



Policy for the Elaboration and Organisation of the Internal Regulations and other Organisational Documents of the Telefónica Group

Telefónica, S.A.

Telefónica, S.A.
Approved by the Board of Directors of Telefónica S.A

4th Edition – February 2024

Change control

Edition	Changes
1.0	February 2012
2.0	May 2019
3.0	July 2023
4.0	February 2024

Table of Contents

1. Explanatory Memorandum and Purpose of the Policy	4
2. Scope of Application	4
3. Internal Regulatory and Organisational Framework.....	5
3.1 Internal Regulations and their classification	5
3.1.1 According to their organisational scope of application	5
3.1.2 According to their regulatory rank.....	5
3.2 General Principles of the Internal Regulations	6
3.2.1 Hierarchy Principle.....	6
3.2.2 Restricted and Regulated possibility of exception.....	6
3.2.3 Minimum requirements Nature	6
3.3 Organisational Documents.....	6
4. Competency	7
4.1 Party Responsible	7
4.2 Coordinator	8
5. Elaborating Process	9
5.1 Process for elaborating Internal Regulations	9
5.1.1 Proposal	9
5.1.2 Creation.....	10
5.1.3 Approval	11
5.1.4 Repeal.....	11
5.1.5 Correction procedure.....	11
5.2 Process for preparing and approving Organisational Documents.....	12
6. Publication and Communication	13
7. Effective Date	13
8. Disciplinary Regime.....	13
9. Entry into Force, General and Transitional Provisions.....	14
Annex 1: Report Structure	15
Annex 2: Formal and Structural Criteria	18

1. Explanatory Memorandum and Purpose of the Policy

The purpose of this Policy is to establish a common mandatory foundation for the elaboration (initiative, approval, modification / update, derogation, and communication) and organisation of its internal regulatory framework (hereinafter, the “**Regulatory and Organisational Framework**”). Thus, the following are the objectives of this policy:

- To establish the basic principles that govern the Regulatory and Organisational Framework of the Telefónica Group in terms of its classification, hierarchy, and basic guidelines regarding content and structure.
- To provide a guide as to the criteria for the elaboration of internal regulations for the Telefónica Group (hereinafter, “**Internal Regulations**”) and other organisational documents, (hereinafter, “**Organisational Documents**” promoting the existence of a single culture at a Telefónica Group level.
- To assign clear and defined responsibilities in said process of elaboration and organisation of the Regulatory and Organisational Framework.
- To ensure that any subsequent action organises, systematises, consolidates, and simplifies the Regulatory and Organisational Framework of the Telefónica Group, thus avoiding the unnecessary or redundant proliferation of provisions.

2. Scope of Application

The present Policy has the nature of corporate regulation, according to the classification defined in the following section, and is therefore applicable to Telefónica, S.A. and those companies in which Telefónica, S.A. directly or indirectly holds a majority of the shares, securities, or voting rights, or in whose governing or administrative body it has appointed or has the power to appoint the majority of its members, in such a way that it has effective control of the company (henceforth, Telefónica, S.A., or any of the companies individually, the “**Company**”, and collectively all of them, the “**Telefónica Group**” or “**Group**”).

In its condition of parent company of the Group, Telefónica, S.A. is in charge of establishing the bases, instruments, and mechanisms necessary for an adequate and efficient coordination between this Company and all the other companies that make up the Group; all of the aforementioned without prejudice to, and without impairing, the autonomous decision-making capacity of each of said companies, in accordance with their own corporate interests and the fiduciary duties that the members of their management bodies maintain towards their shareholders.

All the Internal Regulations and Organisational Documents of the Telefónica Group, including those of each Company, business line, territory, country, or region, will be prepared in accordance with the guidelines and criteria defined in the present Policy.

Excluded from the scope of application of this Policy are those provisions that regulate certain aspects of a Company's corporate nature, the existence of which is normally

determined by a legal obligation, such as the statutes or regulations of its General Shareholders' Meeting or Board of Directors.

As an ethical code of the Telefónica Group which inspires and defines the way the Group and all of its employees act in carrying out their professional activity, the Responsible Business Principles constitute the fundamental regulations within which all the other Internal Regulations of the Group are encompassed. Because this is the highest Internal Regulation at a hierarchical level in the Group, it is not included in the scope of application of the present Policy.

3. Internal Regulatory and Organisational Framework

The Regulatory and Organisational Framework is made up of the Internal Regulations and Organisational Document in the terms described below.

3.1 Internal Regulations and their classification

Internal Regulations are those that establish the principles, rules of action, responsibilities and governance models related to them, and that therefore bind the entire organisation that falls within their scope.

Internal Regulations are classified according to several criteria:

3.1.1 According to their organisational scope of application

- (a) Corporate or Group level: whose purpose is to establish principles and common criteria to the entire Group, in relation to the organisation of functions, and the conduct or directive guidelines that must be observed by all employees of the Group. They are configured as a regulation of minimums (or, in certain cases, of maximums) and are imperative for the entire Group, without prejudice to the provisions set out in section 4.2 below.
- (b) Region, country, territory, or business line **level**: these are defined analogously to the Internal Regulations of a corporate nature, but their scope of application is limited to the region, country, territory, or business line in question.
- (c) Company level: those Internal Regulations approved by the governing, administrative, or managerial bodies of each Company, which are only applicable to its employees and, as the case may be, to the employees of its subsidiaries.

3.1.2 According to their regulatory rank

Hierarchically, the Internal Regulations will be classified in one of the following categories:

- **Policies**: those Internal Regulations that determine basic principles that delimit

the action framework of the Group in a specific matter or sector of activity. Policies set out general principles, objectives, and regulations.

- **Regulations:** the set of rules of action and responsibilities assigned to each unit of the organisation which must be followed, or with which the conduct, tasks, activities, etc. that are carried out in general terms. Regulations define what needs to be done and at what level.
- **Rules:** this category includes those Internal Regulations that, to the extent necessary expound upon what is already established in the previously described Policies and Regulations. Rules establish, with respect to what must be done, how it should be done, being able to consist of general or specific governance models for a determined activity.

3.2 General Principles of the Internal Regulations

3.2.1. Hierarchy Principle

The hierarchy principle ensures that provisions that contradict another higher-ranking provision are not valid. Thus, hierarchically, corporate regulations prevail over regional, country, organisation, territorial, and business line regulations, and these, in turn, over company regulations.

3.2.2. Restricted and Regulated possibility of exception

In specific and exceptional cases, certain Group companies affected by the criteria set forth in the corporate field regulatory texts may, on a justified basis, alter and replace them with another different practice. To this effect, the need for said modification must be brought to the attention of the coordinator of the regulation, who will decide, after analysing the proposed modification and consulting the party responsible for the regulations whose exception is requested, whether it is appropriate to exempt the application of the criteria established in said Internal corporate regulations to the exceptional situation for which the specific exception is requested.

3.2.3. Minimum requirements Nature

Internal Regulations that affect more than one Company, or the Group as a whole, have a minimum requirements nature (or, in certain cases, a maximum requirements nature). In this regard, it is the responsibility of the managers of the affected Companies to publish Internal Regulations in which the general principles contained in said regulatory texts are adapted to the organisational or procedural peculiarities, or of any other type that exists in the Company and, as the case may be, to develop them to the extent necessary to guarantee their applicability to the individual characteristics of the company and ensure their compliance.

3.3 Organisational Documents

The Internal Regulations may be complemented with other organisational documents (the “**Organisational Documents**”) aimed at delving into specific aspects of the Internal Regulation, or ordering and systematising the activity and processes of their area in the

company, (in which case, their scope will be the company), in the region, country, territory or business line (in which case, that will be its scope) or in the Group (in which case, its scope will be Corporate or Group). These will usually take the form of:

- **Manuals:** manuals describe in detail the criteria or principles that must be taken into account in relation to a specific activity.
- **Instructions:** instructions regulate in detail the provisions contained in other higher-ranking Internal Regulations, specifying their application to a specific operation or process.

4. Competency

In the development of any Internal Regulations or Organisational Document (referred together as “**Documents**”), there are two fundamental roles: the party responsible and the coordinator.

4.1 Party Responsible

The party responsible (henceforth, “**Responsible Party**”) is the individual or individuals who lead the proposal, creation, communication, and implementation of the Document, and monitor, evaluate, and update them.

Depending on the rank of the Document and its organisational scope of application, the Responsible Party will be that organisational unit that is functionally responsible for the regulated matter (wholly or mostly).

The Responsible Party assumes the following functions:

- Identification and analysis of opportunities for improvement or needs for modification of the existing Documents, as well as the detection of new needs.
- Definition, in collaboration with the Coordinator, of the work team that is to participate in the preparation of proposals for new Documents, as well as in the improvement or modification of those that already exist and in said work group, foster their elaboration, improvement or amendment.
- Analysis of the impacts, and economic or organisational repercussions, of any other type, of the new Documents, or of the proposals for improvement or modification of the existing ones, in the terms set out in sections 5.1.1 and 5.2.
- Identification, review, and, as the case may be, propose the update, consolidation, repeal or voiding of previous Documents that regulate aspects equal or similar to those included in the Document to the one whose preparation and approval is proposed.
- Manage, in conjunction with the Coordinator, the approval by the competent body or directorate, according to its rank and/or organisational scope of application.
- Ensure the communication, publication, and dissemination, as well as the training, to guarantee the effective implementation of the approved Document. In the case of Internal Regulations, said tasks must be organised in conjunction with the Coordinator.
- Lead, in such case where it is required, the definition of the requirements and

- processes to be implemented as a result of the Internal Regulations.
- Clarify queries about the interpretation of the Document.
 - Promote and manage the revision and update, where applicable, of existing Documents which fall within the Responsible Party's scope of responsibility: (a) periodically, (b) when deficiencies are detected in the text itself or its application, and (c) when organisational or procedural changes have led to their obsolescence. In the updating of the Documents, the Responsible Party will have the same responsibilities as during the elaboration process (as per the previous sections).

4.2 Coordinator

The coordination of the general Regulatory and Organisational Framework of the Telefónica Group will be carried out by the Compliance Directorate, in order to ensure that it is developed in accordance with common and consistent criteria throughout the Group, in application of the guidelines established in this Policy. Likewise, the Compliance Directorate will be responsible for updating the single repository with the Corporate Internal Standards, available through the Global Intranet.

The coordination role for each Document will be carried out by the responsible Compliance department in function of its scope (hereinafter, the **"Coordinator"**). His/her main responsibilities are:

- To collaborate with the Responsible Party in the definition of the work in charge of elaborating the Documents, coordinating the task set out for this purpose, and where applicable, the proposed drafts to all areas (even though they do not form part of the work team) which might be considered affected to seek their comments, as the case may be.
- To support the Responsible Party in the approval corresponding body or directorate, in accordance with their rank and/or organisational scope of application.
- To coordinate with the Responsible Party the communication, publication and dissemination of the Internal Regulations, as well as the training that ensures its effective implementation.
- To support the Responsible Party in clarifying queries about the interpretation of the Internal Regulations.
- To coordinate, along with the Responsible Parties of the affected areas, the resolution of conflicts that may arise as a result of detecting inconsistencies between the existing Internal Regulations.
- To supervise the application, within the framework of each process, of the guidelines established in this Policy.

In the event that, in response to the matter discussed therein, the status of Responsible Party of a Document falls to the Compliance area, it must be ensured that the roles of Responsible Party and Coordinator are not held by the same person.

5. Elaborating Process

5.1 Process for elaborating Internal Regulations

5.1.1 Proposal

The responsible party for any area, department, or organisational unit of Telefónica, S.A., or of any Group Company (that is, the role of “Responsible Party” referred to herein), that identifies or has knowledge of the need to regulate a specific matter related to its functions or competencies, as well as to update or modify any existing Internal Regulation, may propose, promote, and encourage the creation or review of the corresponding Internal Regulation.

In those cases in which the Internal Regulation that is intended to be created, updated or modified includes matters related to functions or competencies of several areas, departments or organisational units, the Responsible Party for the document must identify them and agree with the responsible parties for said areas on the scope of the Internal Regulation which it is intended to amend or repeal, in such a way that the proposal is made jointly by the parties responsible for the different affected organisational areas, which will form part of the corresponding work team (section 5.1.2).

Likewise, any proposal to create, update or amend an Internal Regulation must be submitted, prior to the start of work, to the pertinent opportunity analysis.

To this end, the Responsible Party will draft a document (hereinafter, “**Report**”), which, in accordance with the model defined in **Annex 1** to this Policy, will include as thorough a description as possible of:

- (a) The main aspects of the Internal Regulation or regulatory action, contemplating, if necessary or convenient, different scenarios thereof.
- (b) The organisational and/or operational impact that would result from its implementation in the entire area affected by the Internal Standard (differentiating, where appropriate, based on the scenarios contemplated in section (a)).
- (c) The means and tools necessary to carry out said implementation (differentiating, where appropriate, based on the scenarios contemplated in section (a)).
- (d) The impact on other Internal Regulations.
- (e) The awareness and training plan so that employees to whom the Internal Regulations applies can learn it and comply with it.
- (f) An estimate of the economic impact resulting from the regulatory action (differentiating, where appropriate, based on the scenarios contemplated in section (a)), and including, at least:
 - (i) Resulting impact on existing time and own resources and/or external resources destined to deploy the needs that result from the new, amended or updated Internal Regulation (hereinafter, “**Project Impact**”).
 - (ii) Impact on CAPEX of the implementation of the new, modified or updated Internal Regulation (hereinafter, “**Impact on CAPEX**”).
 - (iii) Impact on OPEX (positive or negative) derived from recurring operations resulting from the implementation of the new, amended or updated Internal

Regulation, considering, where appropriate: on the one hand, staff expenses, external service expenses, training expenses, etc.; on the other hand, the savings that will foreseeably derive from the new, amended or updated Internal Regulation (hereinafter, “**Impact on OPEX**”).

Each element of this economic impact estimate must include, in the case of Corporate Internal Regulations, both the impact at a corporate/global level, as well as the resulting impact on each company or subsidiary of the Telefónica Group.

The Responsible Party will submit the Report to the Coordinator, who will convene an authorised representative of the Finance/Management Control, General Secretariat and Internal Audit areas, so that by consensus, and once the content of the Report has been analysed, they adopt one of the following decisions (which the Coordinator will convey to the Responsible Party):

- (1) Allow the planned regulatory action to advance in the terms proposed in the Report or in any of the scenarios thereof.
- (2) Propose that the planned regulatory action be reconsidered on the basis of alternative scenarios that reduce its impact; in this case, the Responsible Party must consider whether it is possible to move forward with these alternative scenarios and, if so, will make a new proposal in the terms of this section 5.1.
- (3) Rule out the planned regulatory action from proceeding, considering its impact.

5.1.2 Creation

In collaboration with the Coordinator, the Responsible Party for the Internal Regulation will identify the work team for the preparation of the proposal.

In the event that the Internal Regulations are at the corporate level, or that they affect several Group Companies, the text must be submitted for consultation or comments by the responsible parties for the processes or activities in the affected Companies (according to the criteria reasonably agreed upon by the Responsible Party and the Coordinator).

The work team will work towards producing a consensual draft of the text. The Coordinator of the Internal Regulation will coordinate the tasks carried out for said purpose, particularly verifying it is consistent with the Group's Regulatory and Organisational Framework (and, in particular, in the case of provisions beneath the corporate scope of application (region, country, territory, line of business or company), consistency with the corporate framework must be ensured), and conveying it to the areas that may be affected by the new regulation, so that they can make their comments in this regard.

At this stage, in the case of corporate Internal Regulations, the Coordinator must, in all cases, inform the Corporate General Secretariat and the Internal Audit Directorate of the proposal, both of which may issue their opinions, recommendations or comments.

The structure and format set out in **Annex 2** shall be respected in the drafting of all Internal Regulations.

5.1.3 Approval

The persons or bodies responsible for approving the Internal Regulations (new or amended/updated) will depend on their scope of application and their regulatory rank.

Thus, with regard to Internal Corporate Regulations:

- (a) the Policies will be approved by the Board of Directors of the Telefónica Group (upon a proposal, if applicable, from the Board Committee to which, due to the matter, should take them under consideration);
- (b) the Regulations will be approved by the Board of Directors (upon a proposal, if applicable, from the Board Committee to which, due to the matter should take them under consideration) or by the member of the Executive Commission who has the main responsibility for its content; and
- (c) the Regulations will be approved by the Directorate or Directorates (in this case, through a specific Committee or not) that have responsibility for it based on its content (in the terms of the first two paragraphs of the Clause 5.1.1)

Before approval, all proposed Internal Regulations will be reviewed and will have prior approval from the Internal Regulations Coordinator, the General Secretariat and the Internal Audit area.

The faculty to approve provisions of lower scope of application (region, country, territory, business line, or company) will correspond, in the case of Policies or Regulations, to their respective governing or administrative bodies or management body that are applicable to their local structures; and, if they are Regulations, they will be approved by the Directorate or Directorates (in this case, through a specific Committee or not) that have responsibility for it based on its content (in the terms of the first two paragraphs). of Clause 5.1.1), always with the corresponding prior approval of the Coordinator, as well as, where appropriate, the General Secretariat and the Internal Audit area.

5.1.4 Repeal

The repeal of the Internal Regulations in force, whether in isolation or as a consequence of a process of amending the Regulatory and Organisational Framework, will correspond exclusively to the body, committee or management empowered in each case to approve it, in accordance with the provisions in the previous section.

In the event that the repeal is proposed in isolation, the processes described in this section 5.1 will be applied *mutatis mutandis*, and in particular, the Responsible Party must justify the opportunity to carry out the repeal in the corresponding document (in hereinafter, “**Repeal Report**”), which must be evaluated by the Coordinator, together with the General Secretariat and Internal Audit areas.

5.1.5 Correction Procedure

To the extent that it may be necessary to correct specific aspects of any Internal Regulations to adapt them to a new operational or organisational reality, or to make it

consistent with any other Internal Regulation that has amended the Regulatory and Organisational Framework in some aspect, without such correction implying a substantial amendment of the Internal Regulation in question, the correction procedure may be applicable (hereinafter, the “**Correction Procedure**”).

Said Correction Procedure may be promoted, either by the Regulation Responsible Party or by the Coordinator. Either of them may make a specific proposal for amendment to the other; In the case of Corporate Internal Regulations, the General Secretariat area and the Internal Audit Department must also be involved.

If, by common agreement between all the areas involved, it is concluded that the correction is reasonable and adheres to adaptive reasons in the terms expressed above, both may approve said correction without the need to activate the approval process by the body or management that would be in another competent case for the approval or amendment of the Regulation. In such case, the Coordinator will attest to everyone's agreement regarding the opportunity for said correction and of the corrected text.

5.2. Process for preparing and approving Organisational Documents

The person responsible for any area, department or organisational unit of Telefónica, S.A. or of any Group Company (that is, the so-called “Responsible Party” in this Policy) who considers it necessary to delve into specific aspects of an Internal Regulation or organise and systematise the activity and processes of their area in the company or in the Group, or change other pre-existing ones, may propose, promote and foster the creation or review of the corresponding Organisational Document.

Any proposal to create, update or modify an Organisational Document must be subject to the relevant opportunity analysis.

To this end, the Responsible Party will prepare a document which briefly explains the main aspects of the planned action, with reference to the organisational and/or operational, technical and/or technological, and, especially, economic impacts that would result from it. The Responsible Party will submit said analysis to the Coordinator, who, if applicable, will validate said action with the areas of Finance/Management Control, General Secretariat, and Internal Audit.

Once the opportunity has been validated, the Responsible Party will carry out the work aimed at preparing a draft of the text, which he/she will share with the Coordinator, who will especially check it is consistent with the Regulatory and Organisational Framework of the Group.

When drafting Organisational Documents, the structure and format provided for in **Annex 2** will also be respected.

Organisational Documents will be approved by the Management or Directorates (in this case, through a specific Committee or not) that have responsibility for them based on their content. Before approval, all proposals for Organisational Documents will be reviewed and will have prior approval from the Coordinator, the General Secretariat and

the Internal Audit area.

The repeal of the Organisational Documents in force, whether in isolation or as a consequence of the amendment of the Regulatory and Organisational Framework, will correspond exclusively to the Management empowered in each case to approve them, in accordance with the provisions of the previous section. In the event that the repeal is proposed in isolation, the Responsible Party must justify the opportunity to carry out the repeal, which must have the approval of the Coordinator.

The Correction Procedure provided for in section 5.1.5 of this Policy will also apply to the Organisational Documents, *mutatis mutandis*.

6. Publication and Communication

Once a new Document or amendment of a pre-existing Document has been approved (except in the case of a Correction Procedure), a process of distributing it must be initiated to ensure it is known by all the employees to whom it applies.

In the case of Internal Regulations, the Responsible Party, in conjunction with the Coordinator, will arrange for the communication and training actions that correspond in order to ensure the most accurate and complete knowledge of them by the employee. They will have the support of the People Directorate, if necessary.

In any case, the Corporate or Group Internal Regulations will be available to all employees on the Group's Global Intranet in an easily reachable and accessible manner. The Coordinator will be responsible for ensuring that said repository contains the current version of each Internal Regulations in force at any given time (including the corrections that may have been applied through the Correction Procedure).

In the case of the Organisational Documents, the Responsible Party, as knowledgeable of the scope and application thereof, will delimit the scope of the organisation that must know and apply them, and will develop, for this purpose, the pertinent communication actions that may correspond. Likewise, he/she will be responsible for keeping a record of those Documents for which he/she is responsible, in ongoing coordination with the Coordinator.

7. Effective Date

The Internal Regulations and Organisational Documents will enter into force on the date expressly stated in each and shall remain in force insofar as they are not expressly repealed by another Internal Regulation or Organisational Document which contravenes its content, in accordance with the terms and conditions of the present Policy.

The Internal Regulations should be reviewed every two years by the Responsible Party for each of them in order to verify their content and validity.

8. Disciplinary Regime

All the Internal Regulations of the Telefónica Group are mandatory knowledge for all Group employees, each of which is applicable within the scope of their respective

functions and competencies.

In this context, the Telefónica Group has a Corporate Policy regarding the Comprehensive Disciplinary Regime, applicable to all Group employees, which defines the basic principles of the disciplinary system of the Group. This Policy establishes that non-compliances with the Internal Regulations are considered breaches of terms and conditions of employment which may be penalised in accordance with the specific provisions of said legislation and the Internal Regulations that may be applicable.

Compliance with the Organisational Documents will be required of those employees to whom they apply. Depending on the circumstances, non-compliance may be classified as a labour infraction and be subject to the corresponding sanctions.

9. Entry into Force, General and Transitional Provisions

This Policy shall enter into force on the day following its publication, repealing any and all previous versions that exist up to said time.

The creation of Internal Regulations and Documents that takes place as of the entry into force of this Policy shall be carried out in accordance with the principles, criteria, and guidelines contained therein. The currently valid provisions will be progressively updated and adapted to the new criteria as each provision is reviewed and updated.

ANNEX 1: Report Structure

Title of the Internal Regulation	
New creation / Modification (indicating the version, where applicable)	
Hierarchical and approval rank	
Responsible Party	
Coordinator	
Main aspects to be developed, contemplating, if necessary or convenient, different scenarios thereof	
Organisational and/or operational impact that would result from its implementation in the entire area affected by the Internal Regulation (differentiating the scenarios contemplated, where appropriate).	
Resources and tools necessary to carry out the implementation (differentiating the scenarios	

contemplated, where appropriate)	
Impact on other Internal Regulations	
Awareness and training plan foreseen	
Estimation of the economic impact resulting from the regulatory action (differentiating the scenarios contemplated, where appropriate)	<p>This section will be broken down into those listed below.</p> <p>Said economic impact estimate, in each of its elements, must include, in the case of Corporate Internal Regulations, both the impact at a corporate/global level, as well as the impact resulting from each of the companies or subsidiaries of the Telefónica Group.</p>
Project Impact: Resulting impact on existing time and own resources and/or external resources destined to deploy resulting from the new or updated Internal Regulations	
Impact on CAPEX: Impact on CAPEX of the implementation of the new or updated Internal Regulations	
Impact on OPEX: Impact on OPEX (positive or negative) derived from the recurring operations that result implementing	

the new or updated Internal Regulation, considering, where appropriate: on the one hand, staff expenses, external services expenses, training expenses, etc.; On the other hand, the savings that will foreseeably derive from the new or updated Internal Regulation	
Other impacts, where applicable	
Additional comments, where applicable	
Date	
Signature	

ANNEX 2: Formal and Structural Criteria

The purpose of this Annex is to provide guidance on the drafting of the Internal Regulations and Organisational Documents and to establish the formal and content requirements that they must comply with regardless of their scope of application, regulatory rank, or Responsible Party.

1.- Coding of the Internal Regulations and Organisational Documents

The Internal Regulations and Organisational Documents shall be coded for their identification by mentioning the Company in which it was approved, its scope of organisational application, the area, department, organisational unit or directorate responsible for the Internal Regulation, and the edition number that represents the approved version.

They will furthermore indicate its regulatory rank, in accordance with the classification included in this Policy, and its name, which will express the content it regulates.

When an Internal Regulation affects several Companies of the Group and does not contain an detailed list of the affected Companies in its own text, it shall be understood that it must be observed by all those Companies in which the Company that issues the Internal Regulation directly or indirectly holds the majority of the shares, participations, or voting rights, or in whose governing or administrative body it has designated or has the power to designate the majority of its members, in such a way that it effectively controls the company.

2.- Minimum Contents

The Internal Regulations and Organisational Documents must abide by the following structure:

- Descriptive index of the contents
- An introduction or explanatory section.
- A specific definition of the object.
- The framework Internal Regulation, where applicable, it implements or complements. In the event that it implements an Internal Regulation of a Corporate scope, this circumstance will be expressly stated.
- Reference to the organisational scope of application. Exclusions from its application will be specified, if necessary.
- Approval, specifying: a) date of approval, and body or directorate that approved the Internal Regulation or the Organisational Document; b) Internal Regulation or Organisational Document repealed or amended, if applicable; c) validity, indicating the date of entry into force; and d) general or transitional provisions, if applicable.

3.- Basic Drafting Criteria

As stated in the explanatory section, the purpose of this Policy is to streamline the Internal Regulatory and Organisational Framework of the Group by seeking the greatest possible simplicity and, simple and specific language should be used, expressing concise ideas and avoiding unnecessary repetitions.

For ease of reference, the Internal Regulations and Organisational Documents will be divided into sections or headings, the title of which will be sufficiently expressive of what it regulates, and which must follow a logic that is comprehensible to the recipients.

The use of abbreviations and acronyms should be avoided and, in any case, if they are used, their definition should be stated in a clear and comprehensible manner.

4.- Minimum Formal Aspects

- The cover of the Internal Regulations and Organisational Documents will include all the elements indicated for their coding, the version number, the date of approval, and the body or directorate that approved it.

- The Responsible Party will classify / label the text, in accordance with what is established in the Global Security Regulations regarding the Classification and processing of the Information.

- All pages will include the name of the area, directorate, or organisational unit responsible for it; the title of the Internal Regulations or Organisational Document; and the page number and total number of pages.

- In the case of the Internal Regulations, after the index there will be a list of the different versions and the dates on which they were approved, as well as a description of the main changes made in each version vs. the previous version.

5.- Model

In response to the previous sections, a model document will be published on the Group's Global Intranet, so that it can serve as a reference in the preparation of the Internal Regulations and Organisational Documents.



www.telefonica.com