

OPERATING PROTOCOL OF THE COMPLIANCE COMMITTEE

CHANGE CONTROL

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1. INTRODUCTION. OBJECT AND PURPOSE

The Compliance Committee Operating Protocol (hereinafter, also referred to as the "Protocol") aims to establish, among other matters, the composition and organization of this body, in order to ensure its independence, objectivity, and proper functioning to guarantee the supervision and compliance with the Corporate Compliance Program and the Anti-Fraud System, which include the Internal Information System (Whistleblowing Channel), implemented at the DONOSTIA INTERNATIONAL PHYSICS CENTER FOUNDATION – DIPC (hereinafter, "DIPC"). This is in accordance with the provisions of (i) article 31 bis 5 of the Penal Code; (ii) the Recovery, Transformation, and Resilience Plan (hereinafter also referred to as the "PRTR"), as outlined in Order HFP/1030/2021, dated September 29, which sets up the management system of the PRTR; (iii) Law 2/2023, of February 20, regulating the protection of individuals reporting regulatory breaches and fighting corruption (hereinafter also referred to as "LAW 2/2023"); and (iv) any other applicable regulations within DIPC.

2. FUNCTIONS OF THE COMPLIANCE COMMITTEE AND THE COMPLIANCE OFFICER

The Compliance Committee will be assigned, at a minimum, the following responsibilities:

- Identify and manage potential criminal, fraud, and corruption risks.
- Develop the Corporate Compliance Program, the Anti-Fraud System, and the documents that comprise them.
- Carry out the appropriate monitoring of the implementation of the Corporate Compliance Program, the Anti-Fraud System, and the documents that comprise them.
- Ensure the proper implementation of controls to prevent risks outlined in the Corporate Compliance Program, the Anti-Fraud System, and the documents that comprise them.
- Ensure and integrate, at all levels, the adequate and effective compliance with the Corporate Compliance Program, the Anti-Fraud System, and the documents that comprise them, across all policies, procedures, and processes at DIPC.
- Provide and promote training for all professionals in matters related to Corporate Compliance and the Anti-Fraud System, encouraging the inclusion of compliance responsibilities in job descriptions and the performance management processes for DIPC members.
- Monitor the effectiveness and proper functioning of the Corporate Compliance Program and the Anti-Fraud System, establishing performance indicators.
- Propose and carry out corrective actions if potential non-compliance with the Corporate Compliance Program and the Anti-Fraud System, as well as possible inefficiencies, are detected.
- Periodically review the content of the Corporate Compliance Program and the Anti-Fraud System, updating them according to the new needs of the organization or, if applicable, legal modifications that may have occurred.
- Provide relevant information on corporate compliance and anti-fraud matters to the DIPC Board of Trustees.
- Ensure proper documentation of all measures related to the implementation and development of the Corporate Compliance Program and the Anti-Fraud System.

- Promote and further the compliance with the Corporate Compliance Program and foster a compliance culture within DIPC.
- Ensure proper compliance with and effective application of the Disciplinary and Sanctioning Regulations when deemed appropriate.
- Collaborate with the Compliance Officer when required to conduct investigations arising from communications made known to DIPC through the Whistleblowing Channel.
- Impose potential sanctions derived from the instruction report prepared by the Compliance Officer from investigations into actions or behaviors contrary to internal rules and/or any other irregularity in violation of current law detected at DIPC.
- Determine the mitigation of sanctions under the Leniency Program.
- Safeguard the confidentiality of data and information obtained through the Internal Information System (Whistleblowing Channel).
- The Compliance Officer will be assigned, at a minimum, the following responsibilities:
- Manage the Internal Information System (Whistleblowing Channel), in accordance with the Operating Rules of the System, also carrying out investigations into potential suspicions and/or actions related to any type of behavior contrary to internal rules, as well as any other irregularity contrary to current law.
- Ensure the knowledge and understanding of the Internal Information System (Whistleblowing Channel) by all DIPC professionals.
- Promote the proper use of the Whistleblowing Channel.
- Ensure the proper functioning of the Internal Information System (Whistleblowing Channel).

3. CONDITIONS OF SUITABILITY FOR DESIGNATION

Members of the Compliance Committee will be those members of DIPC who, by virtue of their training, knowledge, and experience, are deemed to have the most appropriate profile for the proper performance of the duties of implementation, supervision, monitoring, and compliance with the Corporate Compliance Program, the Anti-Fraud System, and the Internal Information System (Whistleblowing Channel).

Specifically, members of the Compliance Committee must meet, at a minimum, the following conditions of suitability:

- Professionalism and experience.
- Necessary competence.
- Dedication and commitment.
- Integrity and honesty.
- Respectability.

Whenever possible, the position of member of the Compliance Committee will be held by an executive of DIPC. However, these positions may be held by individuals who do not hold an executive position at DIPC.

Members of the Compliance Committee are obligated to ensure strict confidentiality regarding any data and information they become aware of by assuming the obligations acquired as a supervisory and control body, avoiding any potential conflict of interest situations.

4. STRUCTURE OF THE COMPLIANCE COMMITTEE

Once the members of the Compliance Committee are appointed, it will consist of the following members:

- President, who will be assigned the following functions:
 - Call the ordinary and extraordinary meetings of the Committee.
 - Direct and moderate the sessions.
 - Cast a tie-breaking vote in case of a dispute.
 - Maintain direct communication with the Board of Trustees.
- Secretary, who will have the following responsibilities:
 - Send invitations for the ordinary and extraordinary meetings of the Committee.
 - Take minutes of the sessions.
 - Perform the functions assigned by the president.
 - Keep a documented record of all the activities of the Committee.
- Members or Department Heads, who will perform the following functions:
 - Manage, control, and supervise the assigned activities.
 - Propose resource needs.
 - Identify potential inefficiencies in controls.
 - Identify potential risks and/or criminal activities and report them to the Committee.
 - Implement any policies, protocols, and measures adopted by the Committee.
 - Make proposals for the development, updating, and improvement of the Corporate Compliance Program and the documents that comprise it.
 - Attend the meetings of the Committee to which they are invited.
 - Propose, when necessary, a training plan.
 - Report periodically on the situation and needs of their control environment.
- Compliance Officer, who will be responsible for managing the Internal Information System (Whistleblower Channel) and processing investigation files in accordance with the Internal Information System Operating Rules. The Compliance Officer will also be in charge of providing training, enforcing the disciplinary regime, updating the Corporate Compliance Program and the Anti-Fraud System, as well as overseeing the general compliance with them.

The structure of the Compliance Committee may vary depending on the needs at any given time. Any proposed changes will be approved by the Board of Trustees, following a report on the suitability of the proposal by an external legal advisor, to ensure that the Committee functions effectively and carries out its duties properly at all times.

Both the appointment and the termination of the Compliance Officer and other members of the Compliance Committee must be notified to the Independent Whistleblower Protection Authority (A.A.I. or regional authority, as applicable) within a maximum period of ten (10) business days following their appointment or, if applicable, the establishment of the mentioned authority. In case of termination, the reasons for the termination must be specified in the notification.

5. HOLDING COMPLIANCE COMMITTEE MEETINGS

The Compliance Committee will meet on a regular basis quarterly, and may also hold extraordinary meetings when deemed necessary due to special circumstances that warrant it.

The chairperson will convene the meetings, both regular and extraordinary, and the secretary will be responsible for sending out the appropriate notice, including the agenda and related documentation.

Among other matters, the agenda may include:

- Verifying the status of actions agreed upon in previous sessions regarding the implementation and effectiveness of the measures outlined in the Corporate Compliance Program and the Anti-Fraud System.
- Assessing the training needs of Professionals.
- Proposing, if applicable, the development, updating, and improvement of existing controls.
- Suggesting measures to ensure the proper inclusion of these controls in DIPC processes.
- Requesting any necessary reports.
- Requesting budgets and resource allocations.
- Verifying any ongoing investigations.
- Verify incidents or relevant aspects of a general nature.
- Ensure the proper archiving system for information generated within the Internal Information System (Whistleblowing Channel), related to Corporate Compliance and Anti-Fraud matters.
- Initiate the periodic review of the Corporate Compliance Program and the Anti-Fraud System.
- Analyse communications received through the Internal Information System (Whistleblowing Channel).
- Conclude any ongoing investigations and propose measures, if applicable.
- Maintain a record book of received communications and internal investigations conducted.
- Monitor compliance with recommended improvements to prevent or resolve existing issues.

The Compliance Committee will be considered validly constituted as long as at least three-quarters of its members are present.

Once the matters included in the agenda have been addressed, any items that require decision-making will be resolved by a simple majority vote in the first round. In the event of a tie, the chairperson will have the casting vote.

To clearly define and assign responsibilities for each member of the Committee, it will be necessary for each individual to explicitly state their vote.

All meetings must be documented through minutes, which will be signed by all attendees with the approval of the chairperson and the secretary.

6. RESPONSIBLE FOR CONTROLS

The Compliance Committee will be assisted by those Professionals who, due to their position in DIPC, are in a position to supervise and monitor the actions or omissions of individuals within their department that could result in the commission of a crime (hereinafter, the “Control Supervisors”). Their involvement is intended to mitigate the potential commission of crimes for which DIPC could be held criminally liable.

The Compliance Committee will establish and maintain appropriate procedures to ensure that the Control Supervisors:

- Are aware of criminal risks and risk events within their department that could impact the Corporate Compliance Program.
- Validate the policies and procedures applicable to them.
- Supervise the controls designed to manage or mitigate risks.

Regarding the supervision of the Corporate Compliance Program and the Anti-Fraud System, these must be periodically evaluated to assess their implementation and effectiveness. These evaluations will be carried out through a dynamic self-assessment process that includes information on compliance with existing policies, procedures, and controls.

This evaluation serves to build confidence in the system and analyse its evolution in response to deficiencies as well as external or internal changes within DIPC.

For the annual validation of each department's controls, the Control Supervisors must complete the Self-Assessment Declaration, confirming that they have verified compliance with the established controls for their department, as well as adherence to the policies and procedures stipulated by DIPC.

Additionally, in the Self-Assessment Declaration, the Control Supervisors will report on the validity of the controls implemented in their respective departments, any changes to control activities, and confirm that all detected incidents have been appropriately resolved and communicated to the relevant level.

7. OTHER DIPC PROFESSIONALS

Additionally, all Professionals are responsible for the proper implementation of the Corporate Compliance Program and must collaborate fully to ensure its effective execution within their respective areas.

8. REPORT TO THE BOARD OF PARTNERS

The Compliance Committee must report and communicate to the Board of Trustees the actions carried out within its scope. To this end, it will prepare an Annual Report and an Annual Compliance Plan, respectively.

The Report and Plan will be drafted by the Compliance Committee during the first quarter of the year and presented to the Board of Trustees for approval.

The Annual Report will follow the minimum content structure outlined below:

- Human resources and budget allocation for the Compliance Committee (analysis of resources available to achieve the planned objectives and, if necessary, recommendations for increasing resources).
- Regulatory framework and legal/best practices update during the period (list of regulations included in the management system, as well as legal and soft law changes in the period).
- Internal policies (report on internal policies and procedures, their updates, and any issues observed during the period).
- Awareness activities (summary of regulatory impacts during the period, including metrics and performance indicators).
- Relations with regulators, supervisors, and other entities (list of public and private institutions contacted during the period and the results of inspections, audits, etc.).
- Corporate Compliance system monitoring (summary of management dashboards for Corporate Compliance, including risk indicators, controls, tasks, and corrective measures).
- Internal Information System (summary of incidents reported through the Internal Information System, distinguishing between archived cases and those investigated, specifying whether the investigations were substantiated or not and their conclusions).

The Annual Compliance Plan will follow this structure:

- Identification and analysis of priority risks (classification of different action plans based on increased effectiveness/efficiency and ease of implementation).
- Scheduling and allocation of resources and awareness activities (proposed training impacts and identification of critical aspects for implementing initiatives that require the prior completion of other tasks).
- Assignment of roles and responsibilities to departments and management.
- Coordination and communication policy.

If, following a meeting of the Compliance Committee, certain measures requiring approval or decisions by the Board of Trustees must be adopted, all relevant information, along with the corresponding proposal, will be submitted for review and approval or rejection, as applicable.

Among other matters, the following proposals may arise:

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- Resource management and allocation proposals.
- Management of potential incidents involving non-compliance by Professionals with the Corporate Compliance Program and its associated documents.
- Suggestions for improvements to the Internal Information System.
- Recommendations for enhancing control systems to address new risks.
- Proposals for training and awareness initiatives.
- Recommendations regarding the application of Disciplinary and Sanctions Regulations.

Once a decision has been made, the Board of Trustees must issue a report or provide a copy of the meeting minutes documenting the decision taken on the relevant matter so that the Compliance Committee can take the necessary action.

9. EMERGENCY REPORT

Additionally, all reports concerning events covered under Article 2 of Law 2/2023, which may cause significant economic and reputational damage—particularly rapidly evolving risks—will be submitted to the Board of Trustees to facilitate the prompt adoption of immediate corrective measures.

The urgent report must be communicated within a maximum of forty-eight (48) hours from the moment the Compliance Officer becomes aware of the event. This communication will be sent via email and must include the following minimum content:

Urgent Report from the Compliance Officer

1. Date and responsible individuals
 - Date, name, and position of the responsible individual(s).
2. Identified event
 - Description of the identified risk event and its background.
 - Initial risk assessment and explanation of the urgency of the communication.
3. Risk identification
 - Channel through which the risk was identified or reported, and measures to protect the whistleblower (if applicable).
4. Investigation measures
 - Investigation or fieldwork actions undertaken to identify the risk and the responsible individual(s).
5. Involved services, areas, and departments
 - List and analysis of the risks managed, monitoring of medium, high, and very high-risk indicators assigned to various departments, and any new risks detected during the period.
6. Applicable regulations
 - Relevant legal norms, policies, and internal procedures that apply or have been violated.
7. Control corresponding to the risk

- Monitoring of controls and tasks (specifying the involvement of control owners, metrics, and indicators) and assessment of corrective actions.
- 8. Action plan and follow-up
 - Suggestions for corrective actions, timelines, responsible parties (Board of Trustees), and the need for third-party, administrative, or judicial intervention.
- 9. Board of Partners meeting
 - Evaluation of the need to convene an urgent meeting of the Board of Trustees to discuss the incident and make necessary decisions.
- 10. Conclusions
 - Brief conclusive analysis of the reasons for the incident and the medium- and long-term actions required to address the risk.

10. MANAGEMENT OF POTENTIAL CONFLICTS OF INTEREST

The Compliance Committee must avoid any conflict of interest in the performance of its duties, especially when a direct or indirect involvement of any kind by a member of the Committee may arise in relation to incidents reported through the Whistleblowing Channel. In such cases, if the member in question does not voluntarily step aside, an independent external expert will be consulted, and their report must be submitted within a maximum of five (5) working days. If deemed appropriate, the member will be immediately removed from the Compliance Committee while the reported facts are clarified.

11. RESOURCING THE COMPLIANCE COMMITTEE

To ensure the effective prevention of crimes, DIPC must provide the Compliance Committee with the necessary financial and human resources to guarantee the proper performance of its assigned functions.

The Compliance Committee shall conduct an analysis and evaluation of the adequacy of these resources to achieve maximum effectiveness of the Corporate Compliance Program and the Anti-Fraud System.

In any case, each resource allocation proposal will be agreed upon by the Compliance Committee and reported to the Board of Trustees, which will approve the corresponding allocation.

12. ENTRY INTO FORCE AND EFFECT OF THE PROTOCOL

The Compliance Committee Protocol was approved by the DIPC Board of Trustees on June 28, 2023, coming into effect on that same date and remaining fully valid until any modifications are made to it.