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# Compliance Division Regulations of Fundación Iberdrola España

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## TITLE I. NATURE, PURPOSE AND MODIFICATION

### Artículo 1. Nature and purpose

1. The Board of Trustees of Fundación Iberdrola España (the “**Foundation**”) approves these regulations (the “**Regulations**”) of the compliance division (the “**Compliance Division**”).
2. The Compliance Division is an independent internal area linked to the Audit and Compliance Committee, and is responsible for proactive regulatory compliance. It is configured in accordance with the corporate governance system and is granted broad powers, budgetary autonomy and independence to act.

### Artículo 2. Modifications

Any amendment of these *Regulations* must be approved by the Board of Trustees.

## TITLE II. COMPLIANCE DIRECTOR

### Artículo 3. The Compliance Director

1. Overall responsibility for the Compliance Division lies with its director (the “**Compliance Director**”), who shall be entrusted with the powers needed to carry out his or her duties.
2. The Foundation’s Board of Trustees is responsible for the appointment and dismissal of the Compliance Director.
3. The Compliance Director must have the expertise, qualifications and experience appropriate for the duties that he/she is called upon to perform.
4. The Compliance Director shall manage the operations and budget of the Compliance Division and shall also be responsible for executing the corresponding measures and action plans while ensuring that the Compliance Division proactively discharges its duties.
5. The Compliance Director shall establish the structure of the Compliance Division under the principle of independent and effective management, while the Board of Trustees shall take steps to ensure that it has the human and material resources needed to carry out its tasks.
6. Neither the Compliance Director nor the rest of the Compliance Division members may be members of the Foundation’s Board of Trustees.

## TITLE III. FUNCTIONS

### Artículo 4. Functions of the Compliance Division

1. The primary duties of the Compliance Division shall be:
  - a) To promote the dissemination, knowledge and compliance with the Foundation’s *Code of Ethics* and the rules and procedures designed to prevent fraud.
  - b) To safeguard the compliance with, operation and effectiveness of the *Crime Prevention and Anti-fraud Policy*, and oversee the introduction, rollout and fulfilment of the Foundation’s crime prevention programme.
  - c) To promote a preventive culture based on the principle of “zero tolerance” towards unlawful acts and fraudulent situations, and in the application of the principles of ethical, responsible conduct by all Foundation professionals, regardless of their seniority or country in which they work.
  - d) To review the internal procedures of the Foundation in order to check their effectiveness in preventing incorrect conducts and identifying possible procedures that could be more effective in promoting the highest ethical standards.
  - e) Manage the ethics mailbox (the “**Ethics Mailbox**”) and provider ethics mailbox (the “**Provider Ethics Mailbox**”) of the Foundation and its subsidiaries (jointly referred to as the “**Ethics Mailboxes**”), and take or coordinate the necessary steps for investigating claims and issue the resolutions adopted.
  - f) To promote the preparation and implementation of suitable training programmes, both face-to-face and on-line or using any other method deemed appropriate for the Foundation’s professionals on the obligations imposed in the *Code of Ethics*, the violation prevention and anti-fraud policy and the applicable legislation, with sufficient regularity to guarantee that their knowledge on this matter remains up to date. In particular, Iberdrola professionals will receive training on the *Code of Ethics* and the *crime prevention and anti-fraud policy* and, when necessary, on its implementing rules, focusing on corruption and responsibility, and the legal and regulatory obligations specifically applicable to their function.
  - g) To establish the tools needed to ensure documentary proof and record-keeping of the actions making up the compliance system.
  - h) To evaluate, at least once year, compliance with and efficiency of the *crime prevention and anti-fraud policy* and of the *crime prevention programme* of the Group.
2. For these purposes, the Compliance Division will be responsible for drawing up, approving, permanently keeping up-to-date and ensuring the application of the procedures that it deems to be appropriate to prevent criminal activities and fraud in the Foundation and its subsidiaries.
3. The Compliance Division and its Director shall likewise exercise all further powers, whether specific or permanent, that may be entrusted to them by the Foundation’s Board of Trustees or by the Foundation’s *Articles of Association* or other rules and regulations of the Foundation’s governance system.

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## **Artículo 5. Relationships with the Compliance Division of IBERDROLA ESPAÑA, S.A.U. and other compliance units or divisions of companies in the Iberdrola Group**

1. The Compliance Director shall work in partnership with the Compliance Division of Iberdrola España, S.A.U. in the discharge of duties in adherence to the law and the Foundation's governance system, exchanging information and best practices within their area of powers. In this regard, the Compliance Division may draw up a protocol for collaborating with the Compliance Division of Iberdrola España, S.A.U.
2. Additionally, through the Compliance Division of Iberdrola España, S.A.U., the Compliance Director may collaborate or require the participation of any other compliance unit or division in the companies of the Iberdrola Group.

## **TITLE IV. RESOURCES, BUDGET, ANNUAL ACTIVITY PLAN, DUTIES AND POWERS**

### **Artículo 6. Material and human resources**

1. The Compliance Division shall have the material and human resources needed to perform its duties.
2. The Board of Trustees will see that the Compliance Division shall also have available the resources needed to guarantee its independence and effectiveness.

### **Artículo 7. Annual activity plan**

On proposal by the Compliance Director, before the start of each year, the Compliance Division shall submit an annual activity plan for the following year to the Board of Trustees for approval. This shall be done according to the Foundation's rules of corporate governance.

### **Artículo 8. Powers and advice**

1. The Compliance Division, through the Compliance Director and so long as permitted by pertinent legislation, shall have access to the information, documents and offices of the trustees and professionals in the Foundation and its subsidiaries, including any deeds and documentation of the bodies that manage, supervise and control for the sake of discharging its duties properly. In this regard, all professionals and trustees in the Foundation must provide any required collaboration to the Compliance Division to enable them to carry out their duties.
2. The Committee may also seek, at the expense of the Foundation, the cooperation or advice of outside professionals, who shall address their reports directly to the Compliance Division.
3. Whenever possible, and so long that the effectiveness of its efforts remains unaffected, the Compliance Division shall attempt to undertake its activities transparently, reporting to the affected directors and professionals when possible and appropriate as to the purpose and scope of the activities.

### **Artículo 9. Duties of Compliance Division members**

1. The members of the Compliance Division must act with independence of opinion and action with respect to the rest of the organisation and perform their work with the utmost diligence and professional competence.
2. The members of the Compliance Division shall keep any discussions and resolutions confidential and in general refrain from disclosing any information, data, reports or background information to which they may have access while discharging their duties, and from using any of the foregoing for personal or third-party benefit notwithstanding the applicable duties of transparency and information. The duty of confidentiality of the members of the Compliance Division shall prevail even after the member no longer holds the position.

## **TITLE V. ETHICS MAILBOX**

### **Artículo 10. Creation of the Ethics Mailbox**

1. The Company shall implement an Ethics Mailbox to promote compliance with the law and the rules of conduct set out in the *Code of Ethics*. The Ethics Mailbox is a confidential and transparent channel for the members of the Foundation to notify any behaviour which may involve the commission of some irregularity or an act that contravenes the law or the standards of conduct set out in the *Code of Ethics*.
2. Communications addressed to the Ethics Mailbox may be sent by completing an electronic form that will be available in the "Ethics Mailbox" section of the Employee's Portal.

### **Artículo 11. Ethics Mailbox Management**

1. The Compliance Division has the duty to manage the Ethics Mailbox.
2. When undertaking its duties, the Compliance Division must observe the rules and principles to inform, which are established to these effects in the *Code of Ethics*.
3. The principles, rules of conduct and guarantees established under this title shall be applicable across the entire case on the infractions processed by the Compliance Division regardless of the manner in which it had been initiated.

### **Artículo 12. Acceptance for processing complaints**

1. On receipt of a communication addressed to the Ethics Mailbox, the Compliance Division shall determine whether it should proceed to process it.
2. The Compliance Division shall not process any communication when the sender has not been identified sufficiently, the data protection requirements have not been met, or when the action reported constitutes no breach of the Foundation's governance system or conduct that

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could imply the perpetuation of an irregularity, act violating the law or the rules of conduct established under the *Code of Ethics* which could have repercussions on the professional duties of the person who committed the breach within the Foundation or on Foundation's interests and reputation.

3. With a view to explaining the acceptance to process the communication, the Compliance Division may, at its own discretion, opt to call on the communication's sender to clarify or complete the communication by furnishing documentation and/or data that could be necessary to substantiate the existence of an irregular conduct.

## Artículo 13. Processing

1. Having accepted to process the communication, the Compliance Division shall undertake the corresponding investigation and handle the case; the collaboration of external advisors is permitted if necessary. If the complaint is lodged against a member of the Compliance Division, this person may not participate in processing the complaint.
2. If the claim affects a member of the Board of Trustees, the Compliance Director shall inform the secretary of the Board of Trustees so that he/she can assist him/her in processing the case and, specifically, in selecting the examining magistrate, to ensure independence.
3. The Compliance Division shall check the veracity and accuracy of the information contained in the communication and, in particular, the reported conduct, with respect of the rights of the affected parties. For such purposes, it shall undertake a hearing process for all affected parties and witnesses, and undertake any diligence it may deem necessary. All professionals shall be required to cooperate in the investigation in good faith. The participation of witnesses and affected parties shall be strictly confidential.
4. The hearing process (which shall be held within three months of receipt of the communication) shall at least include, whenever possible, a private interview with the person allegedly responsible for the reported conduct, during which, within the framework of guaranteeing the presumption of innocence, this person shall be informed of the facts under investigation and asked to provide his/her full version of the facts. The department shall afford this person an opportunity to furnish the relevant means of proof and ask him/her questions corresponding to the circumstances of the case and the reported facts. In addition, all affected parties shall be informed regarding the processing of their personal data, and any other duty imposed by law on the protection of personal data shall also be complied with.
5. In all investigations, the right to intimacy, defence, and the presumption of innocence of the people under investigation is guaranteed.

## Artículo 14. Decision

1. After processing the case, the Compliance Division shall issue a justified decision as necessary.
2. If the issued decision concludes that a professional has committed an irregularity or act in violation of the law or applicable rules of conduct specifically pertaining to the professionals of the Foundation, the matter will be transferred to the Foundation's Director for the appropriate application of disciplinary measures, whose adoption and content shall be reported to the Compliance Division. In the event of an irregularity or act in violation of the law or the corporate governance system rules affecting a member of the Board of Trustees, the Compliance Division will pass the resolution on to the Board of Trustees through the Secretary of the Board of Trustees to apply any of the measures contemplated in the corporate governance rules, of which the Compliance Division will be kept informed.

## Artículo 15. Protection of personal data

1. The transfer of personal data via the Ethics Mailbox may require, in certain cases, and depending on the subject of the complaint and the pertinent legislation, the need to seek the express and unequivocal consent for processing the personal data of not only the person who has sent the communication but also the person who has been reported. For this purpose, the necessary mechanisms will be enabled for securing consent, which, as the case may so require, could be required before taking any further steps, under the terms required under the pertinent personal data protection legislation.
2. In general, the reported party shall be informed of the existence of a complaint when the initiating the steps to conduct the investigation. However, in cases with a significant risk that such a notification could jeopardise the ability to effectively investigate the allegation or to gather any required evidence, such notification to the reported party may be delayed for as long as the risk exists. In any event, such period shall under no circumstances exceed three months as from receipt of the report.
3. Persons sending a communication through the Ethics Mailbox must warrant that the personal data provided are true, correct, complete and current.
4. The data processed within the framework of the investigation shall be deleted as soon as such investigation has finished, unless the measures adopted give rise to administrative or legal proceedings. In addition, the Foundation shall keep such data duly blocked during periods in which any liability could arise from the reports filed or from the steps taken by the Foundation.
5. In accordance with the applicable legislation in each case, Ethics Mailbox users may exercise their rights of access, rectification, cancellation and opposition insofar as their personal data at any time by means of a written communication sent to the Foundation's registered address, complying with the requirements established by the pertinent legislation in force and specifying the right they wish to exercise.