

Specific Aspects Tax Matters with regard to the Structuring Document for the Compliance Management System

1. Definitions

With regard to the definitions of the *Compliance Management System* included in the *Compliance Policy*, the following should be added:

- **Tax Compliance Management System:** system for the prevention of *Tax Risks* that seeks to prevent, detect and manage such *Risks* by integrating them into business processes, and conducting measuring for continuous improvement.

At Globalvia, this System includes:

- Corporate Tax Policy.
 - Tax Risks Map.
 - Tax Management procedures and processes, together with established controls and evidence.
 - Reporting to the Compliance Committee and Risk Committee and, where applicable, the Audit and Risk Commission and the Board of Directors.
- **Tax control group:** includes the *Globalvia Group* and those organisations subscribing to the Tax Compliance Management Model at the decision of their governing body.
 - **Tax/fiscal risk:** this is the risk that a tax contingency will arise. A list of tax contingencies is provided in the Catalogue of *tax risks* and parameters of expected conduct.

1.1. Object

This Document is based on the Corporate Tax Policy, *Compliance Policy* of the *Globalvia Group*, and on the Structuring Document of the *Compliance Management System*. It provides a structured description of the elements that the *Globalvia Group* has in place with regard to the prevention, detection and management of Compliance Risks, with particular regard to *Tax Risks*, to ensure compliance with the provisions of Spanish tax and criminal legislation and achieve the strategic and operational Tax Compliance objectives of the *Organisation*.

Its main purpose is to outline the structure of an environment of prevention, detection and an adequate response to *Tax Risks*, and to reduce their undesired effects should they materialise, helping to generate a culture of ethics and law abidance among all

of the *Members of the Organisation* in the aspects applicable to them, so that they all reflect it in their daily conduct.

The *Tax Risks* whose prevention, detection and management are covered in this Document include both those generating only administrative breaches and those that may result in criminal offences.

1.2. Scope

In general terms, the requirements set out in this Document are projected upon the *Organisation's* activities or processes involving exposure to *Tax Risks* and primarily on risks whose assessment indicates that they are higher than low.

The contents of this Document apply to all *Members of the Organisation* regardless of their position and geographical location, insofar as they all have the obligation to contribute to the correct development of the *Organisation's Tax Compliance Management System*.

The contents of this Document shall also be extended, in full or in part, to *Business Partners* where the specific circumstances of the case so advise, thereby fulfilling the *Organisation's* due diligence processes to ensure compliance with tax regulations establishing the obligation of the *Globalvia Group* to monitor the conduct of persons subject to the authority of the legal representatives and directors of the legal entity, whether or not legally appointed, and who may have engaged in criminal conduct through serious breach of the duties of supervision, oversight and control over them, account taken of the specific circumstances of the case, regardless of whether they are *Members of the Organisation* or *Business Partners*.

2. Tax Strategy of the Organisation

The Tax Strategy of the *Globalvia Group* is set out in the Code of Conduct of the *Globalvia Group*, the *Compliance Policy*, the Corporate Tax Policy and the Catalogue of *Tax Risks* and the parameters of expected conduct. It ties in with the ethical values of the *Globalvia Group*, thereby ratifying its willingness to maintain respectful conduct both with respect to tax rules and its ethical values by defining its framework of parameters of expected conduct and tax compliance principles.

The strategy is aligned with the culture of integrity and respect for rules in place at the *Globalvia Group* and takes into account both the interests of the *Organisation* and the demands of its *Stakeholders*. In this regard, the text is aligned with the strategic objectives of the *Globalvia Group* and specifically with its attitude of (i) zero/tolerance towards the wilful commission of tax infringements and (ii) minimising the culpable or negligent commission of such infringements.

The *Members of the Organisation* will be linked to compliance with the *Globalvia Group's* Code of Conduct, the *Compliance Policy*, the Corporate Tax Policy, the Catalogue of *Tax Risks* and parameters of expected conduct, and all documents developing these.

3. Stakeholders

Although *Tax Risks* can arise at any level of the *Organisation*, the groups with the greatest exposure to *Tax Risks* are generally considered to be the following: Customers, Employees, Shareholders, Board of Directors, Providers, Public Administrations, Company, Non-profits. An updated and detailed list of stakeholders, requirements and minimum measures to adopt for each is contained in the *Catalogue of Tax Risks and parameters of expected conduct and other tax details*.

4. Roles and Responsibilities

The responsibilities of the *Board of Directors*, *Senior Management*, the *Compliance Committee* and the *Risk Committee* with regard to the *Tax Risk* prevention objectives of the *Tax Compliance Management System* are those set out in the *Structuring Document for the Compliance Management System*, the *Corporate Tax Policy*, and *Globalvia's ERM Risk Management Policy*. Similarly, the responsibilities of the holders of the processes and controls and the divisions tasked with the management and oversight of the *Tax Compliance Management System* are as follows: Tax Function, Risk Control and Management (Management Control), Internal Audit, and Integrated Management System.

The *Tax Compliance Management System* requires proper integration of the different structures and processes of the *Organisation* that carry out tax-related activities.

Therefore, and so as not to replicate structures or processes that may become ineffective, the *Compliance Committee*, in carrying out its duties, interacts with the divisions of the *Globalvia Group* concerned with the Tax Function (based in the Tax Department of *Globalvia Inversiones* and in the Human Resources and Administration Departments of *Globalvia Inversiones*, as well as in the same departments of the subsidiaries), promoting stable communication flows or collaboration spaces for the early prevention, detection and management of *Tax Risks*.

In addition to those functions assigned to it under the *Compliance Policy* of the *Globalvia Group*, the *Board of Directors* is tasked with the following in relation to tax compliance:

- a) Establishing and defending, as one of the fundamental values of the *Organisation*, that the actions of its members always comply with the legal system in general, and with tax rules in particular, by promoting an appropriate *Compliance* culture within the *Organisation*.
- b) Ensuring that the *Organisation's* strategy and *Corporate Tax Policy* are in line with each other.
- c) Periodically reviewing the effectiveness of the *Tax Compliance Management System*, modifying it, where appropriate, when breaches are detected or changes take place in the *Organisation*, the control structure, or the activity performed.
- d) Ensuring that procedures are put in place outlining the process for forming the will of the *Organisation* and making and implementing decisions, thereby

promoting a Compliance culture that ensures high ethical standards of behaviour.

- e) Requiring that the *Tax Compliance Management System* receive the appropriate and sufficient financial, material and human resources for it to function effectively.
- f) Establishing a *Tax Compliance* body to which the supervision of the functioning and execution of its management system is entrusted, granting it independent initiative and control powers in order for it to be able to undertake its job effectively. In this case, Globalvia's *Compliance Committee* will act as the Tax Compliance body and assume those powers.

An updated list of the specific responsibilities of the diverse areas involved in the main processes and procedures supporting the *Tax Compliance Management System* is contained in the *Catalogue of Tax Risks and parameters of expected conduct and other tax details*.

Communication of questions and behaviours: in the event of questions or suspicions about the content of this procedure, the *Compliance Committee* must be contacted immediately through any of the channels provided for this purpose, as set out in the *Compliance Policy*.

5. Tax Risk Management Methodology

The *Tax Risks* management model is aligned with the risk identification and assessment methodology of the Integrated Risk Management System (ERM) implemented in the *Organisation* and set out in *NG06 Integrated Risk Management System and NG06-A01 Globalvia Risk Management Methodology*.

5.1. Identification of risks

The *risks* that may impede achievement of the established compliance or strategic objectives will be identified. This identification will be carried out through an analysis of the applicable regulatory framework and industry *best practices*, together with the *risks* identified by the Tax Department or third parties in previous periods. The Tax Department shall ensure that, among other measures, the identification of *risks* considers these aspects:

- Segregation of functions to ensure the correct review of tax matters.
- Review of the correct application by the different departments of Group companies and subsidiaries of the criteria outlined by the Tax Department in the application of taxes.
- Review of the tax treatment applied in corporate operations.
- Seeking of opinions of external consultants in order to evaluate the criteria adopted in critical-risk cases.

- Monitoring of the development and management of risks identified in previous financial years and their possible development over future financial years.
- Identification in future years of risks detected in inspections conducted in previous years.
- Monitoring of changes in regulations and case law in order to identify changes in the interpretation of the application of rules by the Administration and the Courts.
- Incidents and recommendations resulting from the monitoring of the effective and correct implementation of the controls established in the processes and procedures.

As detailed in the *Catalogue of Tax Risks and parameters of expected conduct*, tax risks in the *Globalvia Group* universe are classified by their nature and what they involve.

- FIS_R1 Late tax filing.
- FIS_R2 Non-filing or filing with errors. Incorrect calculation of tax.
- FIS_R3 Tax operations open to regularisation under anti-avoidance rules and valuation of related-party transactions.
- FIS_R4 Assumption of third-party tax debts.
- FIS_R5 Commission of tax violations, negligent or intentional conduct and commission of offences.
- FIS_R6 Breach of formal obligations.
- FIS_R7 Resistance, obstruction, excuse or refusal in response to the actions of the Tax Authority.

An updated description of the risks and the breakdown of application by tax are contained in the *Catalogue of Tax Risks and parameters of expected conduct and other tax details*.

5.2. Risk assessment

In accordance with the provisions of the ERM Comprehensive Risk Management System, after identifying the risks that could affect the Group, these must be assessed and prioritised to determine their potential effect on the achievement of Globalvia's objectives and to put in place appropriate measures for their management and control. In this analysis, a distinction must be made between the risks applicable to all taxes and risks that only apply to certain countries and which, consequently, only affect a particular business or the corporation.

The *tax risks* will be assessed by the Group's Tax Directorate with the collaboration of the internal managers tax practice of each subsidiary, taking account of the following aspects:

- At least once a year.
- At specific times, following internal changes (organisational/structural changes in Globalvia) or external changes (changes to the regulatory or legislative framework).
- Exceptionally, if a *Tax Risk* arises.

The impact and probability of occurrence of the *Tax Risk* will be assessed using the impact and probability scales outlined in Annex III to the *Globalvia Risk Management Methodology* document.

The impact analysis is based on the individual classification of three different impact categories: economic impact (EBITDA/Cashflow considering the Legal/Regulatory aspect of liabilities, penalties and surcharges), image impact and media echo, and impact on continuity. The probability assessment determines the level of occurrence of each risk based on possible events.

Two aspects are outlined below that are of particular relevance when applying risk assessment methodology to tax matters in the framework established in the *Globalvia Risk Management Methodology* and the Structuring Document for the *Compliance Management System*:

- *Tax risks* must be assessed in a specific way, considering the specific risk for each type of tax affected by each risk nature on a common basis for all taxes, VAT, personal income tax, corporate tax, other taxes, etc. The assessment will then be carried out by aggregating them according to impact and probability following Group methodology.
- As part of the annual risk assessment process, once the Inherent Risk has been determined, an assessment will be made of the Level of Control of each risk in order to obtain the residual risk resulting from the application of that level of control. The level of control only affects the axis of the probability of materialisation of the risk (reducing it if a robust control system is in place).
- In accordance with the Structuring Document for the *Compliance Management System*, the Level of Control must be assessed in accordance with the levels and ratings based on the level of development of the scope of the controls (mitigating effect) and the history of incidents and sanctions (mitigating effect).

By placing all risks on the same global scale, it is possible to compare the importance of the different exposures across all business areas, taxes and geographies. To complete the inherent risk assessment, the *Compliance Committee* performs a global *reality check* of the risk level, based on the most critical risk activities or events identified. This provides a basis for setting the control objectives and controls that could mitigate critical risks. The residual risk is assessed later, after applying the oversight and control measures in place at the company.

5.3. Control activities

In order to guarantee and provide appropriate levels of risk response, the management units for corporate risk, business risk, country risk and concession risk are directly responsible for implementing the appropriate due diligence and mitigation measures and for monitoring compliance by all staff in their charge who have a direct or indirect relationship with the business activities associated with the risk.

Management Control has direct responsibility for informing the Risk Committee of changes to processes or new control activities offering a response to these risks. It is supported in this task by the Tax Department, which, together with the divisions concerned, proposes the necessary *Tax Risk* action plans, detailing the main actions to be undertaken, a rough budget, the implementation period and the leaders and/or persons associated with their implementation, and conducts the monitoring of the plans.

5.4. Reports and information

The Tax Department shall advise and support the rest of the *Organisation* in relation to this procedure, identify the **groups particularly exposed to Tax Risks**, and determine specific **training and awareness-raising** needs for their subsequent reporting to the *Compliance Committee* under the guidelines set out in Globalvia's *Structuring Document for the Compliance Management System*. The Compliance Committee, assisted by Human Resources, must consolidate the training and awareness-raising needs in order to create and implement regular training programmes adapted to the risk level of the person in training, setting out guidelines as to the minimum content of the courses to be delivered.

The internal heads of tax practice at the subsidiaries must tailor the training programme to the needs of each country/region, identifying whether the courses must be adapted to the regulations and/or best practices of the country, communicating such need to the Group's Tax Department.

The Tax Department will also draw up an Annual plan for the communication and dissemination of the *Tax Compliance* culture in coordination with the Talent Management, Communication and CSR Department.

6. Monitoring and Reporting

In addition to the monitoring and reporting activities outlined in the *Structuring Document for the Compliance Management System* and the Globalvia Risk Management System, the following actions will be implemented within the *Tax Compliance Management System*:

6.1. Reporting

The operational management of the System is structured around the following reports:

6.1.1. Internal operational reports

- *Compliance Committee Report:* Each year, the Group's Tax Directorate updates and reports on any changes to the *tax risks* universe and map. It also publishes an annual report on the management activity and work carried out on the *Tax Compliance Management System*.
- *Report to the Audit and Risk Commission:* Each year, the *Compliance Committee* produces a report containing the annual reports with the management and supervisory activity carried out in the *Tax Compliance Management System*, in addition to the proposed annual work plan to be approved by the Audit and Risk Commission.
- *Model updates process:* as outlined in the *Structuring Document for the Compliance Management System and the Risk Management System* of Globalvia, the following process shall be performed at least annually:
 - *Management Control Report:* each year, it shall submit a report to the *Compliance Committee* through the Group's Directorate of Tax Consultancy, with the result of the tax control model self-assessment to enable the *Compliance Committee* to assess the level of risk mitigation and incorporate it into the residual risk assessment of the *tax risks* map.
 - *Report to Group's Tax Directorate:* to enable the model updates process, the internal heads of tax practice at each subsidiary must report annually to the Director of the Tax Directorate of the *Globalvia Group* with the updated Tax Risks Map, certain tax estimates and judgements, scheduled dates, obligations, etc.
- As part of the process of reporting and collaboration among governing bodies and with the aim of gaining enough knowledge to evaluate new risks and manage the actions of the control model properly, the *Compliance Committee* shall provide the Risk Committee each year with the breakdown of the most significant *tax risks* arising with the measures adopted and the development of the indicators.

6.1.2. External reports

- *Reports to the regulator:* The Group's Tax Department will produce the reports required by the regulator for compliance with the established legal requirements.
- *Reports to Stakeholders:* If reports must be produced for stakeholders or concerned persons and entities in the different countries, such as associations, partners, providers, financial institutions, etc., on the actions taken with regard to

Tax Compliance, the Group's Tax Department, under the supervision of the *Compliance Committee*, will prepare their contents.

6.2. Oversight

The self-assessment and reporting processes of the model, together with those of monitoring and oversight to be carried out by the Internal Audit Function set out in the Globalvia Risk Management System and the *Structuring Document for the Compliance Management System* shall apply to ensure that the control and management exercised by *Tax Risk* managers are in accordance with the established response levels.

It should also be noted that the Group's Tax Department is tasked with the responsibility to oversee the proper functioning of the *Tax Compliance Management System* and compliance with the Corporate Tax Policy and with this document.

This oversight function will be performed essentially through any reviews or investigations that it may require. Taking into account the point in time and purpose for which they are performed, they will be classified in accordance with the powers of the *Compliance Committee*. The legal limits to which the oversight function and its investigations must adhere shall always be respected. If it is considered that it may constitute breach of the Code of Conduct or a tax offence under criminal law or constitute evidence of corruption, it must be reported and processed by the *Compliance Committee* under the terms of the Group's *Compliance Policy*.

Should an administrative authority launch an inspection or make a request for information, Globalvia shall consider conducting the necessary reviews of their purpose in order to determine how to proceed. Responsibility for overseeing the management of such reviews lies with the Group Tax Department, so it must be kept up to date on them.