

## POWERS OF THE AUDIT AND RISK SUPERVISION COMMITTEE

Pursuant to Article 31.6 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 periodic review of the risk policies on at least on an annual basis and, if it so deems appropriate, propose the amendment and update thereof to the Board of Directors.
- b) Approve the policy regarding the selection, contracting and relations with the auditor.
- c) Report to the shareholders at the General Shareholders' Meeting with respect to the issues raised therein by the shareholders that are within the purview of the Audit and Risk Supervision Committee, and particularly with respect to the results of the audit of the annual accounts, explaining how it has contributed to the integrity of the financial information, and the role that it has played in such process.
- d) Monitor the effectiveness of internal control at the Company and within its Group, as well as of their system for the management of risks, including tax risks.
- e) Together with the auditors, analyse significant weaknesses in the internal control system detected during the audit, all without infringing upon the independence thereof. To this end, if appropriate, it may submit recommendations or proposals to the Board of Directors and the corresponding follow-up period.
- f) Supervise the process of preparing and presenting mandatory financial information and submit recommendations or proposals to the Board of Directors to protect the integrity of this information.
- g) Propose to the Board of Directors, for submission to the shareholders at the General Shareholders' Meeting, its recommendation and preference for the appointment of a new auditor, pursuant to the provisions of law and the Auditor Contracting and Relations Policy. The proposal of the Board of Directors to the shareholders at the General Shareholders' Meeting must include the recommendation and preference of the Audit and Risk Supervision Committee as provided by law.
- h) Propose to the Board of Directors for submission to the shareholders at a General Shareholders' Meeting the re-election of the auditors, as well as the terms for the hiring thereof, in accordance with applicable legal provisions, and regularly receive therefrom information regarding the audit plan and the implementation thereof, in addition to preserving the independence thereof in the performance of its duties.
- i) Supervise the activities of the Internal Audit Area, which shall be functionally controlled by the Audit and Risk Supervision Committee.
- j) Authorise in advance the services other than those prohibited by legal provisions governing audit activities that the Company's audit firm or the persons or entities connected thereto will provide to companies of the Group, all as provided by law and the Auditor Contracting and Relations Policy.
- k) Establish appropriate relationships with the auditors 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 auditing.

In any event, it must receive written confirmation from the auditors 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 such auditors or persons or entities related thereto, pursuant to the legal provisions governing the auditing of accounts.

- l) On an annual basis, prior to the audit report, issue a report containing an opinion on whether the independence of the auditors is compromised, which shall be made available to the shareholders upon the terms set forth in the Regulations for the General Shareholders' Meeting. This report shall contain a reasoned assessment of the provision of each and every one of the additional services other than the legal audit referred to in the preceding letter, considered individually and as a whole, and in relation to the rules on independence or the legal provisions regarding the auditing of accounts.
- m) 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 accounts and, for such purpose, it shall consider the appropriateness of a limited review by the auditor.
- n) 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 registered in countries or territories that are considered to be tax havens, as well as any other transactions or operations of a similar nature that, due to the complexity thereof, might diminish the transparency of the Group, unless such transactions are carried out by listed country subholding companies of the Group or by subsidiaries thereof, in which case the audit and compliance or similar body of such listed country subholding company shall be responsible for issuing the relevant report.
- o) 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.
- p) Issue such other reports and take such other actions as may also fall within its purview pursuant to the Corporate Governance System or as may be requested by the Board of Directors or the chairman thereof.

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