

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. Finally, Article 24 in Organic Law 3/2018 of 5 December on Personal Data Protection and guaranteeing digital rights governs the treatment of information systems for internal complaints.

- **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, or the general public 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) 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.

However, access by other persons or even communication to third parties is permissible when necessary for the adoption of disciplinary measures or for processing legal proceedings as appropriate.

Without prejudice to notifying the competent authority of facts constituting a criminal or administrative crime, and only when the adoption of disciplinary measures against a worker may be appropriate, such access will be allowed to personnel with Human Resources management and control duties.

It shall guarantee the exercise of the rights conferred by current regulations on data protection, 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.

- **Confidentiality**

With the exception of what is established in the following point, complaints must contain the complainant's name, surnames, and any other voluntary identification information, as well as a contact email address.

CESCE guarantees the complete and absolute 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.

- **Anonymity**

Following the publication of Organic Law 3/2018 on Personal Data Protection and guaranteeing digital rights, the creation and maintenance of information systems through which the entity can be informed, even anonymously, regarding the commission therein or by third parties contracting with it, of acts or conduct that may be contrary to the general or sectoral regulations that may be applicable to it is deemed lawful.

In accordance with the foregoing, complaints that do not include the complainant's identification information shall be accepted for processing and investigated with the utmost prudence and proportionality.

- **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.

Individuals who wish to report within the framework of a whistleblowing system should be aware that:

- they will have the entity's full protection and support with regard to their action.
- their identity will be kept confidential at all stages of the process and, in particular, their identity will not be disclosed to third parties, to the accused party, or to the employee's hierarchical superiors.
- if, despite this information, the complainant wishes to remain anonymous, the complaint will be accepted.

Regardless of the foregoing, any maliciously false, malicious, or abusive report may give rise to actions brought by the Company against the complainant.

- **Information**

Complainants who give identification shall be informed of the following:

- The identity and contact details of the Criminal Risk Prevention Officer and the Complaints Channel
- The contact details of the Data Protection Officer.
- The purpose of the processing for which the data were intended and the legal grounds for processing.
- The recipients of the data.
- The controller's intention of transferring the data to a third country or international organization if necessary, and the existence or lack thereof of adequate guarantees.
- The period during which data will be stored. The data of the person making the report and of the employees and third parties affected by the information provided shall be stored in the complaints system only during the time necessary to decide on the appropriateness of initiating an investigation of the facts reported. The expected period of data storage will be three months as of the file's closure, unless other justified causes arise.
- The right to request access to their data.
- The right to lodge a complaint with the supervisory authority.
- That their identity will be kept confidential at all stages of the process and, in particular, that it will not be disclosed to third parties, nor to the accused party or the employee's supervisors.
- As appropriate, the need to disclose their identity to the relevant persons involved in any subsequent investigation or judicial proceeding initiated as a result of the investigation carried out through the whistleblowing program

The employee or entity against which a complaint is lodged must be informed of the following points.

- The entity responsible for the Complaints Channel
- The alleged offense.
- The contact details of the Data Protection Officer.
- The data processed.
- The departments and services that may receive the report within their own Company or in other group entities or companies, and
- How to exercise their rights of access and rectification (information about the person who filed the complaint will never be given).

EXCEPTION: when there is a significant risk that such notification may jeopardize the ability of the company to effectively investigate the allegation or gather the necessary evidence, notification to the accused party may be delayed as long as such a risk exists. The purpose of this exception to the rule is to preserve the evidence and prevent its destruction or alteration by the accused party. It must be applied restrictively, case by case, and must take into account the broader interests at stake.

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 current regulations in matters of data protection.

- **Personal data protection**

In compliance with current regulations on personal data protection, you are hereby informed that CESCE, S.A., located at Calle Velázquez, no. 74 – 28001 Madrid, e-mail address cesce@cesce.es, shall process the personal data you may provide. Likewise, you are hereby informed that CESCE has a Data Protection Officer whom you may contact via dpd@grupocesce.es

Your data shall be processed exclusively for the purpose of handling and managing complaints regarding irregularities or breaches of the principles and values proclaimed in CESCE's Code of Ethics. In this way, only data strictly necessary for such purpose will be processed.

Processing of these data is grounded on compliance with a legal obligation. Note that you have the right to withdraw your consent at any time without this affecting the legality of processing based on consent given prior to withdrawal.

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.

Finally, you are hereby informed that interested parties may at any time, through the Data Protection Officer, exercise the right to access, rectification, erasure, restriction, objection as well as the right to move your data and to not be subject to automated decisions.

For additional, detailed information on Data Protection, please refer to our website <http://www.cesce.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 to employees and suppliers 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 current regulations on data protection.

The Criminal Risk Prevention Committee shall coordinate and monitor communication and training measures needed to ensure 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 Criminal Risk Prevention Committee 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: canal.denuncias@grupocesce.es, 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"> 1. Name and ID number (or similar) of the complainant; 2. Company of the complainant; 3. Contact data: phone number, e-mail, etc. 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. <p>Notwithstanding the foregoing, for investigation purposes, anonymous complaints shall be admitted. 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. Anonymous complaints will be investigated by the Head of CESCE's Legal Unit assisted, where appropriate, by the persons designated by the Criminal Risk Prevention Committee.</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 Criminal Risk Prevention Committee

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

<i>In charge</i>	<i>Action</i>
Criminal Risk Prevention Committee	During all stages of the procedure the complainant, the subject of the complaint or any person related to the file may ask the Criminal Risk Prevention Committee 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> <p>To this end, grounds for the inadmissibility of the complaint are:</p> <ol style="list-style-type: none"> 1. Contents of the complaint do not entail a breach of the principles and values defined in the Code of Ethics. 2. Facts patently unfounded and lacking any accreditation. 3. Inexistence of reasonable evidence to uphold the same. 4. Generic, imprecise and vague description of the facts. <p>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.</p> <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 Criminal Risk Prevention Committee.</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> <p>Efforts shall be made for complaints that are received through channels other than those established in this procedure (verbal, telephone, etc.) to fall under the requirements set forth in this procedure, and may even be presented to the Head of CESCE's Legal Unit ex officio through the Complaints Channel if a complaint was received that had clear and sufficient indications of the commission of a crime or a serious infraction.</p> <p>If the complaint meets the defined requirements, it is considered admissible and the study process will begin.</p> <p>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.</p>
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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 equal period 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 investigator within CESCE Group who shall conduct or coordinate the investigation of the contents of the complaint.

Investigation

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

	<ul style="list-style-type: none"> 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. <p>The investigator'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>
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IV. STAGE OF RESOLUTION

The maximum period for the resolution of the file is 20 working days as from receipt of the investigator'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 investigator'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 investigator 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 current regulations in matters of data protection.

Report to the Criminal Risk Prevention Committee

<i>In charge</i>	<i>Action</i>
Head of CESCE's Legal Unit	Each year in January, a report to the Criminal Risk Prevention Committee 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. 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.

Risks – Monitoring action

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

COMPLAINTS CHANNEL: PROCEDURE DEADLINES	
I STAGE OF COMMUNICATION	DEADLINES
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 Criminal Risk Prevention Committee	3 working days as from communication of the complaint
II STAGE OF ANALYSIS	
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
III STAGE OF INVESTIGATION	
Report of the investigation	3 months + 3 months as from receipt of the complaint
Allegations of the denounced	10 working days as from communication of the results of the investigation
IV STAGE OF RESOLUTION	
Resolution of the file	20 + 10 working days as from receipt of the investigator's report
Report to the Criminal Risk Prevention Committee and to the Enterprise Risk Commission	During the month subsequent to fiscal year closing.

Madrid, 26 February 2019