

INTERNAL CONTROL AND MONITORING SYSTEM FOR THE ACTIVITY CARRIED OUT BY THE FUNDACIÓN FERNANDO POMBO (the "Foundation") AND THE BENEFICIARIES OF SAID ACTIVITY

I.- OBJECTIVES

With regard to the administrative and management departments:

Once the Board of Trustees approves the planning set out in the economic plan, as well as any projects and activities to be carried out proposed by the management team either to the Trustees for their approval, when necessary, or to the Chairman or the Foundation's Director, any performance assessment and control shall be carried out through:

- Weekly meetings set by and between the Chairman of the Board of Trustees and the management and, as the case may be, members of the Foundation's management team.
- Meetings of the Board of Trustees in which a presentation of the Foundation's operation and management plan is delivered.
- Monthly follow-ups on budgeted expenditures, earnings obtained and monitoring of the Foundation's liquidity.
- Likewise, upon drafting the report on activities for the fiscal year, an assessment on proposed objectives is carried out.
- Compliance with economic planning is set out in the annual audited accounts, through control of the budget.

With regard to the beneficiary services department:

Upon approving the planning and programming, the following control, monitoring and assessment systems are established for the activity:

- Monitoring and assessment meetings with beneficiaries.
- Weekly team meetings.

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II.- APPROVAL AND ACCEPTANCE OF THE CONTROL AND MONITORING SYSTEM FOR THE FOUNDATION'S ACTIVITY AND ITS BENEFICIARIES

The members of the Foundation's Board of Trustees have unanimously approved this document.

All members of the Board of Trustees and the Foundation's management team have expressly accepted this document.

In the event that new Trustees are appointed, they shall accept this document at the time they are appointed by signing the corresponding Certificate.

In the event that new members are added to the management team, they shall accept this document upon signing their relevant employment agreement or, as the case may be, commercial provision of services agreement.

III.- ADAPTATION OF THE CONTROL AND MONITORING SYSTEM FOR THE FOUNDATION'S ACTIVITY AND ITS BENEFICIARIES

This document shall be amended if there are changes to the Foundation's byelaws with regard to the management thereof.

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REPORTS ON ACTIVITIES FOR THE PROJECTS CARRIED OUT BY THE FUNDACIÓN FERNANDO POMBO (the "Foundation"), INCLUDING FUNDRAISING ACTIVITIES AND THE ANNUAL INCOME AND EXPENDITURE BUDGET

The purpose of this document is to inform the Foundation's Board of Trustees on the existence of the reports listed below, which are drafted periodically by the Foundation's management team, submitted to the Chairman and made available to the Trustees and financiers:

1. Supporting monitoring and final reports for the Foundation's projects
2. Reports on the Foundation's activities concerning public and private fundraising as well as the cost and collection thereof.

3. Details on the funders behind the funds raised by the Foundation, including the amount contributed by each of them.
4. Allocation of funds raised for each year's activity that are to be duly documented.
5. Allocation of operating expenditures grouped into categories pertaining to fundraising, projects and activities, management, administration and commercial activities, if any.
6. Allocation of funds broken down for each of the Foundation's projects and activity lines.
7. Details for each of the main providers and co-organisers of the Foundation's activities.
8. Annual budget for the following year with the corresponding explanatory report and settlement of the income and expenditure budget from the prior year. The budget and settlement are approved by the Board of Trustees.

SELECTION CRITERIA FOR THE FUNDACIÓN FERNANDO POMBO'S PROJECTS

I.- PURPOSE

The policy set forth herein related to the projects (hereinafter, the "**Policy**") which the Fundación Fernando Pombo (hereinafter, the "**Foundation**") commits to carry out, is based on its own mission, vision and values. As such, the principles stated henceforth should be taken into account and abided by all persons and entities that participate in the design, election and start-up of the projects.

The Board of Trustees shall be kept abreast of all projects, both at the time they are initiated and throughout their development and execution through periodical meetings to be held by the Trustees.

All projects shall be aimed at achieving the Foundation's goals and must unequivocally respect and abide by its vision and values.

Accordingly, the Foundation and its representative and governing bodies will support and develop projects aimed at attaining the following goals pursuant to Article 3 of its Byelaws, namely:

- The defence and promotion of justice and the rule of law
- The defence and promotion of human rights and democratic values, both within a national and international scope.
- To contribute to the development, promotion and improvement of the right to defence and the exercise of the legal profession.
- The promotion and advancement of values that contribute toward the full development of the individual, such as education, training, sport, culture, competition, solidarity, equality and creativity in their various forms and manifestations.

The Foundation and its representative and governing bodies shall support the development of projects aimed at the beneficiaries set out in Article 5 of the Byelaws, whilst abiding by the principles for the development of the foundational purposes set forth in Article 7 of the Byelaws:

1. By the Foundation directly, in its own facilities or in external facilities;
2. By creating or cooperating with the creation of other entities of a foundational, associative or corporate nature; and
3. By participating in or collaborating on the development of activities led by other entities, bodies, institutions or individuals or legal entities that may serve to attain the objectives pursued by the Foundation.

The objectives pursued by the submitted projects must be clearly aligned with the strategic planning approved by the Trustees.

Moreover, projects with the following characteristics shall be viewed favourably:

- Those that pursue the creation of social value, that are innovative and promote the participation of the full community and the enrichment of all those that make up the organisation (users, families, personnel, volunteers).
- Those that, depending on the type of activities envisaged in the project, have the explicit, written support of:
 - Any component of the Foundation's management team.
 - The Foundation's beneficiaries.
 - Any of the Trustees.
- Those that have clear, measurable and quantifiable goals, as well as a schedule of activities and a person responsible for the actions to be undertaken in the project.
- Projects selected by the persons to which they are aimed.
- Those that are socially, technically and economically viable with efficiency and quality criteria. Those that are self-financed and that include income-generating streams.

II.-POLICY APPROVAL AND ACCEPTANCE

The policy set out herein has been unanimously approved by the members of the Foundation's Board of Trustees.

All members of the Board of Trustees have expressly accepted this Policy upon signing it.

In the event that new members are appointed to the Board of Trustees, they shall accept this Policy upon their appointment by signing the corresponding Certificate.

III.- ADAPTATION OF THE POLICY TO THE FOUNDATION'S BYELAWS

This policy shall be amended if there are any changes to the Foundation's Byelaws with regard to the foundation's goals, the development of the activities' objectives and the Foundation's beneficiaries.

POLICY CONCERNING CONFLICTS OF INTEREST WITH THE FUNDACIÓN FERNANDO POMBO

I.- INTRODUCTION

A conflict of interest occurs when an interest interferes or may interfere with the capacity of the Fundación Fernando Pombo (hereinafter, the “**Foundation**”) to act in accordance with the interests (the goals) of the Foundation, to the extent that it has the obligation to act in accordance with those interests and goals, pursuant to Article 3 of the governing foundation byelaws.

Thus, the purpose of this policy (hereinafter, the “**Policy**”) is to prevent any personal and/or institutional interests of the members of the Board of Trustees, as the representative and governing bodies of the Foundation, interfering with the normal performance of their work and to ensure that there is no personal, professional or political benefit obtained to the detriment of the entity.

This policy does not intend to prohibit the existence of relations between the Foundation and third parties related to the governing body, employees or other individuals or groups related to the organisation whose interests may coincide with the performance of any joint activity (duality of interests and non-conflict).

A conflict of interest with the Board of Trustees may arise due to the following reasons:

- With regard to the composition thereof: because it is not formally incorporated or because its composition and the periodicity of meetings does not abide by the criteria that guarantees the fulfilment of the foundation’s goals.

The Foundation complies with these requisites to the extent that, as of the date of incorporation a) the Board of Trustees is made up of seven trustees, whose positions are renewed periodically, pursuant to Article 12.4 of the Byelaws, and b) at least two meetings have been held each year pursuant to governing legislation on foundations and Article 19.1 of the Byelaws.

- With regard to the identity of the Trustees: because personal and professional information as well as information on any public offices held by the trustees is not publicly available, thus affecting the transparency of the Governing Body, or because

there is a kin or family connection with the management team, suppliers and co-organisers that may affect decision making duties that may interfere with the fulfilment of foundational goals, or because more than 40% of the trustees receive some type of remuneration from the Foundation or associated entities/companies.

Information on the trustees appears on the Foundation's website, which is well indicated and publicly available, and there are no kin or family connections between any trustees and the Foundation's management team, suppliers or co-organisers, and the trustees do not receive any remuneration, pursuant to Article 11.4 of the Byelaws.

In accordance with Article 11.2 of the Byelaws, half plus one of the trustees are active members of the law firm Gómez-Acebo & Pombo, yet they do not perform their function as trustees by representing the firm, but rather as individuals and without any remuneration.

- With regard to the Board of Trustees' decision-making process, when a majority of the trustees are not in attendance at meetings or when there is no majority quorum when decisions are made.

The Foundation complies with this requirement to the extent that, according to Articles 18 and 19 of the Byelaws, the Board of Trustees is validly constituted only when at least half plus one of its members meets and when half plus one of its members' votes are required for the adoption of any resolution.

II.- MECHANISMS TO AVOID SITUATIONS THAT MAY ENTAIL A CONFLICT OF INTEREST

Notwithstanding the foregoing and for the purpose of avoiding any possible situations that may entail a real or potential conflict of interests within the Board of Trustees that may undermine the fulfilment of the foundation's goals, the Board has unanimously approved this Policy which is expressly accepted by each trustee, and which sets out the procedure for actions to be taken if any real or potential conflict of interest arises.

By virtue of this Policy, each member of the Board of Trustees undertakes to comply with the Byelaws with regard to the composition, identity of members and decision-making process

within the Board. Failure to comply with any of the Byelaws by any Trustee, as concerns their duties as trustee, shall lead to their immediate termination.

With regard to situations where there is a potential conflict of interest, each of the trustees commits to report on any situation where there is a potential conflict that they are aware of by submitting a notification to the Chairman; or if the potential conflict concerns the Chairman, the notification should be submitted to the non-trustee secretary, in order to seek a resolution from the Board of Trustees, as the representative and governing body, and this should be done during the first Board meeting possible, while ensuring, at all times, that no more than six months elapses from the time the notification is given to the time the next meeting is convened in order to resolve this real or potential conflict. Any resolution given shall be recorded in the Minutes of the Board and shall be available to any member of the Board of Trustees.

Any infringement of the Byelaws and of this Policy by any of the members of the Board of Trustees shall lead to their immediate termination, in accordance with Article 12.5 of the foundation's byelaws.

In the event that, due to changes in the composition of the Board of Trustees, there may be situations where there is a family or kin relationship or link between any member of the Board with any member of the management team, supplier or co-organiser of the Foundation's activities, the trustee in question shall not take part in any decision that affects the member of the management team, supplier or co-organiser with which there is a family link or relationship. The Minutes which set out this decision shall expressly state that the trustee in question has abstained and the reason for said abstention.

Specifically, if any conflict of interest or rights arises between the Foundation and any of its Trustees, it shall fall upon the Board of Trustees to determine whether this has in fact taken place by a simple majority of those in attendance and any implicated persons shall not take part in decisions in the following cases:

- a) The adoption of any agreements establishing a contractual relationship between the Foundation and the member of the Board of Trustees, his/her representative or relatives up to the fourth degree by consanguinity or second degree by affinity, or any person linked by a relationship which is analogous to that of a spouse, or the adoption of agreements establishing a contractual relationship between the Foundation and any company or organisation in which the member of the Board of Trustees, their relatives

in the same degree, their spouse or any person linked by any relationship analogous to that of a spouse, hold a stake which is greater than 25 percent.

- b) The adoption of any agreements that set out the remuneration to be paid for the services provided to the Foundation other than the performance of the functions that correspond to them as a Trustee.
- c) The adoption of agreements whereby liability actions are filed against the implicated Trustee.

III.- INFRINGEMENT OF THE POLICY ON CONFLICTS OF INTEREST

Whenever the Board of Trustees has any knowledge that a trustee has infringed the Policy, it must notify said Trustee, providing the reasons to believe they have breached the Policy and they must allow the affected persons to state their perspective and shed light on the situation.

After this has taken place, if the Board of Trustees decides that the appropriate procedure has not been followed or that the conflict of interest has not been reported, regardless of whether it is a real or potential conflict, appropriate measures shall be taken up to and including the expulsion of the Trustee from the Board.

III.- APPROVAL AND ACCEPTANCE OF THE POLICY ON CONFLICTS OF INTEREST

This Policy has been unanimously approved by the members of the Foundation's Board of Trustees.

All of the Trustees have expressly accepted the Policy upon signing the corresponding Certificate for the approval thereof.

In the event that new Trustees are appointed, they shall accept this Policy upon their appointment by signing the corresponding Certificate.

IV.- PUBLICITY CONCERNING THE POLICY ON CONFLICTS OF INTEREST AND THE ADAPTATION THEREOF TO THE FOUNDATION'S BYELAWS

This Policy shall be made available to the public on the Foundation's website, along with the curricula vitae for all Trustees and all members of the management team.

This Policy shall be amended whenever the Foundation's Byelaws are amended in respect of the composition, identity and decision-making powers of the Board of Trustees.

SELECTION CRITERIA FOR COMPANIES AND ENTITIES THAT COLLABORATE WITH THE FUNDACIÓN FERNANDO POMBO

I.- PURPOSE

The following policy concerning relations with companies and counterparties (hereinafter, the "**Policy**") is based on the Foundation's values and byelaws. This Policy, as set out and developed herein, shall be abided by any and all companies and counterparties that wish to collaborate with the Fundación Fernando Pombo (hereinafter, the "**Foundation**").

1. The Foundation is open to collaboration activities with other organisations in reciprocity and by respecting a reasonable balance in any compensation that is defined.
2. Collaborating companies and organisations shall be assessed favourably if they respect human rights as well as any international workplace rules and conventions. They must respect the environment by complying with national legislation in the country where they carry out their activities as well as international legislation.
3. Favourable assessment will be given to those companies and organisations that actively promote the rights of those groups for which the Foundation's work is aimed, in accordance with Article 5 of the Foundation's byelaws, namely, persons in need or groups at risk of exclusion or that are marginalised, as well as persons and groups that seek to promote and develop talent, intellectual values, in general, and legal values, specifically.
4. Collaboration with companies that generate social exclusion or that do not comply with integration laws shall be avoided.
5. Any and all agreements with companies shall be executed in agreements which lay down in writing the purpose of the collaboration and the clauses governing the same.
6. Unless mutually agreed on between the parties, the entity's logo shall not be assigned to the company. If any assignment of the logo is granted, this shall be set down in writing and shall not be confidential.
7. All collaboration agreements with companies for multi-annual projects must be expressly communicated to the Board of Trustees. In any case, and regardless of the term thereof, any agreement that entails any expense in excess of 30,000 Euros must be approved by the Board of Trustees, pursuant to Article 19.3 of the Foundation's byelaws.

II.-POLICY APPROVAL AND ACCEPTANCE

This Policy has been unanimously approved by the Foundation's Trustees.

All of the Trustees have expressly accepted the Policy by signing the Certificate for the approval thereof.

In the event that new Trustees are appointed, they shall accept the Policy upon their appointment by signing the corresponding Certificate.

III.- ADAPTATION OF THE POLICY TO THE FOUNDATION'S BYELAWS

This Policy shall be modified when any amendments are made to the Foundation's byelaws with regard to the Foundation's beneficiaries and the functions of the Board of Trustees.

POLICY FOR THE APPROVAL OF THE FOUNDATION'S EXPENDITURES

I.- PURPOSE

The management of the expenditures for the Fundación Fernando Pombo (hereinafter, the "**Foundation**") is centralised in the management team (management) and the Chairman of the Board of Trustees. Expenses amounting to less than 30,000 Euros shall be jointly managed by the Foundation's Director and Chairman, while expenditures over 30,000 Euros must be approved by the Board of Trustees, all pursuant to Article 19 of the Foundation's byelaws.

Expenditures shall be paid provided that:

- They have been agreed upon previously;
- invoices supporting the expenditures have been received.

For expenditures exceeding 30,000 Euros, in addition to approval by the Board of Trustees, it is necessary to obtain three different quotes as well as approval from the Chairman of the Board of Trustees.

II.-POLICY APPROVAL AND ACCEPTANCE

This Policy has been unanimously approved by the members of the Foundation's Board of Trustees.

All Trustees have expressly accepted the Policy by signing the Certificate for the approval thereof.

In the event that new trustees are appointed, these shall accept the Policy at the time they are appointed by signing the corresponding Certificate.

III.- ADAPTATION OF THE POLICY TO THE FOUNDATION'S BYELAWS

This Policy shall be amended whenever there is any amendment to the Foundation's byelaws regarding the duties of the Board of Trustees.