



# **REGULATIONS AUDIT AND CONTROL COMMITTEE**

# REGULATIONS OF THE AUDIT AND CONTROL COMMITTEE

## TITLE I. PRELIMINARY

### Article 1. Nature and object

1. The Board of Directors of AMREST HOLDINGS, SE (the “**Company**”) established the Audit and Control Committee (hereinafter, the “**Committee**”), a permanent internal informational and consultative body without executive duties, with information, advisory, and proposal-making powers within its scope of action and which shall be governed by the provisions set forth in the *Statutes*, in the *Regulations of the Board of Directors*, and in these *Regulations of the Audit and Control Committee* (the “**Regulations**”).
2. The object of these Regulations is to favour the independence of the Committee and to determine the principles of conduct and the rules of internal operation thereof, without prejudice to the powers of the committees or equivalent bodies that may exist at companies belonging to the group of companies of which the Company is the controlling entity, within the meaning established by law (the “**Group**”).
3. These Regulations have been prepared taking into account the good governance recommendations generally accepted in international markets.

### Article 2. Priority and interpretation

1. These Regulations further develop and supplement the provisions of the *Statutes* and of the *Regulations of the Board of Directors* applicable to the Committee. The latter provisions shall prevail in the event of conflict with the former.
2. These Regulations shall be interpreted in accordance with law.
3. In the absence of a specific rule, the provisions of the *Regulations of the Board of Directors* regarding the operation of the Board shall apply to the Committee to the extent that they are not inconsistent with the nature thereof.
4. Any question or dispute regarding the interpretation of these Regulations shall be resolved by the Committee itself, and in the absence of such resolution, by the Chair of the Committee, who shall be assisted by such persons, if any, as may be appointed by the Board of Directors for such purpose. The Board of Directors shall be informed of the interpretation and resolution of the questions or disputes that may have arisen.

### Article 3. Approval and amendment

1. These Regulations must be approved by resolution adopted by the Board of Directors on the initiative of the Board, of the Chair thereof, of the Chair of the Committee, or of the Committee itself.
2. Any amendment hereof must be approved by resolution adopted by the Board of Directors on the initiative of the Board, of the Chair thereof, of the Chair of the Committee, or of the Committee itself.

#### **Article 4. Compliance and dissemination**

1. The members of the Committee, as well as the other members of the Board of Directors to the extent they are affected, have the obligation to know and comply with these Regulations.
2. In addition, the Committee shall have the obligation to ensure compliance with these Regulations and to adopt appropriate measures for the required dissemination thereof among the rest of the organisation.

### **TITLE II. POWERS OF THE COMMITTEE**

#### **Article 5. Powers**

The Committee shall have the following main functions:

- a) To report, through its Chair, to the General Shareholders' Meeting on questions raised by the shareholders regarding matters within its remit, and explain the audit's results and how it contributed to the integrity of the financial information and the Committee's role in this process;
- b) To oversee the effectiveness of the Company's internal control system, the internal audit, and the risk management system and discuss with the accounting auditor the significant weaknesses of the internal control system revealed in the course of the audit, while maintaining its independence. For such purposes, the Committee may, if appropriate, submit recommendations or motions to the Board of Directors, with the relevant term for follow-up;
- c) To oversee the process for preparing and disclosing mandatory financial information regarding the Company and submit recommendations or motions to the Board of Directors for the purposes of safeguarding the integrity of such financial information;
- d) To propose motions regarding the recruitment, appointment, re-election and replacement of the accounting auditor to the Board of Directors, taking charge of the recruitment process, as well as the terms and conditions of the agreement to be executed with him/her, the scope of his/her professional mandate, the renewal or not of their mandate and where

appropriate, regularly gather information about the audit plan and its implementation, while preserving its independence in the performance of its duties;

- e) To liaise with the auditor to receive information on: (i) matters that could represent a threat to its independence; (ii) any matter related to the implementation of the audit process; and (iii), where appropriate, the authorisation of any services, other than those forbidden under the terms of the applicable audit regulations, and other communications envisaged by these Regulations.

Annually, the Committee must receive from the accounting auditor: (i) written confirmation of its independence regarding the entity or those entities that it has direct or indirect links to; (ii) information on any additional services rendered of any kind and (iii) the relevant fees received by the auditor or persons, natural or legal, related to the auditor, from the abovementioned entities, pursuant to the provisions of the prevailing audit regulations;

- f) To issue, annually prior to the issue of the audit report, a report expressing an opinion on whether the independence of the accounting auditor has been jeopardised. Such report must include a reasoned assessment of the provision of each and every additional service referred to in the foregoing paragraph (other than the legal audit), individually and as a whole, and in relation to the independence system or the audit regulations;
- g) To advise the Company's Board of Directors, in advance, of all of the topics covered by law, the Statutes and these Regulations, and namely, of:
  - (i) the financial information that the Company must disclose on a regular basis;
  - (ii) the creation or acquisition of interests in special purpose vehicles or entities resident in countries or territories considered to be tax havens; and
  - (iii) any transactions with related parties.

## **Article 6. Powers regarding the Internal Audit Area**

With regard to the Internal Audit Area of the Company and its Group, the Committee shall have the following main duties:

- a) To ensure the independence and effectiveness of the Internal Audit Area and that it has sufficient resources and adequately qualified staff to carry out its duties most efficiently;

- b) To approve the budget of the Internal Audit Area, the Internal Audit Plan and the annual activities report of such Area, ensuring that it exercises its powers proactively and that its activities are mainly focused on significant risks to the Company and its Group, as well as receive periodic information regarding the activities carried out by the Internal Audit Area; and
- c) To verify, based on the corresponding reports of the Internal Audit Area, that senior executives take into account the conclusions and recommendations contained in its reports.

#### **Article 7. Powers regarding the internal control and risk management systems**

With regard to the internal control and risks management policy of the Company and its Group, the Committee shall have the following main duties:

- a) To oversee the control and risks management function;
- b) To submit recommendations or motions to the Board of Directors, with the relevant term for follow-up;
- c) To regularly review the internal control and risks management policy, including tax risks;
- d) To ensure that the Group's risk control and management system identifies at least:
  - (i) the different types of risk (including, without limitation, operational, technological, financial, legal, reputational and tax related) facing the Company, including, among financial or economic risks, contingent liabilities and other off-balance sheet risks;
  - (ii) the establishment and review of the risk map and levels that the Company deems acceptable;
  - (iii) the measures planned in order to mitigate the impact of identified risks in the event that they materialise; and
  - (iv) the information and internal control systems that will be used to monitor and manage the aforementioned risks, including contingent liabilities and other off-balance sheet risks;
- e) To review the information about the risks that the Group is faced with, and about the risk control systems, that must be included in the Annual Corporate Governance Report, the management report attached to the annual accounts and the interim financial statements and in any other information instruments of the Company; and

- f) To evaluate any question regarding non-financial risks (including, without limitation, operational, technological, financial, legal, social, environmental, political and reputational) that the control policy and the risks management systems must contain.

#### **Article 8. Powers regarding the process of preparing economic and financial information**

With regard to the preparation of the regulated financial information of the Company and its Group, the Committee shall have the following main duties:

- a) To oversee the process of preparation and submission and the clarity and integrity of the regulated financial information relating to the Company and its Group, ensuring that the half-yearly financial reports and the quarterly management statements are drafted in accordance with the same accounting standards as the annual financial reports and to oversee the review of the interim financial statements requested from the auditor, with the scope and frequency that may be defined, as the case may be;
- b) To review compliance with legal requirements, the proper delimitation of the scope of consolidation, and the correct application of such generally accepted accounting principles and international financial reporting standards as may be applicable;
- c) To submit recommendations or motions to the Board of Directors for the purposes of safeguarding the integrity of the financial information; and
- d) To advise the Board of Directors on any significant change of accounting standard and of the significant risks on the balance sheet and off-balance sheet.

#### **Article 9. Powers regarding auditing**

With regard to the audit of the accounts of the Company and its Group, the Committee shall have the following main duties:

- a) To propose to the Board of Directors the selection, appointment, re-election or removal of the external auditor of the accounts of the Company and of the accounts of the Company consolidated with those of its Group, taking charge of the recruitment process pursuant to the provisions of the applicable regulations, as well as the terms and conditions of the contract to be executed with them, to be subsequently submitted to the General Shareholders' Meeting for approval;

- b) To oversee the independence of the auditors and that they are not affected by any circumstances of prohibition or disqualification and, for such purpose:
  - (i) to receive from the auditors on an annual basis, the statement on their independence regarding the Company or the companies related thereto, directly or indirectly;
  - (ii) to oversee the hiring of the auditor for services other than financial audit, and supervise the terms and the performance of the contracts entered into with the external auditor of the Company for the rendering of such services;
  - (iii) to receive from the auditors detailed and separate information on any manner of additional services rendered, as well as the relevant fees received by the auditors or by the persons or entities related to them, pursuant to the provisions of the regulations on the audit activity;
  - (iv) to verify that the Company and the auditor comply with applicable regulations regarding the provision of services other than the auditing of accounts, the limits on the concentration of the auditor's business, the rules on professional fees and, generally, all other regulations established in order to ensure the independence of the auditors;
  - (v) to ensure that the remuneration of the external auditor for his works does not compromise the quality and independence thereof;
  - (vi) In the event of resignation of the auditor, to examine the circumstances that may have given rise thereto; and
  - (vii) to issue on an annual basis and prior to the issue of the auditor's report, a report setting forth its opinion on whether the independence of the auditor or of audit firms has been jeopardised. At any rate, such report must contain the reasoned assessment of the provision by the external auditor of each and every additional service other than the legal audit, considered both separately and as a whole, and its opinion regarding the independence system of the auditor pursuant to the regulations on the audit activity.
- c) To oversee compliance with the audit contract, regularly gathering from the auditor information on the audit plan and its implementation;
- d) To review the contents of the auditor's reports and, where appropriate, of the reports on limited review of interim accounts, as well as other mandatory reports to be prepared by the auditors, prior to the issue thereof, in order to avoid qualified reports, ensuring that the Board of Directors shall present

the accounts to the General Shareholders' Meeting in an unqualified audit report and without reservations, and, where appropriate, in the exceptional circumstances where a qualified report is issued, that both the Chair of the Committee and the auditors would clearly explain to the shareholders the contents and scope of such reservations and qualifications;

- e) To assess the results of each financial audit and oversee the response of the Senior Executives to their recommendations;
- f) To promote that the auditors of the Group's consolidated accounts shall assume responsibility for the audit work of all or the majority of the companies that form part of such Group;
- g) To ensure that the auditor carrying out the audit of the financial statements or of consolidated accounting documents shall assume full responsibility for the audit report issued, even though the financial statements of the investee companies have been audited by other auditors;
- h) To serve as a communication channel between the Board of Directors and the auditors, endeavouring for the latter to have, at least once a year, a meeting with the Board of Directors for the purposes of reporting on the work done and the evolution of the accounting and risk situation of the Company; and
- i) To verify that the change of auditor is disclosed as a relevant fact (*hecho relevante*) to the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) and, where appropriate, that information is given on the eventual existence of any discrepancies with the outgoing auditor and the contents thereof.

#### **Article 10. Other powers entrusted to the Committee**

The Committee shall also have the following functions:

- a) To establish and oversee mechanisms whereby professionals and shareholders may give notice, on a confidential basis and, if deemed appropriate, anonymously, of any potentially significant irregularities, especially of a financial and accounting nature, that they notice at the Company, abiding in all cases by the rules and regulations on the protection of personal data and respecting the fundamental rights of the parties involved;
- b) To conduct such investigations as may be necessary following third-party claims against the Company or in cases of irregular or improper conduct, in accordance with the provisions of the preceding paragraph;



- c) To periodically collect information regarding the operation of the mechanisms referred to in letter a) above, including at least the number of complaints received, the origin thereof, type, results of the investigations and actions proposed. Once the foregoing has been analysed, if it so deems necessary, the Committee shall propose expedient actions to improve the operation thereof and to reduce the risk of future irregularities;
- d) Prior to the preparation of the annual accounts and to the filing of the Corporate Income Tax return, to obtain from the Company's tax director, for transmittal to the Board of Directors, information on the tax guidelines used by the Company during the financial year and, in particular, on the level of compliance with the *Corporate Tax Policy*; and
- e) Based on the information received from the Company's tax director, to report to the Board of Directors on the tax policies applied and, in the case of transactions or matters that must be submitted to the Board of Directors for approval, regarding the tax consequences thereof when such consequences represent a significant issue.

### **TITLE III. COMPOSITION**

#### **Article 11. Composition**

1. The Committee shall be made up of a minimum of three and a maximum of five directors, and shall be chaired by whoever among them is appointed by the Board of Directors, as long as he/she is an independent director. The Board of Directors shall also appoint a Secretary and a Vice-Secretary of the Committee, who do not need to be a director.
2. All of the Committee members shall be appointed by the Board of Directors and shall be non-executive directors, the majority of whom, at least, must be independent directors. At least one of them must be appointed based on his/her knowledge and experience in accounting, auditing or both. The Committee members, as a group, must have the relevant know-how regarding the industry that the entity subject to the audit belongs to.

#### **Article 12. Term of Office**

1. Committee members shall hold their office while they remain as directors of the Company, except if the Board of Directors resolves otherwise.
2. The Chair of the Committee shall hold office for a maximum period of four years, after which period the director who has held office as such may not be re-elected as Chair of the Committee until the passage of at least one year from ceasing to act as such, without prejudice to the continuance or re-election thereof as a member of the Committee.

3. Committee members who are re-elected as directors of the Company by resolution of the shareholders at a General Shareholders' Meeting shall continue in their positions on the Committee, without the need for a new election, without prejudice to the power of revocation that lays with the Board of Directors.

### **Article 13. Dismissal**

Committee members shall cease to hold office:

- a) When they cease to be directors of the Company;
- b) When they cease to be non-executive directors, even if they continue as directors of the Company;
- c) Upon expiration of the maximum term for which they were appointed without being re-elected; or
- d) By resolution of the Board of Directors.

## **TITLE IV. PROCEEDINGS OF THE COMMITTEE**

### **Article 14. Committee Meetings**

1. The Committee shall meet, at least four times a year, for the purposes of reviewing the periodic financial information to be submitted to the market authorities as well as the information that the Board of Directors must approve and include within its annual public documentation.
2. Likewise, it shall meet as many times as it is called by its own resolutions or by its Chair. The Chair must call the Committee whenever the Board of Directors or the Chairman thereof would request the issue of a report or the submission of motions and, at any rate, whenever it is appropriate for the successful performance of its functions. The Committee shall also meet when so requested by at least two of its members; in such case, the meeting shall be called by the Chair to be held within fifteen days of the request.
3. Ordinary meetings shall be called by letter, fax, telegram or e-mail and the notice shall be signed by the Chair or the Secretary. The notice calling the meeting shall be given at least three days in advance.

The agenda of the meeting must be included in the notice calling the meeting, and the relevant information duly summarized and prepared must be provided with the notice.

4. No prior call to a meeting of the Committee shall be required when all of its members are present and unanimously agree to the holding of the meeting and to the items of the agenda to be dealt with.
5. The Chair may call extraordinary meetings of the Committee when, in his/her view, the circumstances so justify; in such cases the notice period and the remaining requirements laid down in the foregoing paragraph shall not apply.

#### **Article 15. Quorum**

1. A quorum for Committee meetings shall be declared when at least half plus one of its members, present or represented are in attendance.
2. The Chair of the Committee shall preside over the meeting. In the event of the vacancy, illness, incapacity, or absence of the Chair of the Committee, the meeting shall be chaired by the director having the longest length of service on the Committee, and if equal lengths of service, by the oldest.
3. The Secretary of the Committee shall act as Secretary for the meeting. In the event of vacancy, illness, incapacity, or absence of the Secretary of the Committee, the person appointed by the Committee for such purpose shall act as Secretary.
4. Directors shall make their best efforts to attend the meetings of the Committee and, whenever they cannot attend in person, they shall endeavour to grant proxy to another member of the Committee, with the relevant instructions, informing thereof the Chair of the Committee.
5. However, they may not give a proxy in connection with matters affecting them personally or regarding which they are involved in a conflict of interest situation.
6. Without prejudice to the foregoing, a quorum for Committee meetings shall be declared if all its members, present or represented, unanimously accept to hold the meeting.

#### **Article 16. Place of the Meeting**

1. Meetings of the Committee shall be held at the place designated in the call to meeting.
2. Meetings of the Committee may be held in several places connected to each other by a system that permits the recognition and identification of the attendees, permanent communication among them, and participation in discussion and the casting of votes, all in real time.

3. The members of the Committee in attendance at any of such interconnected places shall be deemed to have attended the same meeting of the Committee for all purposes. The meeting shall be deemed to have been held where the largest number of Committee members is located and, if they are in equal numbers, where the Chair or whoever performs the duties thereof is located.

#### **Article 17. Attendance**

1. The Committee may call any employee or officer of the Company, who shall be bound to appear before the Committee, attend its meetings and provide it with assistance and access to the information available to them when the Committee so requests.
2. The Committee may also request the presence and attendance at its meetings of the Auditors.

#### **Article 18. Resolutions**

1. Except in those cases where a larger majority is required by law, the *Statutes*, the *Regulations of the Board of Directors* or these Regulations, resolutions shall be passed by a majority of the votes of the members attending the meeting.
2. All resolutions adopted shall be recorded in minutes signed by the Chair and the Secretary of the Committee or by the persons acting in their stead. They shall be approved at the same meeting or at the meeting held immediately thereafter, shall be made available to all of the directors, and shall be entered in a book of minutes of the Committee.

### **TITLE V. RIGHTS OF THE COMMITTEE AND DUTIES OF ITS MEMBERS**

#### **Article 19. Powers and advice**

1. The Committee may have, through the Secretary of the Board of Directors, access to any information or documentation available to the Company relating to matters within the remit of the Committee and which it deems necessary to perform its duties.
2. For the better discharge of its duties, the Committee may seek the advice of external experts, and for such purpose, the provisions of the *Regulations of the Board of Directors* on this issue shall apply.

## **Article 20. Duties of Committee members**

1. Committee members must act with independence of judgment and action with respect to the rest of the organization and carry out their duties with the utmost diligence and professional competence.
2. Committee members are subject as such to all the duties of a director set forth in the *Regulations of the Board of Directors*, to the extent that they are applicable to the responsibilities discharged by the Committee.

## **Article 21. Conflicts of Interest**

When matters to be dealt with at a meeting of the Committee directly affect one of its members or persons related thereto and, in general, when such member is subject to a conflict of interest situation (upon the terms established in the *Regulations of the Board of Directors*), such member must leave the meeting until a decision is made, and such member shall be subtracted from the number of Committee members for purposes of calculating the quorum and majorities with respect to the matter at hand.

## **TITLE VI. RELATIONSHIPS OF THE COMMITTEE**

### **Article 22. Relationship with the General Shareholders' Meeting**

1. The Committee shall report to the shareholders at the General Shareholders' Meeting with respect to the matters raised therein by the shareholders on matters within its purview, 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 the Committee has played in such process.

### **Article 23. Relationship with the Board of Directors**

1. The Chair of the Committee shall inform the Board of Directors of the business transacted and the resolutions passed during its meetings, at the first meeting of the Board of Directors held immediately after. Likewise, a copy of the minutes of the meetings of the Committee shall be made available to all the directors.
2. Within the first six months following the close of each financial year, the Committee shall submit to the Board of Directors, for approval, an annual report on its proceedings and activities during the previous year.

#### **Article 24. Relationship with the Internal Audit Area**

1. The Committee shall supervise the Internal Audit Area ensuring the good operation of the internal control and information systems. The Internal Audit Area will functionally report to the Chair of the Committee.
2. The Committee shall propose to the Board of Directors the approval of the budget of the Internal Audit function.
3. The Committee shall guide and supervise the activities of the Internal Audit Area. For such purpose, it shall approve an annual plan which shall be submitted thereto by the Director of the Internal Audit Area, and shall follow up the recommendations thereof. In this respect, the Director of the Internal Audit Area shall directly inform the Committee of any incidences occurring during the execution of its annual work plan and shall submit thereto for approval an activities report at the end of each financial year.

#### **Article 25. Relationship with the Auditor**

1. The Committee shall propose to the Board of Directors, to be submitted to the General Shareholders' Meeting, the appointment, re-election and replacement of the auditor of the Company, taking charge of the recruitment process pursuant to the provisions of the applicable regulations. Likewise, the Committee shall propose to the Board of Directors the terms and conditions of the contract to be executed with the auditor.
2. The Committee shall refrain from proposing to the Board of Directors, and in turn, this latter shall refrain from submitting to the General Shareholders' Meeting the appointment as Company's auditor of any audit firm which is affected by any incompatibility pursuant to the laws governing financial audits, as well as of any audit firm where the fees that the Company intends to pay on all grounds are in excess of the limits set by the financial audit legislation.
3. The Committee shall regularly receive from the auditor information regarding the audit plan and the results of its implementation, follow up the recommendations proposed by the auditor and may request its collaboration whenever this is deemed necessary.
4. The Committee shall request from the auditor a statement of independence of the firm as a whole and of the team members who participate in the process of auditing the financial statements of the Group, as well as detailed and separate information on additional services of any kind rendered by the auditors or by persons related thereto pursuant to the provisions of the regulations on the audit activity. In addition, the Committee shall oversee

the enforcement of the internal procedures on quality assurance and independence safeguarding implemented by the auditor.

5. The Committee shall oversee the hiring of the auditor for services other than financial audit pursuant to the internal procedure which shall be approved.

#### **Article 26. Relationship with the Audit Committees of other Companies of the Group**

1. For the proper discharge of the duties assigned to the Committee in these Regulations, and with due regard to the scope of action of such Committee, the Board of Directors, at the proposal of the Committee, shall establish the general framework of relations of coordination and information with the audit committees that may be established at companies belonging to the Group, taking into account for such purpose the special characteristics that may derive from the status as listed company or consideration under law as a public utility, nationality, or any other circumstances that may affect specific companies of the Group.
2. This coordination and information relationship shall be channelled through the Chairs of the audit committees of the Company and of the relevant company belonging to the Group, with the purpose of informing the Committee of the matters handled by such committees that might have a potentially significant impact on the Group.
3. The audit committees established at other companies of the Group must have their own regulations defining the principals of conduct and the rules of internal operation thereof, and whose scope, in compliance with the principles of coordination and information that must govern the relationships among the audit committees of companies established at companies of the Group for the proper discharge of their duties, must be in agreement with the contents of these Regulations, without prejudice to any amendments that may be required taking into account the circumstances of each company.
4. Any information from or appearance by any officer, employee, or director of any company belonging to the Group with an audit committee that is requested by the Committee in the performance of its duties shall be processed and carried out through the audit committee of the affected company, whose Chair shall report directly to the Chair of the Committee.
5. The audit committees established at other companies of the Group shall ensure the independence and effectiveness of their respective internal audit areas.

6. For the performance of the duties assigned to the Committee in these Regulations in connection with the Internal Audit Area, the director of the Internal Audit Area of the Company shall establish the appropriate framework of relations of coordination and information with the internal audit areas of the other companies of the Group.

\* \* \*