

General Principles of the Criminal and Anti-Bribery Compliance Protocol



I. COMMITMENT OF THE HIPOGES GROUP

The reform of the Spanish Criminal Code, implemented through Organic Law 5/2010, of June 23, 2010, which amends Organic Law 10/1995, of November 23, 1995, introduced as the main novelty a detailed regulation of the criminal liability that legal entities may incur.

The Organic Law 1/2015 of March 30 specifies in a specific way, the requirements that must be met for the legal entities to be exempt from criminal liability for any crimes committed by its administrators or employees.

HIPOGES, subject to this legislation, recognizes the importance of the criminal liability of legal entities, and is aware of the risk involved in the performance of its activity in terms of the possible unlawful use of its services. For this purpose, it reinforces the concept and commitment that **HIPOGES** does not work or do business with civil servants or public administrations, except for what is strictly necessary.

Therefore, by means of this document, **HIPOGES and its subsidiaries** commit themselves to collaborate closely with the competent authorities, incorporating adequate and effective control mechanisms, as well as:

1. To prevent that in the name or on behalf of the different companies that make up the Hipoges Group, and for their benefit, crimes are committed by their legal representatives or by those who, acting individually or as members of a body of the legal entity, are authorized to make decisions on behalf of it or hold powers of organization and control within. Also, to prevent, likewise, that crimes may be committed, in the exercise of the corporate activities and on behalf and for the direct or indirect benefit of any of the companies of the Hipoges Group by those who, being subject to the authority of the legal representatives and administrators de facto or de jure, may carry out such acts due to a serious breach by them of the duties of supervision, vigilance and control of their activity in view of the specific circumstances of the case.
2. To prevent crimes from being committed in the name or on behalf of the different companies that make up the Hipoges Group, and for their benefit, by their legal representatives or by those who, acting individually or as members of a body of the legal entity, are authorized to make decisions on behalf of the latter or have powers of organization and control within it. To prevent, likewise, that crimes may be committed, in the exercise of the corporate activities and on behalf of and for the direct or indirect benefit of any of the companies of the Hipoges Group by those who, being subject to the authority of the legal representatives and administrators de facto or de jure, may carry out such acts due to a serious breach by them of the duties of supervision, vigilance and control of their activity in view of the specific circumstances of the case.
3. To prevent the commission of any of the crimes listed above by its legal representatives, proxies, directors or employees.
4. To state clearly and forcefully that Hipoges condemns any conduct that is contrary to the Law and that such conduct constitutes a breach of internal policies and procedures.
5. To inform all Hipoges related personnel of the consequences and sanctions that may be imposed for any non-compliance.

However, the success of the preventive measures implemented depends on everyone. That is why this Protocol, with the procedures it incorporates, must be known and understood by all those who provide services, regardless of the business or employment relationship that links them to HIPOGES, provided that such services are related to the activity it operates.

II. SCOPE OF APPLICATION

Based on Article 31 bis of the Spanish Criminal Code, legal entities shall be criminally liable:

- a) For the offences committed in the name or on behalf of them, and for their direct or indirect benefit, by their legal representatives or persons who are authorized to make decisions or hold powers of organization and control of them.
- b) For the offenses committed by those who, being subject to the authority of the aforementioned individuals (employees, collaborators), carry out the criminal acts, due to the failure of the latter to comply with their duties of supervision, monitoring and control of their activity.

Within the list of offenses that the Criminal Code itself establishes for which a legal entity can be charged, the following are applicable to Hipoges due to its activity:

	Offence in the Spanish Criminal Code	Article
1	Discovery and disclosure of secrets and computer hacking	197-197 ter
2	Fraud	248-251
3	Frustration of execution and punishable insolvencies	257-258 bis; 259-261
4	Computer damage offences	264-264 ter
5	Money Laundering and Terrorist Financing	301; 576-579
6	Illegal financing of political parties	304 bis
7	Crimes against the rights of workers	311-316
8	Crimes related to territorial planning and urbanism	319
9	Crimes against intellectual property	270-271
10	Crimes against industrial property	273-277
11	Crimes related to the market and consumers	278-286
12	Corruption between private individuals	286 bis-286 quater
13	Fraud against the Public Treasury and Social Security	305-305 bis; 307; 307 ter
14	Bribery and Influence Peddling	419-427; 428-429
15	Crimes committed in connection with the exercise of fundamental rights and public freedoms guaranteed by the Spanish Constitution.	510
16	Offenses of harassment in the workplace and sexual harassment in the workplace.	173; 184
17	Alteration of prices in public tenders and auctions.	262

This protocol applies to all directors, management, employees of Hipoges, as well as its controlled companies. It applies to all its activities, both principal and accessory, carried out directly or indirectly by Hipoges employees and by those persons who are subject to their control, either by legal or contractual requirement or by specific duty of supervision.

III. OBLIGATION TO REPORT POTENTIALLY UNLAWFUL CONDUCT

The Whistleblower Channel is a procedure that determines the sending of communications or complaints regarding all types of conduct that are presumed to be illicit committed by an employee or third party, either for contravening a legal rule or a rule voluntarily accepted by the company as well as breaches of the Hipoges Code of Ethics.

Hipoges makes available to employees and third parties the whistleblower channel, with the obligation to report in good faith any suspected unlawful or potentially unlawful conduct.

Hipoges assures that no repressive, discriminatory or punitive action, express or implied, will be taken against any person who reports in good faith.

All complaints should be submitted in writing in English or Spanish, if possible, and should be submitted through the Hipoges website: <https://www.hipoges.com/canal-de-denuncias/>

IV. COMMITMENT TO CONTINUOUS IMPROVEMENT AND PERIODIC REVIEW

The Compliance body is in charge of controlling and supervising the provisions of this Protocol on an ongoing basis, and shall also evaluate its compliance and effectiveness on an annual basis, reporting to the Management Body and the Board of Directors.

This document, as well as the criminal compliance model, will be subject to periodic review by the Internal Audit department which, following its procedures, will prepare reports that will determine the performance and results of the work carried out, which will be presented and detailed in the internal audit committee of Hipoges.

V. CONSEQUENCES OF NON-COMPLIANCE; INFRACTIONS AND SANCTIONS

Hipoges has a Sanctioning Code for events that may be included in the disciplinary regime (it is updated based on the regulations and legality in force at any given time). This code is available to all employees on the corporate intranet and is communicated to and approved by Senior Management and the Governing Body.

This Sanctioning Code indicates the behaviours that are denominated as "misconduct" and the sanctions that are associated with them.

VI. MAIN ELEMENTS OF THE PREVENTION MODEL AT HIPOGES

Hipoges has an organization and management model for the prevention of crimes with the appropriate control systems for regulatory compliance and criminal prevention, in order to prevent and avoid that the entities incur in contingencies of this type. This Model includes, as main elements:

- Having a body with autonomous powers of initiative and control for the supervision of the operation and compliance of the prevention model.

- Acting in accordance with current legislation, Code of Ethics and internal regulations.
- Promoting a corporate culture of prevention and not permitting the commission of unlawful acts.
- Ensuring effective control systems.
- Supervising the compliance of actions and decisions with internal rules.
- Ensuring adequate resources and means for crime prevention.
- Carrying out training activities and promote a culture of compliance.
- Investigating possible criminal behaviours.
- Applying the disciplinary regime in the event of internal non-compliance.