



RULES OF ORGANISATION AND FUNCTIONING OF THE AUDIT COMMITTEE

TITLE I. GENERAL PROVISIONS.

Article 1 - Object.

These rules of organisation and functioning define the basic principles and framework of action of the Audit Committee at *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U.* (hereinafter, IBERCLEAR or the Company).

Article 2 - Scope of application.

These rules of functioning shall apply to the Audit Committee and its members, including its Secretary and Deputy Secretary, and the other persons mentioned in those rules on a complementary and supplementary manner to the provisions concerning the Audit Committee in the Board of Directors Regulations.

Article 3 - Amendments.

The amendment of the rules of functioning will require an agreement adopted by the Board of Directors, at the proposal of the Audit Committee.

Article 4 - Dissemination and publicity.

The people to whom these rules of functioning apply are required to know of them, comply with them and enforce them. These rules will be available on the Company's website.

TITLE II. COMPOSITION AND FUNCTIONS OF THE AUDIT COMMITTEE.

Article 5 - Composition.

1. The Audit Committee shall consist of a minimum of three (3) and a maximum of five (5) members, who shall be appointed and removed by the Board of Directors. To be a member of the Audit Committee, it will not be necessary to sit on the Board of Directors.
2. The members of the Audit Committee will be appointed for a period of four (4) years and may be re-elected, once or several times, for periods of an equal duration, to which end the Board of Directors shall take into consideration the quality of the services provided and the commitment of the members of the Committee during the preceding period.
3. The members of the Audit Committee, and especially its Chairman, will have the appropriate skills, training and experience in terms of internal auditing and will be appointed respecting gender diversity. As a whole, the members of the Committee will have the necessary knowledge about the activities of the central securities depository and the applicable regulations.
4. To preserve the independence of the Audit Committee in the performance of its functions, the Company's Directors qualified as executive who sit on the Audit Committee may not represent the majority.

Article 6 - Advisory functions to the Board of Directors.

The Audit Committee shall be responsible for advising the Board of Directors on the performance of the Company's internal audit function. In particular, the Audit Committee shall advise the Board of Directors on:

- a) the adequacy of the Company's internal audit planning to its activities performed, and its proper implementation;
- b) the monitoring of the recommendations from the internal audit and adequate implementation of the corresponding action planning; and
- c) the oversight of the independence and adequacy of the human resources available to the internal audit function. If this function is outsourced, the Audit Committee shall ensure, prior to the signing of the contract, that the service provider has the appropriate human and technical resources.

Article 7 - Supervision of the internal audit function.

The Audit Committee shall oversee the internal audit function at the Company, for which it will receive information from the person responsible for this function on a periodic basis concerning:

- a) The activities carried out by the internal audit function at the Company;
- b) The planning of activities to be carried out by the Company's internal audit function in the following tax year;
- c) The activities carried out by the internal audit function of the Company outside this planning;
- d) The degree of compliance with the activities planned for the internal audit function at the Company;
- e) The progress with action plans aimed at correcting possible inefficiencies in the activities carried out by the internal audit function at the Company; and,
- f) The degree of follow-up on the recommendations issued by the internal audit function at the Company resulting from the aforementioned action plans.

Article 8 - Assessment of the internal audit function.

1. The Audit Committee shall carry out a triennial review of the effectiveness of the activity of the Company's internal audit function.
2. Furthermore, the Audit Committee will receive information generated as part of the external assessment of the internal audit function at the Company performed by an independent expert at least once every five years.

TITLE III. FUNCTIONING OF THE AUDIT COMMITTEE.

Article 9 - Call.

1. The Audit Committee will meet, on an ordinary basis, once a quarter, and as many times its Chairman calls a meeting, as deemed necessary for the adequate fulfilment of its functions.
2. The Audit Committee will prepare, on an annual basis, a schedule of meetings that will include the dates set for holding the ordinary meetings of the Committee with the topics to be addressed at these meetings.
3. The agenda of the Audit Committee meetings will be sent by letter, fax or email, pursuant to the instructions received from each member of the Committee, together with the necessary documentation, prior to the date scheduled for the meeting to be held.

Article 10 - Quorum.

Audit Committee meetings shall be held at the Company's registered office or at any other venue decided by the Chairman and specified in the call notice, and there shall be a quorum for the meeting when the majority of the Committee members are present or represented.

Article 11 - Conduct of meetings.

1. The members of the Audit Committee shall spare no efforts in attending the Committee meetings and, when they cannot do so in person, they will delegate their representation to another member of the Committee.
2. The Chairman shall organise and direct the debate, encouraging the participation of the members of the Audit Committee in its deliberations.
3. The Chairman will be responsible for determining when the topics on the agenda of the meetings have been debated sufficiently.

TITLE IV. RELATIONS AND PERFORMANCE OF DUTIES OF THE AUDIT COMMITTEE.

Article 12 - Access to information.

1. The members of the Audit Committee, based on the instructions received from the Committee's Chairman, will receive, at the same time as the call to attend Committee meetings, the necessary information to be debated at the meeting.
2. Furthermore, the Audit Committee, through its Chairman, may obtain the information and documentation it deems necessary for the performance of its functions, as well as require the collaboration of any executive or employee of the Company, who shall be obliged to attend the meetings of the Committee and to provide their collaboration and access to the information at their disposal when required for this purpose.
3. The Secretary of the Audit Committee will respond to the requests for information that the Chairman makes as provided for above and will be in charge of summoning, if necessary, the Company's directors or employees.

Article 13 - Right to information and advice.

1. The Audit Committee may seek the collaboration of independent third-party experts in the performance of its duties, who may be invited to Committee meetings.
2. Furthermore, the Audit Committee may invite, when necessary, the Chief Executive Officer, persons responsible for the internal audit function and the Company's compliance function, external auditors or Company Directors, to attend Committee meetings for them to provide advice on the matters on which they can contribute to the best development of their own functions.