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**Compliance Division  
Regulations  
of I-DE Redes  
Eléctricas  
Inteligentes, S.A.U.**

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## TITTLE I. NATURE, PURPOSE AND AMENDMENT OF THE REGULATIONS

### Article 1. Nature and purpose

1. The Board of Directors of I-DE Redes Eléctricas Inteligentes, S.A. (the “Company”) approves the present regulation (the “Regulations”) for the compliance division (the “Compliance Division”) of the Company.
2. The Compliance Division has been established as an independent internal area attached to the Audit and Compliance Committee. It takes proactive action to ensure the efficient performance of the System compliance of the company, as set out in the corporate governance system, and to such end it has been granted broad and extensive powers, budgetary discretion and independence when going about its business.
3. The Company's compliance system consists of a set of rules, formal procedures and actions to prevent conduct that is improper or contrary to ethics, law or Corporate governance system and which could be committed by Company professionals in the heart of the organisation and guarantee Iberdrola's intervention in accordance with ethical principles and the applicable law.
4. The Compliance Division is governed by this Compliance Division Regulation and all other rules in the Company's corporate governance system.

## TITTLE II. COMPLIANCE DIRECTOR

### Article 2. The Compliance Director

1. The person ultimately in charge of the Compliance Division will be its Director (the “Compliance Director”), who shall have the faculties necessary to undertake his/her duties.
2. The appointment and dismissal of the Compliance Director shall correspond to the Company's Board of Directors following a previous report by the Audit and Compliance Committee.
3. The Compliance Director must have the expertise, qualifications and experience appropriate for the duties that he/she is called upon to perform.
4. The Compliance Director shall manage the operations and budget of the Compliance Division and shall also be responsible for executing the corresponding measures and action plans while ensuring that the Compliance Division duly discharges its duties.
5. The Compliance Director shall establish the structure of the Compliance Division under the principle of independent and effective management, while the Audit and Compliance Committee shall take steps to ensure that the department has the human and material resources needed to carry out its tasks.
6. Neither the Compliance Director nor the other members of the Compliance Committee may sit on the Company's Board of Directors.
7. The Compliance Division, when the Company's Board of Directors so deems appropriate, will be supported by a multidisciplinary office (the “Office”). The Office will consist of the Compliance Director, who is responsible for its management, and representatives of areas and functions as determined by the Company's Board of Directors. The Compliance Division may propose to the Company's Board of Directors that an assessment be made of whether the Office should be implemented.

## TITTLE III. FUNCTIONS

### Article 3. Duties of the Compliance Division

1. The primary duties of the Compliance Division shall be:
  - a) To foster the diffusion, understanding of and compliance with IBERDROLA, S.A.'s Code of Ethics (the “Code of Ethics”) adopted by the Company in addition to the compliance rules and procedures concerning the prevention of fraud.
  - b) To oversee the functioning, effectiveness of, and compliance with the Company's *Crime Prevention and Anti-fraud Policy* and to monitor the implementation, development of, and compliance with crime prevention schemes, both across the Company and at its subsidiaries, insofar as these do not have their own compliance division and are not owned indirectly through a company that does have its own compliance division, and without prejudice to the responsibilities and functions entrusted to other bodies.
  - c) To promote a preventive culture based on the principle of “zero tolerance” towards condoning unlawful acts and situations of fraud, and in the application of the principles of ethics and responsible conduct of all professionals in the Company and subsidiaries regardless of their seniority or country in which they work.
  - d) To review internal procedures of the Company and its subsidiaries to check their effectiveness in preventing incorrect conducts and identifying possible procedures that could be more effective in promoting the highest ethical standards.
  - e) To manage the ethics mailbox (the “Ethics Mailbox”) and the provider ethics mailbox (“Provider Ethics Mailbox”) both at the Company and at its subsidiaries (jointly, the “Ethics Mailboxes”) and take the corresponding steps to investigate and verify the existence of complaints and grievances received and issue the relevant decisions on the cases it hears.
  - f) To support the work of preparing and implementing in-person, online and other training programmes intended for Company employees in relation to the duties imposed on them by the Code of Ethics and the Crime Prevention and Anti-fraud Policy, as well as applicable law, doing so as often as needed to ensure that employees remain fully aware of all the latest developments in this field at all times. In particular, Company employees shall receive training on the Code of Ethics and the Crime Prevention and Anti-fraud Policy, stressing those matters relating to corruption and responsibility, as well as the legal and regulatory obligations that apply to their specific job positions.

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- g) To establish the tools necessary to ensure the perseverance and record-keeping of actions constituting the compliance system.
  - h) To ensure compliance with the applicable regulations in the area of incompatible activities. The Compliance Division will inform the Audit and Compliance Committee and the Board of Directors on the status of the Company's separation of activities on an annual basis.
2. To these effects, the Compliance Division will be responsible for drawing up, approving, permanently keeping up-to-date and ensuring the application of the procedures that it deems to be appropriate to prevent criminal activities and fraud in the Company and its subsidiaries.
  3. In addition, the Compliance Division shall:
    - a) Perform an annual evaluation of the effectiveness of the Company's compliance system and prepare a report with the results. The report shall be presented to the Company's Audit and Compliance Committee to obtain their opinion, after which it will be submitted to the Board of Directors for their knowledge. The Compliance Director will send a copy of this report to the Compliance Director of Iberdrola España S.A.U. for the relevant purposes.
    - b) Perform an annual evaluation on the effectiveness of the Company's Crime Prevention Programme.
    - c) Inform the Audit and Compliance Committee and the Compliance Director of Iberdrola España, S.A.U., on matters related to the effectiveness of the Company's compliance.
  4. The Compliance Division and its Director shall likewise exercise all further powers, whether specific or permanent, that may be entrusted to them by the Board of Directors or by the Foundation By-Laws or any other corporate governance rules and regulations of the Company.

#### **Article 4. Relations of the Company's Compliance Division with the Compliance Division of IBERDROLA ESPAÑA, S.A.U**

The Compliance Division shall work in coordination with the Compliance Unit of IBERDROLA, S.A. through the compliance division of the subholding company **IBERDROLA ESPAÑA, S.A.U.**, in keeping with the provisions set out in the *Coordination, collaboration and information protocol of the compliance division of Iberdrola España, S.A.U.*

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

#### **Article 5. Human capital and material resources**

1. The Compliance Division shall have the material and human resources needed to perform its duties.
2. The Audit and Compliance Committee shall ensure that the Compliance Division has the resources necessary to guarantee its independence and effectiveness.

#### **Article 6. Cost estimate**

1. On proposal by the Compliance Director before the start of each year, the Compliance Division shall submit the budget project for its activities for the following year to the Audit and Compliance Committee for approval.
2. Following validation by the Audit and Compliance Committee, the budget project shall then be submitted to the Board of Directors for final approval.

#### **Article 7. Annual activity plan**

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

#### **Article 8. Powers and advice**

1. The Compliance Division, through the Compliance Director and so long as permitted by pertinent legislation, shall have access to the information, documents, work and office tools of the administrators and professionals in the Company and its subsidiaries, including any deeds and documentation of the bodies that manage, supervise and control, required for enabling them to carry out their duties. In this regard, all employees and officers at those companies must collaborate with the Compliance Department as required of them to ensure that it is able to carry out its duties.
2. Likewise, the Compliance Division may seek, payable by the Company, the collaboration or advice of external professionals, who must submit their reports directly to the Compliance Division.
3. Whenever possible, and so long that the effectiveness of its efforts remains unaffected, the Compliance Division shall attempt to undertake its activities transparently, reporting to the affected administrators and professionals when possible and appropriate as to the purpose and scope of the activities.

#### **Article 9. Duties of the Compliance Division members**

1. The members of the Compliance Division must act with independence of opinion and action with respect to the rest of the organisation and perform their work with the utmost diligence and professional competence.
2. The members of the Unit shall keep confidential the deliberations and resolutions of this body and, in general, shall refrain from disclosing any information, data, reports or background information to which they may have access while in office, and not use any of the foregoing for their own benefit or that of third parties, without prejudice to the duties of transparency and information imposed by applicable law. The Unit members' duty of confidentiality shall survive even after the member no longer holds such position.

### **TITLE V. ETHICS MAILBOXES**

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## Article 10. Commencing investigations into infringements

1. The Compliance Division will investigate potential infringements of the Corporate Governance System, specifically, the rules of the Code of Ethics and/or the Supplier's Code of Ethics, as well as conduct involving impropriety or illegal acts which affect the professional duties of the perpetrator of the conduct within the company, contractual relationships with suppliers or the Company's interests or image.
2. The Compliance Division may start an investigation when it learns of facts or circumstances that may constitute a breach or an impropriety as described in the preceding paragraph, on its own initiative, that of the Compliance Director, or by means of a compliant made through the 'ethics mailboxes' defined in the following Article or any other means.
3. The principles, rules of conduct and guarantees established under this title shall be applicable to breaches processed by the Compliance Division regardless of how they started.
4. When the infringements in section 1 above affect another head of business company, or any of its professionals and suppliers, the Compliance Division of the relevant company will investigate it.

## Article 11. Creation of the Ethics Mailboxes

1. The Company shall implement an Ethics Mailbox to promote compliance with the law and the rules of conduct set out in the Code of Ethics. The Ethics Mailbox is a transparent channel that enables the professionals of the Company and its subsidiaries to report any conduct that may involve the commission of an irregularity or an act in violation of legal provisions or of the rules of conduct laid down in the Code of Ethics. Communications addressed to the Ethics Mailbox may be sent by completing an electronic form that the Company shall place at the disposal of the specified professionals.
2. The Company shall also create a Provider Ethics Mailbox as a communications channel so that suppliers, the third parties that they, in turn, may commission for the provision of services or supplies in favour of the Company, the employees thereof and any third party that has posted to participate in a tender for services or supplies to be a Company provider or supplier, can report the possible existence of conduct that could entail a non-compliance by some professional of the companies pertaining to the group whose parent entity, as defined by the law, is IBERDROLA, S.A. (the "**Group**"), of the standards and principles contained in the Corporate Governance System or some illegal act or perpetration by a provider/supplier, a subcontractor or even the employees thereof, of some act in violation of the law or the *Provider Code of Ethics* as an integral part of the *Purchasing Policy*, within the context of their business relationship with the Company or its subsidiaries.

Providers and, when applicable, their subcontractors, may also use the Provider Ethics Mailbox to ask questions or share suggestions concerning the *Provider Code of Ethics*.

## Article 12. Management of the Ethics Mailboxes

1. Management of the Ethics Mailbox and Provider Ethics Mailbox corresponds to the Compliance Division.
2. In the performance of said duty, the Compliance Division must observe the guiding rules and principles which are set out for this purpose in the *Code of Ethics* and *Provider Code of Ethics* within the *Purchasing Policy*.

## Article 13. Acceptance for processing complaints

1. On receipt of a complaint, the Compliance Division shall determine whether it should proceed to process it.
2. The Compliance Department shall report to the Audit and Compliance Committee on any potentially significant financial and accounting irregularities communicated to it through the Ethics Mailboxes and shall provide the latter with any documentation requested of it.
3. The Compliance Division shall not process any complaint that has no merit or likelihood where the personal data protection requirements have not been met, or where the action reported in the complaint does not constitute a breach of the Corporate governance system, or a type of conduct that could be deemed irregular or violate applicable law or the rules of conduct set out in the *Code of Ethics* or *Provider Code of Ethics*, where this impacts the professional functions of the breaching individual within the Company or the Group, contractual relations with suppliers, or the interests and good reputation of the Company and the Group.
4. With a view to explaining the acceptance to process the complaint, the Compliance Division may, at its own discretion, opt to call on the communication's sender to clarify or complete the complaint by furnishing documentation and/or data that could be necessary to substantiate the existence of an irregular conduct.

## Article 14. Processing the case

1. Having accepted the complaint for processing, the Compliance Division shall undertake the corresponding investigation and handle the case; the collaboration of external advisors is permitted if necessary. If the complaint is lodged against a member of the Compliance Division, this person may not participate in processing the complaint.
2. Should the complaint concern a member of the Board of Directors, the Compliance Director shall inform the secretary to the Board of Directors in order to obtain the latter's support and assistance in handling the case and, specifically, in selecting an investigator, who will be an outside person unrelated to the Group so as to ensure a suitable degree of independence.
3. The Compliance Division shall check the veracity and accuracy of the information contained in the complaint and, in particular, the reported conduct, with respect of the rights of the affected parties. For such purposes, it shall undertake a hearing process for all affected parties and witnesses, and undertake any diligence it may deem necessary. All professionals shall be required to cooperate in the investigation in good faith. The participation of witnesses and affected parties shall be strictly confidential.

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4. The investigation will be carried out in accordance with the Investigations Manual adopted or approved by the Compliance Division and all parties concerned will be informed of the treatment of their personal data and all other legal obligations relating to personal data protection must be duly met.
  5. In all investigations, the rights to privacy and to defence, and the presumption of innocence of the investigated persons shall be guaranteed and all necessary measures will be taken to prevent reprisals against the complainant. The Company undertakes not to take reprisals, directly or indirectly, against employees who report an impropriety that may be investigated by the Compliance Division, provided the complaint is not malicious.
  6. The Compliance Division may, at any time during the procedure, seek the assistance of an advisor and the collaboration of the Company's Human Resources Division and the Company's Legal Services Department or Purchasing Division, or whomever, as the case may so require, is the purchasing liaison of the company of the corresponding Group, with a view to determining the consequences and manner to act in response to any complaint.

#### **Article 15. Decision on the case**

1. After processing the case, the Compliance Division shall issue a justified decision as necessary.
2. If the issued decision concludes that a professional has committed an irregularity or act in violation of the law or applicable rules of conduct specifically pertaining to the professionals of the Company and its subsidiaries, the matter will be transferred to the Human Resources Department of the Company for the appropriate application of disciplinary measures, whose adoption and content shall be reported to the Compliance Division. If the conduct constitutes an irregularity or an action that is unlawful or that violates the Corporate governance system and when that conduct also affects a member of the Board of Directors, the Compliance Department shall report its decision to the Audit and Compliance Committee through the secretary to the Board of Directors, so that the committee may apply the relevant measures envisaged in the corporate governance regulations, whose adoption and content shall be reported to the Compliance Division.
3. If the issued decision concludes that a provider has committed an irregularity or act in violation of the law or applicable rules of conduct of the *Provider Code of Ethics*, the Compliance Division will convey it to the Purchasing Division or whomever, as the case may be, was the purchasing liaison of the Company so as to take, where applicable, the appropriate steps, which will be subsequently reported to the Compliance Division.
4. Should the results of the case entail the possible lodging of lawsuits, the Compliance Division shall refer the actions to the Legal Services Department of the Company to begin taking the pertinent administrative or legal steps for each case, of which the Compliance Division must be informed.
5. When an impropriety or breach could have a significant impact on the Company's financial statements or internal control, the Compliance Division will notify the Internal Audit Division.

#### **Article 16. Protection of personal data**

1. The transfer of personal data via the Ethics Mailboxes may require, in certain cases, and depending on the subject of the complaint and the pertinent legislation, the need to seek the express and unequivocal consent for processing the personal data of not only the person who has sent the complaint but also the person who has been reported. For this purpose, the necessary mechanisms will enable for securing consent, which, as the case may so require, could be required before taking any further steps, under the terms required under the pertinent personal data protection legislation.
2. In general, the reported party shall be informed of the existence of a complaint when the initiating the steps to conduct the investigation. However, in cases with a significant risk that such a notification could jeopardise the ability to effectively investigate the allegation or to gather any required evidence, such notification to the reported party may be delayed for as long as the risk exists.
3. Persons filing a complaint through Ethics Mailboxes must warrant that the personal data provided are true, correct, complete and current.
4. The data processed within the framework of the investigation shall be deleted as soon as such investigation has finished, unless the measures adopted give rise to administrative or legal proceedings. Notwithstanding all the above, the Company shall keep such data duly blocked during periods in which any liability could arise from the reports filed or from the steps taken by the Company.
5. Users of Ethics Mailboxes may, at any time and in accordance with applicable law, exercise their rights of access, rectification, erasure and blocking in respect of their personal data by writing to the Company at its registered office, making sure that they comply also with applicable legal requirements and indicating the specific right they wish to exercise.

#### **Article 17. Amendment**

1. Any amendments to this *Regulation* must be approved in a resolution by the Board of Directors following a report from the Company's Audit and Compliance Committee.
2. The Compliance Division may propose changes to the Regulation to the Company's Audit and Compliance Committee.

#### **Article 18. Compliance.**

The Compliance Director is responsible for ensuring compliance with this *Regulation*.

#### **Article 19. Interpretation.**

This *Regulation* shall be interpreted in accordance with the Company's Corporate Governance System.

