

EXECUTIVE SUMMARY OF THE CORPORATE COMPLIANCE PROGRAM

CHANGE CONTROL

Edition	Modified Sections	Description of the Change	Date
V. 1.0	Original Document	Original Document	28/06/2023

[This document contains confidential and privileged information owned by BSK LEGAL & FISCAL ASOCIADOS, S.L.P., also considered as business secrets of said entity. This information is provided to the DONOSTIA INTERNATIONAL PHYSICS CENTER FOUNDATION – DIPC under the strictest confidentiality obligations. Unless legally obligated, the recipient will neither disclose it to any third party nor use it for purposes other than internal use without authorization from BSK LEGAL & FISCAL ASOCIADOS, S.L.P. The same protections and restrictions apply to the structure and format of this document as a whole.]

The Basque and English versions of the Compliance programme documentation are a translation made by artificial intelligence. Given that it is an automatically generated version, it may contain errors or inconsistencies. We thank you for your understanding in this respect. If you have any doubts or queries, please do not hesitate to contact dipc-compliance@dipc.org

CONTENT

1. INTRODUCTION.....	2
2. RISK MAP.....	2
3. CRIMINAL COMPLIANCE POLICY.....	3
4. CODE OF ETHICS.....	3
5. DECISION-MAKING PROTOCOL	3
6. FINANCIAL RESOURCE MANAGEMENT MODEL	3
7. GIFT PROTOCOL.....	3
8. COMPLIANCE COMMITTEE OPERATING PROTOCOL	3
9. OPERATING RULES FOR THE INTERNAL INFORMATION SYSTEM	3
10. DISCIPLINARY AND SANCTIONING RULES.....	4
11. CRIMINAL RISK PREVENTION PLAN	4

1. INTRODUCTION

The management of the DONOSTIA INTERNATIONAL PHYSICS CENTER FOUNDATION – DIPC (hereinafter, “DIPC”) has expressed concerns to BSK Legal & Fiscal Asociados, S.L.P. (hereinafter, “BSK”) regarding the need to identify and manage risks associated with DIPC’s activities, particularly in relation to compliance with criminal law.

Significant updates to the legal framework on the Criminal Liability of Legal Entities (CLLE) were introduced in the 2010 and 2015 reforms of Organic Law 10/1995, of November 23, of the Penal Code. Legal entities can be held liable for crimes committed in their name or on their behalf, and for their benefit, by their legal representatives and de facto or de jure administrators. Furthermore, legal entities are liable for crimes committed by individuals subject to their authority when due control has not been exercised.

The 2015 reform introduced a significant development: legal entities may be exempt from criminal liability if they implement an adequate Corporate Compliance Program designed to prevent or significantly reduce the risk of criminal conduct within the organization.

Such a program must include organizational and management models meeting the following requirements:

1. Identify activities where crimes subject to prevention could occur.
2. Establish protocols or procedures outlining the legal entity’s decision-making process.
3. Implement adequate financial management models to prevent crimes.
4. Mandate the reporting of potential risks and non-compliance to a designated supervisory body.
5. Define a disciplinary system to penalize non-compliance.
6. Periodically verify and update the program in response to relevant infractions, organizational changes, or adjustments in control structures.

To meet these organizational and management model requirements, BSK has developed the following documents comprising DIPC’s Corporate Compliance Program.

This Executive Summary has been prepared to provide DIPC’s management and Board of Trustees with a concise overview of the program’s components.

2. RISK MAP

This section contains a map of criminal risks inherent to DIPC’s activities and the likelihood of their occurrence.

3. CRIMINAL COMPLIANCE POLICY

This foundational document establishes the principles and guidelines that inform DIPC's Corporate Compliance Program, along with a list of the program's constituent documents.

4. CODE OF ETHICS

A key document outlining the values, principles, and fundamental guidelines that should shape DIPC's culture and strategy, as well as the professional conduct of its members.

5. DECISION-MAKING PROTOCOL

This document establishes guidelines to ensure that decision-making processes by executives, department heads, and DIPC's Board of Trustees adhere to the principles of the Corporate Compliance Program, guaranteeing legality at all times.

6. FINANCIAL RESOURCE MANAGEMENT MODEL

This document outlines the financial and accounting controls DIPC must implement, detailing anti-corruption guidelines and the basis for sound tax practices. It also includes the necessary financial and economic resources allocated to the Compliance Committee, as stipulated by the Penal Code, to ensure the effective implementation of the Corporate Compliance Program.

7. GIFT PROTOCOL

This document provides fundamental guidelines regarding the giving and/or receiving of gifts, establishing general procedures with specific exceptions.

8. COMPLIANCE COMMITTEE OPERATING PROTOCOL

This document defines the Compliance Committee's functions as the body ensuring the proper operation of the Corporate Compliance Program. It also specifies the conditions for appointing members, conducting periodic reviews, and communicating with the Board of Partners.

9. OPERATING RULES FOR THE INTERNAL INFORMATION SYSTEM

This document establishes the procedures to follow in case of a breach of the Corporate Compliance Program. It outlines the principles governing the operation of the Internal Information System, the responsible body, the reporting procedure, and the steps to investigate reported incidents and take appropriate measures following a thorough investigation. Additionally, the document regulates the so-called Leniency Program, which, in certain cases, allows a substantial reduction in the penalty imposed on an employee who reports actions contrary to the law or the Corporate Compliance Program.

Furthermore, DIPC has created a document titled "Rules for the Use of the Internal Information System," summarizing the "Operating Rules for the Internal Information System." This aims to provide users of the Reporting Channel with clear and accessible information on its usage and the essential principles of the management procedure.

The Basque and English versions of the Compliance programme documentation are a translation made by artificial intelligence. Given that it is an automatically generated version, it may contain errors or inconsistencies. We thank you for your understanding in this respect. If you have any doubts or queries, please do not hesitate to contact dipc-compliance@dipc.org

10. DISCIPLINARY AND SANCTIONING RULES

This document outlines the guidelines for applying appropriate disciplinary measures in cases of non-compliance with the Corporate Compliance Program.

11. CRIMINAL RISK PREVENTION PLAN

This document serves as the cornerstone of the Corporate Compliance Program. The general section explains the Penal Code's regulations on the Criminal Liability of Legal Entities, the methodology used in developing the Corporate Compliance Program, and a summarized explanation of the program's key components. These elements establish the fundamental guidelines for the program as a whole.

The specific section covers the Penal Code's regulations regarding crimes deemed applicable to DIPC. It includes an explanation of each criminal offense type, along with practical examples of potential behaviors that could lead to such offenses. For each offense, it specifies whether it can only be committed intentionally or also through negligence, and the legal interest protected in each case. Lastly, it enumerates the various controls implemented by DIPC to prevent the commission of each offense, along with recommendations for additional controls to enhance prevention.

Conclusion

The Executive Summary facilitates an understanding of DIPC's Corporate Compliance Program, offering a concise overview of the measures and protocols implemented to mitigate and manage legal risks effectively. Each document within the program plays a critical role in aligning the organization's operations with the requirements outlined in the applicable legal framework.

Confidentiality

This document and its content remain subject to strict confidentiality protocols as outlined by BSK Legal & Fiscal Asociados, S.L.P., and is intended solely for internal use by the Donostia International Physics Center Foundation.