Tax Control Policy

Telefónica, S.A.

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Index

1. PURPOSE OF TAX CONTROL REGULATIONS 4

1.1. Purpose of the Regulations 4

1.2. Scope of Application 4

1.3. Definition of Internal Tax Control 4

2. FUNCTION OF INTERNAL TAX CONTROL 5

2.1. Principle of functional dependence 5

2.2. Principle of technical qualification 5

2.3. Principle of tax risk prevention and management 5

2.4. Principles of diligent performance 7

2.5. Principle of transparency in relations with the tax authorities 8

3. OPERATING RULES FOR THE PREVENTION AND MANAGEMENT OF TAX RISK 8

3.1. Typology of tax risks and associated controls 9

3.2. Tax risk identification and assessment 9

3.3. Information obligations 9

3.4. Standardisation of tax structures 10

3.5. Integration and coordination 10

4. SUPERVISION OF THE INTERNAL TAX CONTROL: ORGANISATION 10

4.1. Telefónica S.A. Board of Directors 11

4.2. Telefónica S.A. Audit and Control Committee 12

4.3. Group Tax Department and Regional Departments 12

4.4. Local tax officer 14

4.4.1. General internal control procedures 14

4.4.2. Internal Control Procedures for Corporate Income Tax 14

4.4.3. Internal Control Procedures for Indirect Taxes 15

4.4.4. Tax control procedures on personal income tax withholding 15

4.4.5. Control Procedures on Transfer Pricing 16

5. TAX RISKS 16

6. INTERNAL AUDIT 16

7. POLICY APPROVAL AND REVIEW 16

1. PURPOSE OF TAX CONTROL REGULATIONS

1.1. Purpose of the Regulations

The Telefónica Group's (the Group) internal tax control framework is based on the following pillars:

- The Tax Strategy approved by the Board of Directors, which must be aligned with the Group's principles of responsible business in tax matters.
- The tax control regulations defined in this document, which lay out the internal control and tax risk management policies in accordance with the principles outlined in the Tax Strategy.
- The complementary regulations and operational processes for day-to-day management in the fiscal matters described in these regulations.

The purpose of these regulations is to define the Group's tax control framework, as well as the roles, tasks and responsibilities for the management thereof, in accordance with the provisions of Article 529 ter of the Capital Companies Act, the OECD Guidelines for Multinational Enterprises and those with regard to cooperative tax compliance.

1.2. Scope of Application

These regulations are applicable to the Group, which comprises Telefónica, S.A. and all its subsidiaries and affiliates, in accordance with the provisions of Article 42 of the Spanish Commercial Code.

Consequently, the management bodies of these entities shall adopt the necessary measures for its effective implementation.

As the Group's parent company, Telefónica S.A. is responsible for establishing the rules, instruments and mechanisms necessary for adequate and efficient coordination between this company and the other companies which make up its Group; all without prejudice or detriment to the autonomous decision-making capacity corresponding to each of these companies, in accordance with the corporate interests of each one, and with the fiduciary duties that the members of their management bodies provide to all their shareholders.

This Policy covers all tax obligations to which the Telefónica Group is subject and is aimed at internal stakeholders

1.3. Definition of Internal Tax Control

Internal tax control comprises the activities aimed at ensuring:

- The correct compliance with tax obligations, in due time and form.
- Effectiveness and efficiency of operations from a fiscal standpoint.
- The tax strategy or fiscal position is properly supported and documented.
- The reliability of tax information.
- Transparency before third parties, especially the tax authorities.
- The management of tax risks.

2. FUNCTION OF INTERNAL TAX CONTROL

As will be laid out throughout this Policy, the supervision of the internal tax control system corresponds to the Board of Directors, by means of the Audit and Control Committee, with the support of Internal Auditing.

The Group's Tax Department and the local tax control officers in the various subsidiaries are responsible for controlling and managing tax risks in accordance with the principles defined in following.

The Group, through the Tax Department, undertakes to adopt the necessary control mechanisms to ensure, as part of the appropriate management of its business, the compliance with tax legislation and the principles set out below by all Group companies. To this end, suitable and sufficiently qualified human and material resources shall be allocated for these purposes. Likewise, in accordance with the Tax Strategy, the Group is firmly committed to avoiding any tax planning that could be considered aggressive or artificial structures that could undermine the transparency of the Group's activities vis-à-vis the tax authorities or any other stakeholder.

The fundamental principles of the fiscal control function are as follows:

2.1. Principle of functional dependence

The person responsible for the internal tax control function in each subsidiary will report to the Group's Tax Department on functional matters

2.2. Principle of technical qualification

It is essential for a Tax Department professional to have the academic and practical training in accounting, financial and fiscal matters that will allow him/her to satisfactorily perform the tasks required.

All Tax Department professionals shall:

- Have the academic and practical training in accounting, financial and tax matters that will enable them to comply with the Group's Tax Strategy.
- Keep permanently updated with regard to new legislative developments and interpretations that may arise. This will be done, among others, by receiving tax alerts, attending tax seminars, information sessions, training courses, receiving tax updates, etc.

2.3. Principle of tax risk prevention and management

Each Group company or, as the case may be, those responsible for the corresponding tax group, shall comply with the guidelines for action in tax matters established in the Tax Strategy, in the design and development of their activities.

To this end, all Tax Department professionals shall:

- Provide the necessary advice to ensure that tax consequences have been adequately considered in the implementation, documentation and maintenance of business decisions.

- Ensure that all tax positions are taken for commercial and business purposes and are duly supported and documented. Therefore, the tax implication of any transaction may not be justified independently of the commercial and business purposes which substantiate the transaction in question. If there are several tax alternatives which achieve the same objective, the most efficient alternative, from a tax point of view, shall be opted for.
- Follow the criteria below when taking fiscal positions:
    - Solid technical foundation based on the law.
    - Appropriate documentation with clear explanation of the fiscal positions adopted.
    - Continuous interaction with the tax authorities.
    - Efficient tax management procedures that ensure the suitability of tax returns.
- Support all fiscal positions on a legal basis, complying with the following basic assumptions:
    - Full disclosure of information.
    - Knowledge of the actual facts and circumstances of the case.
    - Assessment of tax risks in accordance with the assessment parameters defined in this policy and its annexes.

The prevention and management of tax risk requires the assessment of the risk arising from both routine transactions and those that are significant or of special tax risk and, therefore, non-routine.

Thus, the following transactions will be considered significant or have special tax risk and, therefore, will require a specific procedure to assess the tax risk inherent therein:

- Acquisitions and sales of shares.
- Decisions to change corporate structures.
- Corporate financing agreements.
- International trade operations.
- New internal processes which may affect compliance with tax obligations.
- Tax planning structures or adoption of positions that have a high risk of being questioned by the tax authorities or that may be considered opaque.
- Changes in the business model of a Group entity (e.g., new products, activity in new geographical areas, new export markets, cross-border sales, introduction of internet transactions, etc.).
- Extraordinary transactions, outside the ordinary course of business (e.g., sale of assets).
- The creation or acquisition of shares in special purpose entities or those with their registered address in countries or territories considered to be tax havens.
- Transactions specific to the sectors related to the Group, especially litigious matters or those open to fiscal interpretation.
- Any modification to the perimeter of the Telefónica Group, including, among others, the creation of branches and/or the constitution of subsidiaries and joint agreements.

In order to comply with the provisions of the Capital Companies Act, Telefónica has developed a dual methodology in relation to the control and management of tax risk:

i) In relation to ordinary and/or routine transactions, the processes have been documented in relation to the main applicable taxes, which identifies the risks inherent to these processes and their associated controls (see section 4.3).

ii) A specific evaluation process has been developed in relation to investments or transactions which, due to their large amount or special characteristics, are of a strategic nature or have special tax risk, or which could undermine Telefónica's transparency.

2.4. Principles of diligent performance

In 2010, Telefónica, S.A. adopted the Code of Good Practice in Tax Affairs as decided by the Board of Directors. In this regard, the Company, in the course of its business, and in accordance with the recommendations of this Code, operates in jurisdictions that have adopted the standards of transparency and exchange of information recommended by the OECD and, in particular, with those established under Spanish tax law, avoiding the use of corporate structures for the purpose of concealing or reducing the transparency of its activities vis-à-vis the tax authorities or any other stakeholder.

Telefónica will not create or acquire entities domiciled in any of the jurisdictions included in the list of tax havens established in Spanish regulations. If for business reasons the presence of a carrier in a territory classified as a tax haven were to be necessary, authorisation would be sought from the Board of Directors.

The Group’s operations in territories regarded by other bodies as having little or no taxation exist solely and exclusively for economic and commercial reasons (Business Purpose), and have the material and human resources needed to conduct the activities, without, under any circumstances, the object of these operations being the transfer of profits to those jurisdictions in order to obtain a reduction in the tax burden.

On the other hand, Telefónica is committed to complying with the "OECD Guidelines for Multinational Enterprises" in tax matters, recommendations on cooperative compliance[1], and in particular, with regard to the definition of a Tax Control Framework. In accordance with these guidelines, the internal tax control framework followed by Telefónica rests upon six basic pillars, which in turn are consistent with the COSO methodology (Committee of Sponsoring Organizations, of the Treadway Commission) (see section 3), in relation to the internal control business model:

- <u>Tax strategy</u>: documented and approved by the Board of Directors.

- <u>Comprehensive application</u>: given that all operations may have a tax impact, the Tax Control Framework is applicable to all the Group's activities.

- <u>Defined responsibilities</u>: The Board of Directors is ultimately responsible for the design, implementation and effectiveness of the Tax Control Framework. The roles and responsibilities of the Tax Department with regard to its implementation are clearly defined and have sufficient means.

[1] OECD (2016), Co-operative Tax Compliance: Building Better Tax Control Frameworks.

- Documented governance: Telefónica has procedures and communication systems in place to ensure transactions are analysed and tax risks are identified and handled according to certain standards. This process is documented and has sufficient resources for its correct implementation and subsequent review.

- Testing and monitoring: Regular testing and/or monitoring is carried out to evaluate the degree of compliance with the policies and processes contained in the Tax Control Framework.

- Providing assurance: The internal tax control framework enables Telefónica to provide assurance to its various stakeholders (including external parties, such as the tax authorities) that tax risks are subject to the suitable controls and that the information contained in tax returns is true, complete and accurate.

2.5. Principle of transparency in relations with the tax authorities

The relations of each company with the competent tax authorities shall be governed by the principles of transparency, mutual trust, good faith and common loyalty, with each Group company assuming the following good tax practices:

i) Collaborate with the competent tax authorities in the detection and search for solutions with respect to fraudulent tax practices which the company is aware of and that may occur in the markets which it does business.
ii) Provide the information and documentation with tax implications requested by the competent tax authorities in the shortest possible time and to the extent necessary.
iii) Disclose and appropriately dispute with the corresponding body of the competent tax authorities all relevant matters of which it may have knowledge in order to conduct, where appropriate, the cases in question and leverage, as far as reasonably possible and without prejudice to good business management, agreements and compliance in the course of the inspection procedures.

3. OPERATING RULES FOR THE PREVENTION AND MANAGEMENT OF TAX RISK

Telefónica has a COSO-based Corporate Risk Management Model that provides for the identification, assessment and management of different risks[2].

In accordance with this model, the Group has four risk categories: business, operational, financial, and legal and regulatory compliance. In this respect, the financial risk category includes tax risks.

In order to achieve this objective, the main guidelines for the management of the aforementioned risks are defined below.

[2] In the revision of this Tax Control Policy, Telefónica has taken into account the guide, published in November 2020, "Compliance Risk Management: Applying the COSO ERM Framework", on how to apply COSO ERM to compliance models.

3.1. Typology of tax risks and associated controls

In relation to their origin, risks of a fiscal nature are classified as follows:

- Compliance risk: relating to the compliance with tax obligations (filing of returns, information requirements, etc.).
- Interpretation risk: the possibility of interpreting the tax laws differently from the tax authority's criteria.
- Regulatory risk: associated with legislative activity and regulatory volatility and complexity.

Telefónica has the necessary controls in place in relation to these tax risks.

3.2. Tax risk identification and assessment

The Corporate Risk Management Model contemplates both the identification and assessment of risks as well as the response to them and their monitoring.

Although the identification of risks is an ongoing process that requires the involvement of the entire organisation, in the case of tax risks, the Corporate Tax Department will promote and coordinate the identification and periodic updating of these risks on a quarterly basis, at a minimum.

The assessment of the tax risks of the Group's routine activities will be carried out in terms of probability and impact. On the other hand, transactions involving special tax risk as defined in section 2.3. are assessed in accordance with the assessment parameters established by the Group.

In assessing the impact of each of these risks, consideration will be given to the reputational risk that may arise as a result of the current context of stringency and public scrutiny with regard to transparency and the perception by the different stakeholders.

3.3. Information obligations

On a quarterly basis, those responsible for the internal tax control function in each Group company shall inform the Group Tax Department, through the Regional Tax Departments, of their main conclusions on the process of identifying and assessing tax risks, as well as external tax audits and inspection processes led by the tax authorities.

Telefónica also has a standard process for identifying and reporting the Group's risks in its main operations. In this regard, those responsible for the tax function in each subsidiary must report tax risks on a quarterly basis, including information on the following aspects:

i) Court disputes/arbitration.
ii) Administrative litigation prior to judicial proceedings.
iii) Transactions with implicit risk that may be examined by the tax authorities.
iv) Fiscal years open to inspection, detailed by period and tax.
v) Provisions for tax contingencies.

vi) Inspections now closed, detailing the amount required by the authorities, for what concept, and the amount paid.
vii) Conclusions on the process of identifying and assessing tax risks.

The Tax Department shall be responsible for reporting the situation and evolution of tax risks to those responsible for supervising the Group's Risk Management function (Internal Auditing) and, ultimately, to the Audit and Control Committee.

In addition, as a result of the entry into force of DAC 6, the Group has developed a procedure for detecting and reporting mechanisms subject to disclosure.

Lastly, the Group's Tax Department provides information on its tax control and governance framework to entities that so require it at any given time, such as the FTSE4Good Sustainability Index of the London Stock Exchange and the Dow Jones Sustainability Index of the New York Stock Exchange.

3.4. Standardisation of tax structures

The Group's Tax Department, together with the Regional Tax Departments, is responsible for proposing the organisational structures of the units, including proposals for the selection, appointments, remuneration and incentives of their managers in coordination with the People Department and the Appointments and Remuneration Committee, if applicable, as well as setting their objectives and work plans and evaluating their performance. This proposal will be made in agreement with the immediate superiors of the companies' tax control units.

3.5. Integration and coordination

The head the tax function in each company must participate in the analysis of all transactions that may have tax implications, and shall

- Have the necessary economic, human and material resources.
- Receive the maximum support and assistance from the Group's companies.
- Opt. for the participation and cooperation of employees of said companies.

4. SUPERVISION OF THE INTERNAL TAX CONTROL: ORGANISATION

With the purpose of helping to achieve its objectives, Telefónica has an internal control model which has been defined in line with the terms set out in the Internal Control Integrated Framework of the “Committee of Sponsoring Organizations of the Treadway Commission” (COSO), which is the main global reference in matters of internal control and risk management. Its use as a frame of reference in this area provides the acknowledgement and validity of the company's internal control system, in such way that the Group's internal control is defined as the process carried out by the Board of Directors, Management, and other members of the company’s personnel, designed with the aim of providing a degree of reasonable assurance for the achievement of the objectives related to operations, information, and compliance.

Accordingly, the roles and responsibilities established below for the various areas involved in the Group's tax risk control and management process adhere to the aforementioned model.

4.1. Telefónica S.A. Board of Directors

Pursuant to the provisions of Article 529 ter of the Corporate Companies Act, the Board of Directors has the following non-delegable powers in relation to the control and management of tax risk:

- Determination of the risk control and management policy, including tax risks, and supervising internal information and control systems.
- The approval of investments or operations which, due to their high amount or special characteristics, are of a strategic nature, or carry a special tax risk, unless their approval corresponds to the general shareholders' meeting.
- The approval of the creation or acquisition of shares in special purpose entities or those with their registered address in countries or territories considered to be tax havens.
- The approval of transactions or operations of a similar nature to the above which, due to their complexity, could be to the detriment of the company's transparency or that of its group.
- Supervision of the preparation and presentation of financial information and the management report, which shall include, where appropriate, the mandatory non-financial information, and the submission of recommendations or proposals to the management body, aimed at safeguarding its integrity.

In order to comply with the above, the Board of Directors is responsible for:

- Approving the Group's Tax Strategy, as well as this Tax Control Policy, which establishes the guideline to follow on tax matters and tax risk control and management mechanisms arising from both routine operations and significant or special tax risk operations.
- Approving operations considered strategic or carrying special tax risk, in accordance with the definitions and mechanisms established in the control and management of the tax risk in significant operations.
- Deciding / knowing and/or approving the findings submitted to it in relation to:
    - The fiscal policies followed during the year
    - The evolution of the main tax risks, as well as the measures to be implemented and/or the result of those already implemented in order to mitigate such risks
    - The result of testing the implementation of this Policy.
- Approval of the information with fiscal impact included in the Management Report.
- Deciding / knowing and/or approving any other circumstance of fiscal relevance communicated to it.

4.2. Telefónica S.A. Audit and Control Committee

The Audit and Control Committee is responsible for supervising the Group's tax risk control and management system, in accordance with the Capital Companies Act, the Code of Good Tax Practices and the Good Governance Code for listed companies.

To perform such tasks, the Audit and Control Committee:

- Supervises the degree of compliance with the Tax Strategy and the Tax Control Policy, and ensures their effective application in practice, for which it may rely on other areas, such as the Tax Department.
- Supervises the preparation and evaluates the integrity of non-financial information with tax implications.
- Informs the Board of the information with tax implications included in the company's Management Report.
- Proposes the inclusion of the tax area in the Internal Audit work plan, ensuring that its activity is mainly focused on the most relevant tax risks.
- Establishes and supervises the correct functioning of the whistle-blowing channel, so as to ensure that any irregularity in tax matters, among others, can be reported confidentially.
- Be at the disposal of the Board of Directors to clarify any possible doubts that may arise, as well as to provide the assistance required by that body in tax matters.

4.3. Group Tax Department and Regional Departments

The functions of the Group Tax Department, directly or indirectly through the Regional Directorates, are:

- Internal control and management of tax risks in the Telefónica Group
- To apply and guarantee compliance with the Group's tax policies, establishing the principles and criteria for tax measures by the companies that make up the Group in order to, based on good practices and transparency in internal relations and with the tax authorities, promote and implement projects that benefit the company and its employees, contributing fairly to the public revenue in the countries where we operate.
- In order to support the Audit and Control Committee and, therefore, the Board of Directors of Telefónica in the performance of its duties, the Tax Department will communicate to these bodies the following information with tax implications:
    - The tax policies and criteria followed by the company in the preparation of the Annual Accounts and the Corporate Income Tax return.
    - The risk assessment carried out in relation to significant transactions or those involving special tax risks, in accordance with the process established for this purpose.
    - Any change identified in the general tax risk management and control model.
    - Information regarding the Group's tax risks and their evolution, their identification, assessment and management, and the composition of the

    tax risk map and the effectiveness of the processes followed to eliminate or mitigate such risks.
    - Developments in major tax audits and other tax disputes.
    - Any other fiscal matters of relevance to the decision-making of this body (e.g., the effective income tax rate).
- Represent the Group as such, and its companies in particular, before national and supranational tax authorities (AEAT, CEOE, OECD, etc.).
- Lead the Group's actions in the ongoing verification and inspection procedures initiated by the tax authorities in the different jurisdictions in coordination with the tax manager of the company concerned.
- Sign the Group's consolidated tax returns as well as the reports, disclosures and agreements made within the Group's inspection proceedings.
- Sign, as the Group's tax representative, the claims and appeals against administrative measure, whatever their level, either before national or international courts or supranational institutions (EU).
- Authorise and sign, where appropriate, on behalf of the Group, any agreements resulting from the Spanish Large Companies Forum (IBEX 35) with the Ministry of Economy and Finance and the Tax Agency.
- Create and lead working groups with companies in the sector or with a similar volume to achieve regulatory improvements or tax incentives for the Group's activity, either as a whole or for the individual activity of each company.
- Authorise the corresponding operations that are submitted to the Financial Operations Committee (COF in its Spanish initials) for approval, in accordance with the provisions of this Policy and the process for controlling and managing the tax risk of significant operations.
- Authorise each and every one of the engagements of external tax advisors in the Group, as well as the signing of external tax consultancy contracts in Spain and those which, due to their purpose, affect the Group globally.
- Lead, authorise and supervise the actions and functions of the tax departments in the different countries where the Group operates.
- In coordination with the People Department and the Appointments and Remuneration Committee, where appropriate, propose the appointment of directors and tax officers in the countries where the Group operates.
- Assess the risk inherent in potential tax structures for the Group's M&A processes and operations and, where appropriate, approve them, in accordance with the provisions of this Policy and the process for controlling and managing the tax risk of significant operations.
- Lead and supervise projects of a supranational nature between different areas of action.
- Assess the risk inherent in the Group's investment, divestment and reorganisation operations and, where appropriate, decide upon the optimal tax design, in accordance with the provisions of this Policy and the process for controlling and managing the tax risk of significant operations.
- Establish and validate the tax framework within which the Group's financing operations are carried out.

- Decide on the feasibility of any actions identified to optimise the Group's tax burden.
- Manage the direct tax line of the Group's consolidated and individual income statement and balance sheets with a direct impact on the Group's net income and free cash flow.
- Report the situation and evolution of tax risks to those responsible for the Group's Risk function (Internal Auditing) and, ultimately, to the Audit and Control Committee.
- Coordinate with the Group's Internal Audit function in the review and analysis necessary to ensure the control objectives of these regulations.

4.4. Local tax officer

Those responsible for the tax function in each subsidiary shall be responsible for establishing the necessary management procedures to ensure that the tax control function is carried out in accordance with the principles and operating rules defined in these regulations.

A list of the main processes that document the control activities is attached as Annex I to these regulations. In this regard, the following related procedures are given below as a guideline:

4.4.1. General internal control procedures

- Verify that the internal tax control system implemented in the subsidiary is in accordance with the characteristics of the entity, including the maintenance of risk matrices and key controls designed for the compliance with formal obligations of tax significance Review and update the accounting and internal control procedures adopted by the entity, related to the safeguarding of assets and the reliability of accounting records with tax implications.
- Draft suitable suggestions and recommendations to improve internal fiscal control and, after review by the person in charge of the tax control function, discuss them with the Regional Department.

4.4.2. Internal Control Procedures for Corporate Income Tax

- Compare the Corporate Income Tax (CIT) return for the previous year with the corresponding audited balance sheet, drafting a worksheet that includes all temporary and permanent differences and related tax risks, if any.
- Check the correct application of deductions in accordance with the limits established in the applicable regulations at all times.
- Check the correct allocation of tax losses.
- Check the CIT payment for the previous year and ensure that any differences between provisioned and actual have been debited/credited in accordance with the CGP.
- Check the opening, transactions and closing balances with tax-relevant content.
- Check the correct tax classification of the main components of income and expenditure.
- Verify deductions for the double taxation on dividends.

- Ensure that the formalities required by law to ensure full enjoyment of the tax incentives are being complied with.
- Check that more than one type of deduction or incentive does not apply to the same element.

4.4.3. Internal Control Procedures for Indirect Taxes

- Check that the Value Added Tax (VAT) or equivalent indirect tax (EIT) books are kept duly recorded and up-to-date: invoices received, invoices issued, investment goods.
- Verify the presentation, in due time and form, of the VAT or EIT tax returns. Proof of payment or request for deferment of payment.
- With regard to output VAT or EIT: balancing of sales and other transactions subject to tax, as shown in the profit and loss account for the year, with:
  i) Periodic declarations to the Treasury for output VAT or EIT.
  ii) The sales figure, according to the CIT declaration.
  iii) The amounts reflected in the VAT or EIT books.

- With respect to input VAT or EIT: reconcile purchases, expenses or acquisitions of other assets and other transactions subject to tax, with:

  i) Periodic declarations to the Treasury for input VAT or EIT
  ii) The figures for purchases, expenses, additions to fixed assets and other operations, according to the CIT return.
  iii) The amounts reflected in the VAT or EIT books.

- Check and document the correct application of tax rates.
- Check the application of the pro rata rule.
- Analysis of the treatment given to self-consumption.
- Analysis of the treatment given to exports to third countries.
- Analysis of input quotas on imports from third countries: refund request.

4.4.4. Tax control procedures on personal income tax withholding

Withholdings on earned income

- Reconcile the bases declared during the fiscal year on the final bases resulting from the annual return-report.
- Verification of the filing of returns in due time and form, making the payment or requesting the corresponding deferral.
- Reconciliation of the bases declared in the annual return-settlement with the personnel expenses posted in the profit and loss account.
- Deduction rates applied according to the nature of the contract and the date the employee joined the company.
- Check withholdings made on: travel allowances and travel expenses, remuneration in kind and similar, bonuses, incentives and voluntary extra payments, staff allowances and transfer allowances.

Withholdings on investment income

- Check that withholdings are made and declared in the period in which the benefits are due and not when they are paid.
- Check that in the event of interest payments in related transactions, these are not lower than the legal interest rate in force.
- Check that returns are filed, even if they do not give rise to any taxable income or tax liability.
- Check that the withholding on investment income is carried out in any case and without prejudice to international agreements or treaties, on: Dividends, technical assistance, leasing of personal property, and transactions that do not constitute a business activity.
- Verify calculations and application of withholding tax rates in the case of International Treaties or Conventions to avoid double taxation.
- Reconcile the annual report of withholdings with: periodic declarations during the financial year and the profit and loss account.

4.4.5. Control Procedures on Transfer Pricing

- Check that all transactions with group companies with transfer pricing implications are identified and complete.
- Validate the information with those responsible in each entity to ensure that all transactions have been contemplated and that the definitive information to be presented in the tax model is available.

5. TAX RISKS

Tax risks shall be dealt with in accordance with the provisions of the Corporate Risk Management Policy, considering their identification, assessment and management in order to prioritise and facilitate their monitoring and response to them, both from a global perspective of the Group and specific to its main operations.

6. INTERNAL AUDIT

The Directorate of Internal Audit may perform however many audits and checks it deems appropriate to verify the correct application of the aspects contained in this Policy.

7. POLICY APPROVAL AND REVIEW

The approval of this Policy, as well as its updates, is the responsibility of the Board of Directors.

In this regard, on an annual basis, as well as when circumstances make it advisable, a review of the content of this Policy is carried out in order to ensure its proper functioning.

Annex I

List of documented processes and flowcharts

1. Tax processes of the Corporate Tax Department

1.1 Corporate Tax Management
1.2 Tax consolidation
1.3 Tax situation analysis
1.4 Corporate Income Tax Review
1.5 Tax inspections
1.6 Tax consulting and support
1.7 Fiscal planning of operations
1.8 Tax Planning and Consulting
1.9 Audit Planning
1.10 Tax Auditing

2. Fiscal processes of the Tax Compliance areas Shared Services Centre

2.1. Tax settlement/return: General Process (SSC)
2.2. Prepare Settlement/Return (SSC) templates
2.3. Completion and Signing of Settlement/Return Forms (SSC)
2.4. Posting and Paying Taxes (SSC)
2.5. Settlement/Return of Local Taxes and other taxes (SSC)
2.6. Corporate Income Tax Settlement (SSC)
2.7. Community VAT refund application (SSC)
2.8. Invoice Tax Processing (SSC)
2.9. Intrastat Statement (SSC)
2.10. Proceedings before the Public Administration (SSC)
2.11. Tax Consulting (SSC)

3. Fiscal processes of the Tax Management Department

3.1. Recognise corporate income tax expense
3.2. Make Instalments on Corporate Tax Payments
3.3. Filing and settling Corporate Income Tax

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