



Iberdrola

Powers of the Audit and Risk Supervision Committee

Pursuant to Article 31.7 of the Regulations of the Board of Directors, the Audit and Risk Supervision Committee shall have the powers set forth in law, in its own regulations, and in any event the following:

- a. Conduct a review of the General Risk Control and Management Foundations of the Iberdrola Group and the risk guidelines and limits on at least an annual basis, and propose the amendment and update thereof to the Board of Directors.
- b. Approve the statutory auditor contracting policy establishing the procedure for the selection and contracting of the Company's statutory auditor, the relations therewith, the circumstances that might affect the independence thereof and the instruments required to ensure the transparency of such relationship.
- c. Endeavour to ensure that the annual financial statements that the Board of Directors submits to the shareholders at the General Shareholders' Meeting are prepared in accordance with accounting regulations.
- d. Report to the shareholders at the General Shareholders' Meeting with respect to the matters that may be raised therein by the shareholders regarding the results of the audit of the annual financial statements, the contribution thereof to the integrity of the financial information and the role that it has played in such process and regarding other issues within the purview of the Audit and Risk Supervision Committee.

If the auditor has included any qualification in its audit report, the chair of the Audit and Risk Supervision Committee shall clearly explain at the General Shareholders' Meeting the opinion of the Committee regarding the content and scope thereof, if so approved by the Board of Directors.

- e. Monitor the effectiveness of the internal control at systems of the Company and the other companies of the Group, as well as of their risk control and management systems.
- f. Together with the statutory auditor, analyse significant weaknesses in the internal control system detected during the audit, all without infringing upon the independence thereof. To this end, if appropriate, the Audit and Risk Supervision Committee may submit recommendations or proposals to the Board of Directors and shall establish the corresponding follow-up period.
- g. Supervise the process of preparing and presenting regulated financial information relating to the Company, both individual and consolidated with its subsidiaries, reviewing compliance with legal requirements, the proper delimitation of the scope of consolidation and the correct application of accounting standards, and submit recommendations or proposals to the Board of Directors to safeguard the integrity of such information.
- h. Propose to the Board of Directors, for submission to the shareholders at the General Shareholders' Meeting, the appointment, re-election and removal of the statutory auditor of the Company's separate financial statements and of the financial statements consolidated with



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the companies of the Group, in accordance with applicable legal provisions and the Statutory Auditor Contracting and Relations Policy.

- i. Propose to the Board of Directors the terms for contracting the statutory auditor of the Company's separate financial statements and of the financial statements consolidated with the other companies of the Group in accordance with applicable legal provisions and the Statutory Auditor Contracting and Relations Policy, regularly receive therefrom information regarding the audit plan and the results of the implementation thereof, and preserve its independence in the performance of its duties.
- j. In relation to the statement of non-financial information: (i) supervise the process of preparing and presenting the non-financial information regarding the Company and the other companies of the Group; (ii) propose to the Board of Directors the appointment of the independent assurance provider responsible for assurance of the information included therein; and (iii) report to the Sustainable Development Committee on the process of preparing and presenting the statement of non-financial information as well as on the clarity thereof and on the integrity of the content thereof.
- k. Supervise the activities of the Internal Audit and Risk Division, which is functionally controlled by the Audit and Risk Supervision Committee.
- l. Authorise in advance the non-audit services that the Company's audit firm, or the persons or entities connected thereto pursuant to the provisions of the law on auditing of accounts, will provide to companies of the Group, as provided by law.
- m. Establish appropriate relationships with the statutory auditor to receive information regarding matters that might entail a threat to the independence thereof, for examination by the Audit and Risk Supervision Committee, and any other information related to the development of the audit procedure, as well as such other communications as are provided for in the laws on auditing of accounts and in other legal provisions on statutory auditing.

In any event, it must receive written confirmation from the statutory auditor on an annual basis of their independence in relation to the Company or entities directly or indirectly related thereto, as well as a detailed breakdown of information on additional services of any kind provided to and the corresponding fees received from such entities by the statutory auditor or persons or entities related thereto, pursuant to the legal provisions governing the auditing of accounts.

- n. On an annual basis and prior to the statutory audit report, issue a report setting forth an opinion on whether the independence of the statutory auditor is compromised.

This report shall be made available to the shareholders upon the terms set forth in the Regulations for the General Shareholders' Meeting and shall contain a reasoned assessment of the provision of each and every one of the additional non-audit services other than statutory audit, considered individually and as a whole, and in relation to the rules on independence or the legal provisions regarding the auditing of accounts.

- o. Report in advance to the Board of Directors regarding the financial information that the Company must disclose on a regular basis because of its status as a listed company; the committee shall make sure that the interim financial statements are prepared in accordance with the same accounting standards as the annual financial statements and, for such purpose, it shall consider the appropriateness of a limited review by the statutory auditor.



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- p. Report on Related-Party Transactions (as this term is defined in Article 48 below) prior to the approval thereof by the shareholders acting at a General Shareholders' Meeting or by the Board of Directors (or in urgent cases by the Executive Committee), without prejudice to the exceptions set out in said Article 48, and oversee the internal procedure for periodic reporting and control established for the Board of Directors regarding those Related-Party Transactions for which approval has been delegated.
- q. Report to the Board of Directors, prior to the Board's decision thereon, regarding the creation or acquisition of interests in special purpose entities or entities domiciled in countries or territories that are considered to be tax havens, as well as regarding any other transactions or operations of a similar nature that, due to the complexity thereof, might diminish the transparency of the Group's companies.

By way of exception to the provisions of the preceding paragraph, if such transactions are carried out by listed country subholding companies of the Group or subsidiaries thereof, the audit committee or equivalent body of such listed country subholding company shall be responsible for issuing the corresponding report.

- r. Report on the structural modifications and corporate transactions to be undertaken by the Company, analysing the economic terms and conditions thereof, including if appropriate the exchange ratio as well as the accounting impact thereof. By way of exception, these transactions shall not be subject to a prior report from the Audit and Risk Supervision Committee if they are carried out by listed country subholding companies of the Group or subsidiaries thereof unless the Company participates therein.
- s. Issue such other reports and take such other actions as may also fall within its purview pursuant to the Governance and Sustainability System or as may be requested by the Board of Directors or the chairman thereof.

