

## CESCE Group Complaints Channel Procedure

Internal reporting channels are an effective tool to detect irregularities that would go unnoticed by other controls; however, they must comply with technical and legal measures that guarantee the rights of the concerned.

### REGULATION IN FORCE

Current legislation requires that the Criminal Risk Prevention Model include the establishment of a reporting channel, item that is also emphasized by the guidelines of the General Directorate of State Assets in compliance with the requirements of the Penal Code. It is also implicitly included in the LOSSEAR (Law on Regulation, Supervision and Solvency of Insurance and Reinsurance Undertakings), transposing the concepts of governance of the European Solvency II Directive.

- **Penal Code:** requisites of the models for the prevention and mitigation of criminal offences:

Obligation to report possible risks and non-compliance to the body in charge of monitoring the functioning and observance of the prevention model. The entire organization must obligatorily report to the corresponding body, purpose for which a procedure and the relevant complaint channels must be established.

- **Guide for the prevention of penal risks** (General Directorate of State Assets):

Reporting possible risks and non-compliance is made compulsory, indicating the need to establish reporting channels.

- **LOSSEAR**

Article 66. System of risk management, internal risk assessment and solvency, internal control system and functions of the system of governance.

*“The insurance and reinsurance undertakings shall establish an efficient risk management system comprising the strategies, processes and information procedures needed to continuously identify, measure, monitor, manage and notify the risks to which they are, individually or jointly, exposed, and their interdependencies.”*

*“This system shall at least consist of administrative and accounting procedures, an adequate structure, appropriate information mechanisms at all corporate levels and a function for compliance verification.”*

## COMPLAINTS CHANNEL CESCE GROUP

- **Scope**

This channel is established to enable all employees of CESCE Group, including the Latin American affiliates, as well as all third parties maintaining a contractual relationship with the different companies of the Group (agents, clients, suppliers, etc.) and any other interest group, to inform on non-compliance in respect of the principles and values of CESCE Group, as compiled in the respective codes of ethics.

- **Channel**

An e-mail address will be established as channel for the communication of any incident ([canal.denuncias@grupocesce.es](mailto:canal.denuncias@grupocesce.es)) with access restricted to the person in charge of the channel – the Head of CESCE's Legal Unit-, who will act as Head of Prevention of Criminal Risks and who, in case of absence, may delegate to one of the members of the Compliance Committee of the Criminal Risk Prevention Model.

Accessibility will be facilitated incorporating an easy entry on the intranet or on the website of the CESCE Group companies.

It shall guarantee the exercise of the rights conferred by the LOPD (Law on the Protection of Personal Data), in particular in respect of the subject of the complaint, its rights of access, rectification, cancellation and objection. In no case shall the complainant's identity be revealed as a consequence of the former exercising its right of access.

Due to the nature of the internal complaints system, it is foreseeable that especially protected data may be dealt with, entailing the need to establish high-level security measures.

- **Anonymity**

Anonymous complaints shall not be processed. The current requirements of the Spanish Data Protection Agency will be followed for reasons of accuracy.

The complainant must provide his first and last name and, voluntarily, any other data of identification, as well as an electronic address for contact.

- **Confidentiality**

CESCE guarantees the complete confidentiality of the complainant, of the subject of the complaint and of other possibly related persons, as well as of the contents of the complaint.

- **No retaliation**

CESCE shall guarantee the absence of retaliation of any kind for complaints submitted in good faith, the complainant having reasonable grounds for sustaining them.

Furthermore, any complaint willfully false may entail company action against the complainant.

- **Information**

The person that made the complaint shall be informed in a precise and concrete manner on the decisions that have been reached.

Procedures shall be established that guarantee the confidentiality of the complaints submitted and all other information registered by the complaints system.

Access to the contents of the complaints shall be limited to the users in charge of the investigation, who must sign reinforced commitments of confidentiality.

In no case, the complainant's identity shall be revealed to the subject of the complaint.

A system shall be established that registers all access made to the complaints system.

The data processing systems shall guarantee confidentiality and allow for the traceability of the action taken. It shall not be possible to delete any record, without prejudice to due data cancellation as provided for by the LOPD.

- **Personal data protection**

In compliance with Organic Law 15/1999, of 13 December, on the Protection of Personal Data and its implementing regulations, any personal data that, if so, may have been provided with the complaint, will be incorporated into a file owned by CESCE, S.A. that complies with the safety measures legally required.

The main purpose of the procedure is to manage and process the corresponding complaints regarding irregularities or breaches of the principles and values proclaimed in CESCE's Code of Ethics. Our complaints channel is common to all

companies of CESCE Group, wherefore CESCE may assign the referred personal data to its affiliates if necessary for the investigation, processing and/or resolution of a complaint.

Furthermore, you may at any time exercise the rights of access, rectification, cancellation and objection you are legally entitled to by mailing a written communication to the attention of the Head of CESCE's Legal Unit at Calle de Velázquez 74 in Madrid or via electronic mail to [canal.denuncias@grupocesce.es](mailto:canal.denuncias@grupocesce.es).

- **Independence**

CESCE guarantees Independence with respect to the different decision-making bodies of the companies.

CESCE's complaints channel will be managed by the Head of CESCE's Legal Unit, who shall be in charge of Criminal Risk Prevention of CESCE Group and report directly to the Presidency, to the Delegate Committee of Enterprise Risk and to CESCE's Board of Directors.

- **Communication and training**

Prior, accurate and unambiguous information shall be provided on the existence of the reporting channel. Information must be supplied specifically on the existence, purpose and operation of the system, the addressees of the complaints and on the exercise of the rights of access, rectification, cancellation and objection to the processing granted by the LOPD.

The Compliance Committee of the Criminal Risk Prevention Model shall coordinate and monitor communication and training measures needed to insure that all members of the organization are aware of its existence and its way of operation. Following the same criteria concrete evidence must be secured that all employees have received such information.

Likewise, steps shall be taken to insure that all collaborators (interest groups) of CESCE Group companies are apprised of this channel.

Group companies currently involved in any such action as referred must warrant that such action complies with the requirements established for the Group.

- **Reporting**

The person in charge of Criminal Risk Prevention of CESCE Group shall, maintaining confidentiality, inform the Presidency, the Management Committee, the Enterprise Risk Committee and the Compliance Committee of the Criminal Risk Prevention Model regarding the action taken in the context of the operation of this channel.

Likewise, this person shall inform the decision-making bodies of the companies of CESCE Group of such files where the complaint refers to any one of these companies.

- **Handling of situations discriminatory or detrimental to workers' rights**

Presently, several Group companies implement a specific procedure for reporting and handling situations discriminatory or detrimental to workers' rights, which *a priori* should be incorporated into that of the complaints channel.

Nevertheless, given its specificity as well as its significance in the area of labour and workers' rights, it is considered convenient to maintain the procedure for discriminatory situations in the companies that to-date already have one -such procedure being independent from the Complaints Channel-, wherefore any communication received by the Complaints Channel shall be redirected to the Director of Human Resources of the company concerned and vice-versa.

Without detriment to due confidentiality being observed at all times, the person responsible for Criminal Risk Prevention at CESCE shall be informed of the complaints raised and their corresponding processing and resolution.

- **Deadlines**

Deadlines established in the procedure refer to working days as set forth by the calendar of Madrid, Spain.

## PROCEDURE

### I. STAGE OF COMMUNICATION

#### Communication

<i>In charge</i>	<i>Action</i>
Head of CESCE'S Legal Unit	<p>An e-mail address/ entry common to all companies will be activated on our web page and in the intranet for the communication of complaints: <a href="mailto:canal.denuncias@grupocesce.es">canal.denuncias@grupocesce.es</a>, managed by a single person, the Head of CESCE's Legal Unit.</p> <p>The complaint must include the following:</p> <ol style="list-style-type: none"> <li>1. Name and ID number (or similar) of the complainant;</li> <li>2. Company of the complainant;</li> <li>3. Contact data: phone number, e-mail, etc.</li> <li>4. Contents of the complaint: clear and detailed statement of the facts, company/area affected and the date or period when they have occurred and identification of the people possibly responsible. Moreover, the complainant may accompany any evidence at hand.</li> </ol> <p>All requests or communications shall be dealt with confidentially.</p> <p>CESCE guarantees the security of the channel and the correct registration of all communications received.</p>

#### Communication- Reception

<i>In charge</i>	<i>Action</i>
Head of CESCE'S Legal Unit	<p>Receipt shall be acknowledged within 3 working days subsequent to reception of the complaint, informing the complainant at the address provided with its contact data.</p>

#### Cases of discrimination or injurious behaviour

<i>In charge</i>	<i>Acción</i>
Head of CESCE'S Legal Unit	<p>In case there is a specific procedure, the complaint received through this channel is forwarded to the Human Resources Director of the company concerned within a maximum of 3 working days.</p> <p>Within the same period, the complainant shall be notified that the complaint has been redirected.</p> <p>The Head of CESCE's Legal Unit shall be informed of the fact that the complaint filed is effectively processed and resolved by the HR Director of the Company concerned.</p>

### Information to the Compliance Committee of the Criminal Risk Prevention Model

<i>In charge</i>	<i>Action</i>
Head of CESCE's Legal Unit	The Compliance Committee of the Criminal Risk Prevention Model shall be informed within the same period.

<i>In charge</i>	<i>Action</i>
Compliance Committee of the Criminal Risk Prevention Model	During all stages of the procedure the complainant, the subject of the complaint or any person related to the file may ask the Compliance Committee of the Criminal Risk Prevention Model for information about it.

## II. STAGE OF ANALYSIS

A maximum period of 5 working days as from the receipt of the complaint is established for analysis in order to determine whether it is admitted for processing and management.

### Analysis of the complaint

<i>In charge</i>	<i>Action</i>
Head of CESCE's Legal Unit	<p>Preliminary analysis of the complaint in order to determine whether admission to processing is appropriate.</p> <ol style="list-style-type: none"> <li>1. To this end, grounds for the inadmissibility of the complaint are: <ul style="list-style-type: none"> <li>• Anonymous complaints;</li> <li>• Complaints received through channels different from the established in this procedure (verbally, by phone, etc.);</li> <li>• Contents of the complaint do not entail a breach of the principles and values defined in the Code of Ethics;</li> <li>• Facts patently unfounded and lacking any accreditation;</li> <li>• Inexistence of reasonable evidence to uphold the same;</li> <li>• Generic, imprecise and vague description of the facts. Prior to the rejection of a complaint on these grounds, the Head of CESCE's Legal Unit shall inform the complainant of the deficiencies of the complaint and grant 5 working days so he may proceed to duly clarify, specify and point out the facts referred. If such deficiencies are not remedied during the aforementioned period, the complaint shall not be admitted to processing.</li> </ul> </li> </ol> <p>In case of inadmissibility, the complainant shall be informed in writing and at the contact address provided of the decision of inadmissibility, stating and sufficiently substantiating the grounds backing the decision taken.</p>

	<p>Copy of the decision of inadmissibility will be forwarded to the Compliance Committee of the Criminal Risk Prevention Model.</p> <p>With this notification, the file will be closed.</p> <p>The complainant may include the information he considers appropriate to reopen the file.</p> <ol style="list-style-type: none"> <li>2. If the complaint meets the defined requirements, it is considered admissible and the study process will begin.</li> <li>3. If the complaint admitted is related to another already open file where facts substantially the same or connected are investigated, aggregation could be agreed for processing and resolution in one single procedure.</li> </ol>
--	--

#### Information for the complainant

<i>In charge</i>	<i>Action</i>
Head of CESCE's Legal Unit	During the stage of analysis of the complaint, the Head of CESCE's Legal Unit shall inform the complainant that the complaint has been admitted to processing within a period not exceeding 3 working days subsequent to the decision of analysis.

#### Information for the subject of the complaint

<i>In charge</i>	<i>Action</i>
Head of CESCE's Legal Unit	In the stage of analysis of the complaint, the Head of CESCE's Legal Unit shall inform the proper subject of the complaint of the facts alleged, save it is deemed that such information should be postponed in order to not frustrate the investigation and preserve evidence avoiding their destruction or alteration. In any case, the subject concerned shall be informed within a maximum of 3 months as from the filing of the complaint.



### III. STAGE OF INVESTIGATION

For the investigation, a maximum period of three months is established as from the receipt of the complaint. This period may be extended for another up to one month in the event that the facts investigated are complex or special technical, accounting or computer knowledge is required, as well as in case of accumulation of complaints.

#### Investigation

<i>In charge</i>	<i>Action</i>
Head of CESCE's Legal Unit	<p>Reinforced commitments of confidentiality as well as a declaration certifying that there is no conflict of interest are provided by the people involved in the investigation.</p> <p>Collaboration of the employees of any of the companies whose knowledge or implication is required for the investigation is guaranteed.</p> <p>Incorporation of a person during the stage of investigation automatically entails its functional dependence from the Head of CESCE's Legal Unit, who will inform its supervisor of the need for its temporary collaboration with the Head of CESCE's Legal Unit as Head of Criminal Risk Prevention.</p>

#### Investigation

<i>In charge</i>	<i>Action</i>
Head of CESCE's Legal Unit	The Head of CESCE's Legal Unit may designate an instructor within CESCE Group who shall conduct or coordinate the investigation of the contents of the complaint.

#### Investigation

<i>In charge</i>	<i>Action</i>
Instructor	Under the supervision of the Instructor and depending on the contents of the complaint, a team of investigators may be set up with the task to carry out or participate in the investigation.

#### Investigation - Report

<i>In charge</i>	<i>Action</i>
Instructor	<p>The instructor shall prepare a report on the contents of the complaint referring the following:</p> <ul style="list-style-type: none"> <li>• Infringements detected</li> <li>• People possibly responsible</li> <li>• Risks defined</li> <li>• Controls established</li> <li>• Quantification of losses</li> </ul>

	<ul style="list-style-type: none"> <li>• Action plans</li> <li>• Allegations of the subject of the complaint, whom shall be granted reasonable and sufficient time, no less than 10 working days, for the presentation of such allegations and the submission of any evidence he deems appropriate.</li> </ul> <p>The instructor's report must refer proof or evidence, if existing, or their absence, and be submitted to the Head of Criminal Risk Prevention and to the General Counsel.</p>
--	---

#### IV. STAGE OF RESOLUTION

The maximum period for the resolution of the file is 20 working days as from receipt of the instructor's report.

##### Action

<i>In charge</i>	<i>Action</i>
Head of CESCE's Legal Unit  General Counsel  Human Resources  Corresponding Director	<p>In light of the instructor's report, the Head of CESCE's Legal Unit may request that the investigation be exceptionally extended, indicating other items or suggesting elements of investigation when understanding that the investigation might be clearly insufficient or inconclusive. To that end, he will set a deadline of no more than 10 working days for its completion, a complementary report being issued by the instructor during the same period.</p> <p>The Head of CESCE's Legal Unit shall prepare a report on the conclusions of the investigation informing the CESCE Group company related to the complaint (the director of the area affected, the General Counsel and the Director of Human Resources) in order to initiate the implementation of the corresponding action following the conclusions of the investigation carried out.</p> <p>The Head of CESCE's Legal Unit may, at his discretion, dispense with informing the relevant director, submitting the report to the Management Committee, Presidency and the Board of Directors of each of CESCE Group's companies.</p>

##### Legal and labour action

<i>In charge</i>	<i>Action</i>
Head of CESCE's Legal Unit  General Counsel	<p>If needed, claims shall be brought in accordance with the judicial systems of the relevant jurisdictions.</p>

### Information for the complainant

<i>In charge</i>	<i>Action</i>
Head of CESCE's Legal Unit	The results of the investigation shall be communicated in writing via electronic mail to the person that submitted the complaint.

### Information for the subject of the complaint

<i>In charge</i>	<i>Action</i>
Head of CESCE's Legal Unit	The results of the investigation shall be communicated in writing via electronic mail to the person subject of the complaint in accordance with current legislation.

### Registration

<i>In charge</i>	<i>Action</i>
Head of CESCE's Legal Unit	All applications, communications received , as well as all decisions made shall be registered in order to guarantee the traceability of the action taken
Head of IT Security	The Head of IT Security shall verify that the records have been dealt with in accordance with the LOPD.

### Report to the Compliance Committee of the Criminal Risk Prevention Model

<i>In charge</i>	<i>Action</i>
Head of CESCE's Legal Unit	<p>Each year in January, a report to the Compliance Committee of the Criminal Risk Prevention Model and to the Enterprise Risk Committee shall be prepared with the data recorded during the year (January - December): number of complaints, their content, action taken, resolution times.</p> <p>This report shall leave out the identity of the complainant, of the denounced, as well as of those involved in the processing of each file.</p>

### Risks – Monitoring action

<i>In charge</i>	<i>Action</i>
Head of CESCE's Legal Unit	<p>The corresponding negative incident shall be established.</p> <p>The risk map shall be adapted modifying the impact or probability of such risk, if appropriate.</p> <p>Control action shall be reviewed.</p>

<b>COMPLAINTS CHANNEL: PROCEDURE DEADLINES</b>	
	<b>DEADLINES</b>
<b>I STAGE OF COMMUNICATION</b>	
Acknowledgement of receipt	3 working days as from communication of the complaint
Referral to cases of discrimination or injurious behaviour	3 working days as from communication of the complaint
Information to the Compliance Committee	3 working days as from communication of the complaint
<b>II STAGE OF ANALYSIS</b>	
Analysis of the complaint to determine admissibility	5 working days as from communication of the complaint
Notification of the complainant	3 working days as from admission to analysis
Remedy of deficiencies of the complaint	5 working days as from communication of such deficiencies
Notification of the denounced	3 months as from receipt of the complaint
<b>III STAGE OF INVESTIGATION</b>	
Report of the investigation	3 months + 1 month as from receipt of the complaint
Allegations of the denounced	10 working days as from communication of the results of the investigation
<b>IV STAGE OF RESOLUTION</b>	
Resolution of the file	20 + 10 working days as from receipt of the instructor's report
Report to the Compliance Committee and to the Enterprise Risk Commission	During the month subsequent to fiscal year closing.

Madrid, 2 February 2018