the effectiveness of the Group's internal control, internal audit, if any, and risk management systems, as well as discuss with the auditors or audit firms any significant weaknesses in the internal control system detected, if any, in the course of the audit, all without infringing their independence. To this end, review and make recommendations to the Board on the representations provided by management in relation to the audited financial statements.
  - (xi) Ensure that annual financial statements (including annual accounts) submitted by the Board to the general meeting of shareholders are prepared in accordance with the applicable accounting rules, and are submitted without limitations or qualifications in the audit report and, in exceptional cases where qualifications exist, both the Chairperson of the Committee and the auditors clearly shall explain to the shareholders the content and scope of such limitations or qualifications.
  - (xii) Review of reporting disclosures, including the non-financial report, and in particular, review of material discussions between the Group and the external auditor and to the extent the financial statements are affected by unusual transactions or any off-balance sheet arrangements and how they are disclosed.
  - (xiii) Monitor prior to communication any formal Group announcements and review beforehand any financial communication to third parties (including but not limited to market, market authorities as the case may be, debt providers, debt security holders or their advisors) relating to the Company's or the Group's financial situation or performance and reviewing any significant financial reporting judgements contained therein, and monitor formal Group announcements containing such judgements.



- (xiv) Review and ensure that the financial reporting to the Investors meets the requirements (both in terms of content and timeline) set forth in clause 15.9 and Schedule 8.3 of the Shareholders Agreement and, as the case may be and at the request of any Committee member, to review any information relating to the Group reasonably required by the Investors from time to time, including information required to comply with their legal, regulatory (including stock exchange and antitrust requirements), accounting and tax filing obligations, and financial information prepared in accordance with the Investor's group accounting policies or, for the purposes of their compliance with their own reporting requirements.
- (c) Assessment of systems of financial risk management and internal control
  - (i) Monitor the Group's risk management system and evaluate any question regarding non-financial risks (including emerging risks that the Group may face in achieving its long term strategic objectives, operational, technological, legal, social, environmental, political and reputational risks) and financial risks, including the management and mitigation of those risks. In particular:
    - (A) Consider the processes that management use to design and assure controls and to measure their effectiveness together with reports from management to form an opinion on the reliability of the risk assessment;
    - (B) Review the Group's risk appetite as developed by management and monitor emerging risks and changes in the Group's risk appetite;
    - (C) Advise the Board, based on the assessment of the Group's financial position and principal risks, on how the prospects of the Group may be impacted and report any material changes in risk profile to the Board; and
    - (D) Compare the material risk assessment and the risk profile with the Group's policies and risk appetite and draw conclusions as to their appropriateness.
  - (ii) Review the internal control and risks management policies and procedures (including the appropriateness and effectiveness of these controls, policies, procedures, and programs, considering the applicable legislation and business risks) and aimed at ensuring these are effective and in line with international standards, considering adequacy to the



business, its size, risks and business activity, and covering both financial and non-financial risk.

- (iii) Discuss with the management team and the external auditor:
  - (A) any change to critical accounting policies and practices to be used by the Group;
  - (B) analyses prepared by management and/or the external auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including all alternative treatments of financial information within generally accepted accounting principles related to material items that have been discussed with the Group's management, the ramifications of the use of the alternative disclosures and treatments, and the treatment preferred by the external auditor;
  - (C) major issues regarding accounting principles and financial statement presentations, including any significant changes in the Group's selection or application of accounting principles; and
  - (D) major issues arising as to the adequacy and effectiveness of the Group's internal controls, any actions taken in light of material control deficiencies and the adequacy of disclosures about changes in internal control over financial reporting.
- (iv) Review the reports produced by the external auditor and management's response to the matters raised therein and propose measures to become satisfied that accounting records are properly maintained in accordance with statutory requirements.
- (v) Review periodically the effect of regulatory and accounting initiatives, as well as off-balance sheet structures (if any), on the financial statements of the Group.
- (vi) Review and inform to the Board of all related party transactions involving the Group to be approved by the general meeting or the Board and supervising the internal procedure established by the Group for those transactions whose approval has been delegated in accordance with the Shareholders Agreement and applicable law.
- (vii) Supervise the internal risk control and management function exercised by an internal unit or department of the Group.



- (viii) Ensure the independence of the units that assume the internal audit and compliance functions, if any; propose the selection, appointment, re-election and removal of the head of the internal audit and compliance services (including the Compliance Officer); propose the budget of the internal audit and compliance services; approve the orientation and work plans of the internal audit and compliance services, ensuring that their activity is mainly focused on the Group's relevant risks; receive regular information on their activities; and verify that the management team takes into account the conclusions and recommendations of its reports.
  - (ix) Establish and supervise a mechanism that allows employees to report, confidentially and, if possible and appropriate, anonymously, potentially significant irregularities, especially financial and accounting irregularities, that they become aware of within the Group.
  - (x) Review the information and reports prepared by the Compliance Officer, proposing measures to improve risk policies and internal control of the Group, without prejudice to the direct reporting of the Compliance Officer to the Board when necessary.
- (d) Internal Audit
  - (i) Monitor and review the scope and effectiveness of the internal audit work plan and program and conduct sufficient enquiry to be satisfied as to its appropriateness.
  - (ii) Oversee the co-ordination of the internal audit reviews and monitor the progress of the work program and ensure that the Group's internal audit department has adequate resources and appropriate access to information to perform its role effectively.
  - (iii) Monitor the implementation of the agreed action plans by management, as well as incidents or scope limitations arising during their implementation, the results and the follow-up of the recommendations.
  - (iv) Appoint an internal audit manager for ensuring the proper functioning of the information and internal control systems, who shall report functionally to the Chairperson of the Committee and who shall be appointed based his or her knowledge and experience in accounting, auditing or risk management. In such a case, the audit manager shall: (A) submit to the Committee a work plan; (B) report directly to it on any incidents arising in the course of its work; and (C) at the end of each financial year, submit an annual report on its activities to the Committee.



- (v) Ensure the independence and effectiveness of the internal audit function. In this regard, to assess on annual basis the operation of the internal audit function and performance of its manager, the Committee shall ensure that the internal audit manager develops and maintains a quality assurance and improvement program to cover all aspects of its activities, which shall include an independent assessment to be completed by an external party at least every three years.
  - (vi) Assess the annual internal monitor plan, verifying that said plan has taken all key risks into account, including financial and non-financial risks of the business, and that said plan identifies and clearly lays out its responsibilities as relates to proper coordination of other assurance functions, including those of the risk management and control, regulatory compliance and external audit units.
- (e) External Audit
  - (i) Oversee the Group's relationship with the external auditor.
  - (ii) Submit to the Board the proposal for the selection, appointment, re-election and replacement of the external auditor and the terms of their engagement. The Committee will take into account, when recommending the appointment, the technical and human resources of the auditor and its experience in general and in the sector.
  - (iii) Review external audit plans, including changes to those plans, and review progress reports prepared by the external auditor and determine whether all matters raised are receiving appropriate attention.
  - (iv) Resolve any disagreements between the external auditor and the management team in relation to financial reporting.
  - (v) Annually monitor and evaluate the effectiveness of the external auditor. In this regard, ensure that the external auditor holds, if and when the Board deems it appropriate, an annual meeting with the full Board to report to it on the work performed and on the evolution of the Group's accounting and risk situation.
  - (vi) Review with the external auditor (A) any audit problems or difficulties encountered by such firm in the course of the review or audit work, including any restrictions on the scope of its activities or on access to requested information, and any significant disagreements with management, and (B) management's responses to such matters.
  - (vii) Without excluding other possibilities, the Committee may wish to review with the external auditor (A) any accounting adjustments that were



noted or proposed by such firm but were “passed” (as immaterial or otherwise), (B) any communications between the audit team and the audit firm’s national office respecting auditing or accounting issues presented by the engagement, and (C) any “management” or “internal control” letter issued, or proposed to be issued, by the external auditor to the Group.

- (viii) In the event of resignation of the external auditor, examine the circumstances giving rise to such resignation.

(f) Independence of the External Auditor and Provision of Non-Audit Services

- (i) Annually assess the independence of the external auditor in accordance with applicable law.
- (ii) Ensure that the Group and the external auditor uphold the rules in force regarding the rendering of services other than auditing, taking in consideration the rules applicable to each Investor, the limits on the concentration of the auditor's business, and, in general, any other rules on the independence of auditors, further ensuring that the external auditor's remuneration in consideration of their work does not compromise the quality of the work or the auditor's independence, and has not compromised that independence.
- (iii) Establish the appropriate relationships with the external auditor so as to receive information about matters that may threaten to compromise his or her independence, and any other related to the accounts audit process.
- (iv) Recommend to the Board the appropriate disclosure in each year's accounts of the full details of fees paid to the external auditor, including an analysis of non-audit services, and provide written advice to the Board as to whether the provision of non-audit services by the external auditor is compatible with the general standard of independence for auditors imposed by the rules in force regarding the rendering of services other than auditing.
- (v) Set clear policies for the Group's hiring of employees or former employees of the external auditor.
- (vi) Inform the Board of any incompatibilities or independence issues in relation to the appointment of any present or former employee of the external auditor to a senior position within the Group.

(g) Review of M&A and investments



- (i) Review and make recommendations to the Board with respect to any and all investments, acquisitions, or disposals that fall within the scope of the Reserved Matters pursuant to paragraph 13 “M&A and investments” of Schedule 3.2(d) of the Shareholders Agreement.

## 5.2 Sustainability duties and responsibilities

- (a) Examine systemic and strategic sustainability issues. The Committee will explore climate change, environmental risk management, community relations, or water use and management, among others.
- (b) Review the non-financial reports (individual and consolidated) and verify that these reports provide a true and fair view of the non-financial information of the Group for the purpose of safeguarding its integrity, reviewing compliance with regulatory requirements, the appropriate delimitation of the scope of consolidation and the correct application of non-financial criteria.
- (c) Oversee compliance with corporate governance rules and the Group’s internal codes of conduct, and ensure that these comply with the requirements of law and are appropriate for the Group.
- (d) Ensure that the corporate environmental and social culture is aligned with the Group’s purpose and values and review compliance by the persons governed by those codes and governance rules and of their obligations to inform the Group.
- (e) Ensure that the Group has in place adequate and robust systems for monitoring ESG management and performance of the Group, in accordance with applicable laws, regulations and regulatory requirements and international environmental business standards.
- (f) Monitor the Group’s ESG performance and execution and review progress made against the strategy, action plans and KPIs, ensuring that it addresses matters of material impact.
- (g) Oversee any investigations relating to breaches of ESG laws, regulations and standards and/or the policies, management systems and plans at the Group, as well as provide any recommendations for changes to be implemented.
- (h) Ensure that the Committee and the Board are kept up to date of any regulatory changes in relation to ESG which impact the business of the Group, its ESG strategy and its implementation.
- (i) Order ESG assessment and carbon abatement assessment if need be, including a review of the initial emissions (to be reviewed in collaboration with an external professional), and make recommendations to the Board on





changes needed. Monitor the implementation of initiatives proposed by the assessments (where applicable) and keep the Board duly informed.

- (j) Review the adequacy and effectiveness of the Group's external reporting of sustainability performance and participation in relevant external benchmarking indices as assessed by third party ratings agencies, if applicable.
- (k) Understand and regularly review the concerns and material risks to the business as perceived by key external stakeholders, and the effectiveness of the ESG strategy in addressing these, if applicable.

### 5.3 Legal and Regulatory Compliance / Other

- (a) Periodically review and discuss with the Company's General Counsel or the Compliance Officer, as applicable, any legal or compliance matters that have been brought to the Committee's attention and that could have a significant impact on the Group's financial statements or on the Group's reputation strategy (including any anti-bribery, anti-money laundering and economic sanctions matters).
- (b) Oversee the Group's whistleblowing channel and establish procedures for: (i) the receipt (whether through the Group's whistleblowing channel or otherwise), retention, treatment and resolution of complaints received by the Group regarding fraud, anti-bribery, anti-money laundering, economic sanctions, accounting, internal accounting controls, or auditing matters; and (ii) the confidential, anonymous submission (whether through the Group's whistleblowing channel or otherwise) by employees of, or third-parties retained by, the Group of concerns, including concerns regarding anti-bribery, anti-money laundering or economic sanctions related misconduct, questionable accounting or auditing matters.
- (c) Periodically review and discuss with the Group's Tax responsible any tax matters that have been brought to the Committee's attention and that could have a significant impact on the Group.
- (d) Review, at least on an annual basis, the decisions by management to enter into derivative transactions on a cleared or non-cleared basis, and the policies and processes of the Group related thereto, and review and recommend to the Board on matters pertaining to the Group's derivative transactions and hedging strategy.
- (e) Oversee and monitor the development and administration of appropriate ethics and compliance program and related internal controls, including the Group's code of business conduct and compliance policies.



- (f) Oversee regular risk assessments conducted by the Group compliance function to identify and evaluate the compliance risks faced by the Group (including engaging with any levels of management, as necessary, to identify and address potential compliance risks).
- (g) Oversee the antitrust risk prevention policy conducted by the Group to identify and evaluate the antitrust risks faced by the Group (including engaging with any levels of management, as necessary, to identify and address potential antitrust risks).
- (h) Oversee the regulatory compliance policy conducted by the Group to identify and evaluate the regulatory compliance of the Group (including engaging with any levels of management, as necessary, to identify and address potential regulatory risks).
- (i) Review, promote, guide, supervise and oversee management's operation of cyber security and data privacy policies and procedures and discuss with management any matters that have been brought to the Committee's attention that carry a material and/or compliance or reputational risk for the Group, and report thereon to the Board.
- (j) Oversee internal and external investigations into alleged compliance violations or misconducts and ensure that appropriate actions are taken to address any findings or recommendations resulting from such investigations to mitigate related risks.
- (k) Make recommendations for any applicable measures to be taken to ensure the continuous improvement of the compliance policies, procedures, and controls, including following any applicable legal developments or the risk assessments and investigations performed.
- (l) Oversee the promotion of a culture of compliance and integrity throughout the Group, including by reinforcing the importance of compliance at all levels of the organization and ensuring that appropriate incentives and accountability mechanisms are in place to drive compliance.
- (m) Oversee the application of information and communication technology by the Group, including risks relating to cyber security and data privacy;
- (n) To be informed of the structural and corporate change operations that the Group plans to carry out for its analysis and prior report to the Board on their economic conditions and their accounting impact.

## **6. Review**



- 6.1 These Terms of Reference are in addition and supplementary to those provisions of the Bylaws and of the Shareholders Agreement. The Board shall have the power to resolve any questions which may arise in the interpretation or application hereof, in accordance with all applicable legal provisions, as well as with best corporate governance practices.
- 6.2 In the event of any conflict or discrepancy between the provisions of these Terms of Reference and the provisions of the Shareholders Agreement, the provisions of the Shareholders Agreement shall prevail.
- 6.3 The Board may approve and make amendments to these Terms of Reference as a Reserved Matter. The Committee shall periodically review these Terms of Reference to determine their adequacy for current circumstances and, if applicable, make recommendations to the Board on any proposed changes to it. For this purpose, the proposal shall be submitted with a justifying report presenting the reasons for and scope of the amendment.