

Basic Internal Audit Regulations

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INTRODUCTION

These *Basic Internal Audit Regulations* (the “**Basic Regulations**”) govern the nature, organization, competencies, powers and duties of the Internal Audit and Risk Area of NEOENERGIA, S.A. (the “Internal Audit and Risk Area” and the “**Society**”, respectively) which affects the various society of the group, whose dominant entity, in the sense established by law, is the Society (the "Group").

These Basic Regulations have been approved by the Society’s Board of Directors pursuant to the proposal of the Audit Committee (the “**CAUD**”), all in accordance with the provisions of the Internal Regulation of the Audit Committee integrated into Society’s Governance and Sustainability System.

TITLE I. - NATURE AND REGULATION

Article 1 - Nature of the Internal Audit and Risks Area

The Internal Audit and Risk Area is hierarchically subordinated to the Society’s Board of Directors and functionally reports to the CAUD. Its basic activity consists of independently and proactively endeavoring to ensure the effectiveness of the governance, risk management and internal controls within the Neoenergia Group’s scope.

Article 2 - Regulation

1. Internal regulations:

The Internal Audit and Risk Area is governed by the provisions of these Basic Regulations and, as required, by the applicable provisions of the applicable bylaws or regulations of the Group societies.

2. External regulations:

Without prejudice to the provisions of the Governance and Sustainability System, these Basic Regulations and the other internal rules of the Society, professionals in the Internal Audit and Risk Area who perform Internal Audit functions, shall conform their activities to the International Standards for the Professional Practice of Internal Auditing approved by the Institute of Internal Auditors (IIA), which contains, among other aspects: (i) the definition of internal audit; (ii) the International Standards for the Professional Practice of Internal Auditing in effect from time to time; and (iii) the Code of Ethics.

TITLE II. ORGANIZATION OF THE INTERNAL AUDIT AND RISCKS AREA

Article 3 - The Internal Audit Director

The head of the Internal Audit and Risk Area will report to the Board of Directors directly or through the CAUD.

CAUD is the body that evaluates the operation of the Internal Audit and Risk Area and the performance of the director thereof pursuant to the provisions of the Internal Regulations of the Audit Committee.

As provided for in the Governance and Sustainability System, the appointment and dismissal of the person responsible for the Internal Audit and Risks Area is the responsibility of the Society's Board of Directors, after analysis of the proposal by the CAUD and a prior report from the Remuneration and Succession Committee.

The person responsible for the Internal Audit and Risks Area:

i. Manage the operation and budget of the Internal Audit and Risks Area under the principles of independence and efficiency in management, and will be responsible for executing the corresponding measures and action plans and for ensuring the adequate fulfillment of its functions;

ii. Supervise and coordinate its Annual Activity Plan, to which the guidelines and guidelines of the Company's Board of Directors and CAUD will be transferred;

iii. Prepare the Annual Activity Report of the Internal Audit and Risks Area;

iv. Establish guidelines on quality requirements and promotion of certifications and will promote periodic assessments of the Internal Audit and Risks Area;

v. Define the strategic lines and dimension of the internal audit function and risks within the scope of the Company and the group of companies whose dominant entity, in the sense established by law, is the Company (the "**Group**");

vi. Establish an appropriate framework for coordination and information relations with Internal Audit managers in the different businesses of the Group and will develop strategies, guidelines and general supervision of the Internal Audit function within the Group; and

viii. Ensure that professionals in the Internal Audit and Risk Area have the knowledge, skills and experience appropriate to the functions to which they are assigned, especially in matters of Internal Audit, risk management, internal controls and corporate governance.

TITLE III. POWERS OF THE INTERNAL AUDIT AND RISKS AREA

Article 4 - Scope of competence

The Internal Audit and Risks Area will independently and objectively provide consulting services designed to add value and improve the operations of the Society

and the other societies within the Group, providing a systematic and disciplined approach to evaluate and improve the efficiency of the risk management, control, and governance within the Group's scope.

The nature and scope of any consulting works performed by the Internal Audit and Risks Area will be previously agreed with the Board of Directors of the Group's society involved. Under no circumstance, the Internal Audit and Risks Area may assume management responsibilities or partake in executive decisions.

Article 5 - Competencies relating to the Audit Committee

The Society's Internal Audit and Risks Area must assist the CAUD in developing the competencies of this committee, especially regarding supervising the effectiveness of the internal control and risk management system, relations with the account auditor and supervising the process of preparing financial and non-financial information for Group societies.

The person responsible for the Internal Audit and Risks Area will be responsible for preparing the information required by the CAUD. In addition, he will participate in CAUD meetings, in which he is called, if they deal with aspects that are within his respective scope of competence (among others, meetings held on the occasion of the formulation or approval of annual or interim financial information and non-financial information).

In particular, the Responsible for the Internal Audit and Risks Area shall provide to the CAUD, as the case may be, and within their respective areas of operation, the information required for them to: (i) supervise the effectiveness of the internal control and risk management systems; (ii) reach a conclusion as to whether the accounting policies have been properly applied; and (iii) know the significant adjustments identified by the Internal Audit and Risks Area, as the case may be, in the review of the financial and non-financial information.

The Internal Audit and Risks Area will be the regular body for communication between the CAUD and the rest of the Society, without prejudice to provisions of the Internal Regulations of the Board of Directors and the Internal Regulations of the Audit Committee, in relation to the functions entrusted to other areas, in particular to the Secretary of the Board of Directors.

Article 6 - Competencies to supervise the effectiveness of the internal control systems

The Internal Audit and Risks Area will objectively and independently oversee the effectiveness of the internal controls implemented within the Group's scope, composed of a set of risk management and control mechanisms and systems. By way of example and not as a limitation, within the scope of their respective roles, it will be responsible for supervising:

- i. The effective operation of the comprehensive risk control and risk management implemented within the Group's scope, as described in the

General Corporate Risk Management Policy, and the adaptation thereof to ensure compliance with the Risk Policies;

ii. The effective operation of the Internal Control over Financial Reporting (ICFR) System established by the Society for preparing and presenting the financial information of the group of Societies within the Group, including information that the Society must periodically publish due to its status as a listed society;

iii. The effective application of the rules, the protocols, procedures and material actions that making up the Society Group's compliance system, which is intended to prevent, manage and mitigate the risk of regulatory and ethical non-compliance as well as programs to prevent the perpetration of crimes;

iv. The effective operation of the overall framework for the control and management within the Group's scope cybersecurity risks, as well as the framework for the governance and management of the processes and actions relating to information technology (IT) within the Group's scope.

v. The effective operation of the mechanisms established within the Group's scope for the implementation of the environmental and social policies.

vi. Verification that the investment and divestment procedures comply with applicable risk policies and guidelines and that the procedures pursuant to which they are performed ensure proper internal control and effective management of the related risks; and

vii. The effective operation of the Internal Control over Non-Financial Reporting (ICNFR) System established by the Society for preparing and presenting the financial information of the group of societies within the Group.

The Internal Audit and Risks Area will also engage in any other actions needed to perform their duty of ensuring the effective operation of internal control system established within the Group.

The Internal Audit and Risks Area shall also have such other powers of a singular or permanent nature as are assigned thereto by the Board of Directors of the Society or that are vested therein by the Governance and Sustainability System.

In performing the aforementioned duties, as well as in preparing the annual activity plans provided for in article 8 of these Basic Regulations, they must take into account the powers of assurance of other areas of the Society and other societies within the Group in order for the responsibilities of the Internal Audit and Risks Area to be clearly defined and exist proper mechanisms of coordination with other assurance functions.

Furthermore, the Internal Audit and Risks Area, as applicable, must be informed of the provision of any assurance services to the societies within the Group by external service providers. The Internal Audit and Risks Area will be responsible for coordinating such services when related to their respective areas of operation.

TITLE IV. RESOURCES, BUDGET AND ANNUAL ACTIVITY PLAN

Article 7 - Material and human resources

The Internal Audit and Risks Area will have access to the human, financial and technological resources necessary to perform their duties.

Article 8 - Annual activity plan and budget

The director of the Internal Audit and Risks Area will prepare a proposed Annual Activity Plan of the Internal Audit and Risks Area (“**Activity Plan**”) and will submit it for the approval of the CAUD. Such proposal will:

- i. Contain the budget of the Internal Audit and Risks Area for the development of its activities during the next financial year;
- ii. Take into account the main financial and non-financial risk areas of the business, including reputational risks;
- iii. Clearly identify and define the responsibilities of each business for proper coordination with any other assurance functions, such as the risk management and control, financial information control, compliance and external audit units;
- iv. Establish the audit objectives and the work to be performed, as well as the resources necessary for the implementation thereof, both human (internal and external) and financial and technological; and
- v. Consider any suggestions informed by the Board of Directors, the CAUD and the members of senior management.

Once approved by the CAUD, the Activity Plan and the Budget for the Internal Audit and Risks Area will be sent for approval by the Society’s Board of Directors.

The Director of the Internal Audit and Risks Area will periodically review their respective annual Activity Plans in order to evaluate the adequacy thereof to cover the risks identified and, if applicable, propose to the CAUD for approval of the changes and modifications considered as appropriate.

Compliance with the Activity Plan will be one of the objectives of the Person Responsible of the Internal Audit and Risks Area.

Article 9 - Activity report and recommendations

The Person Responsible for the Internal Audit and Risks Area will periodically report to the CAUD the execution of the Activity Plan, including the possible incidents and limitations arising from the development thereof, as well as the results and developments of the recommendations from the Internal Audit and Risks Area. Likewise, it will present a report on its activities at the end of every financial year. The report must contain at least a summary of the activities performed and reports issued

during the financial year, explaining the works provided for in the Activity Plan has not been carried or performed pursuant to the initial planning, as well as an inventory of weaknesses, recommendations, and action plans.

In particular, the Person Responsible for the Internal Audit and Risks Area will regularly report to the CAUD the recommendations resulting from the audit work and the status thereof, if any.

The Person Responsible Director for the Internal Audit and Risks Area will also periodically report to the CAUD on whether the Society's managers consider the conclusions and recommendations contained in their reports.

TITLE V. POWERS AND DUTIES

Article 12 - Powers

The Internal Audit and Risks Area will, through its Person Responsible, have access to the documents, information or information systems it deems necessary or appropriate for the exercise of its powers, without prejudice to the compliance with the law and the internal rules of the Society of the other societies in the Group.

In the exercise of its powers, the Internal Audit and Risks Area may obtain assistance from any officer or employee of the Society, as well as from other specialized areas both within and outside of the Society.

The Person Responsible for the Internal Audit and Risks Area will act transparently, informing the affected parties of the purpose and scope of its activities whenever practicable.

Article 13 - Duties

The members of the Internal Audit and Risks Area must:

- I. Independently act with respect to the rest of the organization and perform their work with the utmost diligence and professional competence.
- II. Refrain from disclosing any information, data, reports, or background information to which they may have access while in office, nor use any of the foregoing for their own benefit or that of third parties, without prejudice to any applicable duties of transparency and reporting. This duty of confidentiality will survive even when they leave office.

TITLE VI. COMPLIANCE, INTERPRETATION AND AMENDMENT

Article 14 - Compliance

The members of the Internal Audit and Risks Area have the obligation to know and comply with these Basic Regulations, for which purpose they shall be permanently published on the corporate web page of the Group and will form part of the Group's management tools. The Internal Audit and Risks Area will thus inform all of their members of any amendment to these Basic Regulations.

The professionals of the societies within the Group have the obligation to know these Basic Regulations to comply with the provisions applicable thereto, for which reason the Internal Audit and Risks Area shall ensure the proper dissemination hereof.

The Person Responsible for the Internal Audit and Risks Area will have the duty to ensure compliance with these Basic Regulations.

Article 15 - Interpretation

Any questions or disputes regarding the interpretation of the Basic Regulations will be settled by the Person Responsible for the Internal Audit and Risks Area, who will take into consideration the provisions of the Governance and Sustainability System and, in absence of which, the International Standards for the Professional Practice of Internal Auditing approved by the Institute of Internal Auditors (IIA). In the event of questions or conflicts, the opinion of the CAUD will be requested.

The Person Responsible for the Internal Audit and Risks Area will inform the following of the interpretation criteria used hereunder: (i) the heads of the Internal Audit of the different businesses in the Group; and (ii) the secretary of the CAUD, who in turn will communicate them to the Secretary of the Board of Directors.

Article 16 - Amendment to the Basic Regulations

Any amendment to these Basic Regulations must be approved by Board of Directors, after prior proposal submitted to CAUD.

Without prejudice to the foregoing, the Board of Directors may make amendments to these Basic Regulations without a prior proposal by CAUD - within the context of reforms to the Governance and Sustainability System recommending or requiring technical, non-substantive amendments to the Basic Regulations.

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