

# DISCIPLINARY AND SANCTIONING RULES

## CHANGE CONTROL

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## 1. INTRODUCTION. OBJECT AND SCOPE OF THE SANCTIONING REGIME

These Disciplinary and Sanctioning Rules (hereinafter, also referred to as the "Rules") aim to establish, in accordance with the provisions of article 31 bis 5.5° of the Penal Code, a disciplinary system that appropriately sanctions non-compliance with internal rules, as well as any other irregularity in violation of current law within the Donostia International Physics Center Foundation – DIPC (hereinafter, "DIPC"). Specifically, through these Rules, violations of DIPC's Corporate Compliance Program and Anti-Fraud System will be sanctioned. However, this document does not replace the disciplinary regime set out in labor legislation and the DIPC's Collective Agreement, but complements it to prevent and detect the possible commission of acts or behaviors contrary to internal rules and/or current law within the organization.

## 2. SCOPE OF SUBJECTIVE APPLICATION

These Rules apply to all members of DIPC, regardless of their contractual modality, hierarchical or functional position, with special emphasis on members of its Board of Trustees, Directors, and Heads of its various departments. All of them will be referred to individually as the "Professional" and collectively as the "Professionals." Thus, Professionals are obligated to comply with all internal rules and current law, such that failure to do so may lead to labor and/or commercial sanctions, without prejudice to any administrative or criminal sanctions that may also apply.

## 3. MANAGEMENT AUTHORITY AND DISCIPLINARY AUTHORITY OF DIPC

DIPC's management authority is regulated by the Workers' Statute, specifically in the following provisions:

- Article 1.1, which defines paid employment as that carried out "within the scope of organization and direction of another person, either physical or legal, referred to as the employer or entrepreneur."
- Article 5(c), which states that a basic duty of workers is to "comply with the orders and instructions of the employer in the regular exercise of their management authority."
- Article 20.1, which establishes that workers "are required to perform the agreed work under the direction of the employer or a person to whom the employer delegates."
- Article 20.2, which states that "the worker owes the employer the diligence and collaboration in the work required by legal provisions, collective agreements, and the orders or instructions issued by the employer in the regular exercise of their management powers."
- Article 20.3, which establishes that "the employer may adopt measures they deem most appropriate for monitoring and controlling the worker's compliance with their labor obligations and duties, taking due consideration of their dignity and, if applicable, the actual capabilities of workers with disabilities."

Additionally, DIPC's disciplinary authority is legally regulated in accordance with article 58.1 of the Workers' Statute, which provides that "Workers may be sanctioned by the direction of the

company for labor violations, according to the classification of offenses and sanctions established in the legal provisions or the applicable collective agreement." Consequently, DIPC has the authority to sanction any action performed by any Professional in the execution of their duties if such action violates internal rules, current law, and/or the applicable Collective Agreement.

Regarding its Directors, the special labour regime for Senior Management outlined in Royal Decree 1382/1985, of August 1, which regulates the special labour relationship of senior management personnel, will apply for sanctioning any potential violations of internal rules and/or current law.

In particular, article 11.2 of the aforementioned Royal Decree establishes that "The contract may be terminated by the employer's decision through dismissal based on serious and culpable non-compliance by the senior manager, in the manner and with the effects established in article 55 of the Workers' Statute; regarding indemnities, in the case of dismissal declared unfair, the amounts agreed in the contract will apply, or if none were agreed, twenty days of salary in cash per year of service up to a maximum of twelve monthly payments."

#### **4. SANCTIONABLE BEHAVIOR**

Failure to comply with internal rules, current law, and/or the applicable Collective Agreement of DIPC will constitute a sanctionable breach, in accordance with the provisions of the Workers' Statute and/or the applicable Collective Agreement, as well as, where applicable, in accordance with Royal Decree 1382/1985, which regulates the special labour relationship for senior management personnel, or the applicable commercial regulations, always considering the circumstances involved and the severity of the behaviour that occurred.

#### **5. SANCTIONING PROCEDURE**

After the appropriate investigation is conducted by the Compliance Officer in accordance with the procedure outlined in the Internal Information System Operating Rules, and even if the behaviour being investigated does not constitute a criminal offense, the facts must be brought to the attention of Management. The sanctions corresponding to the previously mentioned disciplinary offenses will be considered minor, serious, or very serious labour offenses, in accordance with the provisions of the Workers' Statute and/or the applicable Collective Agreement, as well as, where applicable, in accordance with Royal Decree 1382/1985, which regulates the special labour relationship for senior management personnel, or the applicable commercial regulations, always considering the circumstances involved and the severity of the behaviour that occurred. Additionally, the competent judicial or administrative authorities will be informed as soon as possible, and no later than ten (10) working days after the completion of the corresponding investigation, of the facts deemed substantiated, when appropriate.

#### **6. INFORMATION RETENTION**

The Compliance Committee will maintain the file of information regarding sanctions imposed on Professionals under these Rules. This information will be retained for ten (10) years, with its confidentiality preserved at all times.

## **7. ENTRY INTO FORCE AND VALIDITY OF THE RULES**

The Rules were approved by the Board of DIPC on June 28, 2023, entering into force immediately and remaining fully valid unless any modifications are made to them.