

CRIME PREVENTION POLICY

1. INTRODUCTION

The Spanish Criminal Code states that companies can be criminally liable for crimes or breaches by their directors, officials, employees and in general members acting in their name and representation.

Criminal liability may give place to different criminal sanctions and even can jeopardize the effective operation of companies with consequences such as: dissolution of the company, suspension of activities, closing of premises, prohibition to contract with the Administration, disqualification to receive subsidies or tax benefits, etc.

The criminal liability of the company takes place when companies don't apply appropriate prevention and control mechanisms to avoid the offence in question or to reduce its detrimental impacts.

Negratín considers essential the prevention and avoidance of unlawful conducts which may result in sanctions, penalties, financial, economic and reputational losses both of the company and of employees individually.

In this sense, Negratín prepares this crime prevention policy with the intention of organizing, preventing, managing and controlling criminal risks which may arise within the company and although avoiding the commission of crimes is a priority objective, the ultimate purpose is to guarantee the compliance culture of all standards and implement an ethical corporate culture.

2. REGULATORY FRAMEWORK

On December 23 2010 Organic Law 5/2010 was approved reforming the Criminal Code ruling on the criminal liability of legal entities with respect to certain crimes.

With the entry into force of Organic Law 1/2015 on the reform of the Criminal Code, important changes and improvements intended to develop the criminal liability of the legal entity have been introduced. Therefore, the new article 31 bis of the Criminal Code waives, or if applicable, mitigates the criminal liability of the legal entity favouring a compliance attitude among employees by the development of an efficient organization and management model.

Organic Law 1/2019 of February 20 amending Organic Law 10/1995 of November 23 of the Criminal Code states and extends the list of crimes for which legal entities may be responsible.

The two titles referring to the criminal liability of the legal entity are provided for in article 31.1bis:

“In the cases envisaged in this Code, legal entities will be totally liable:

a) *For crimes committed in the name and on their own behalf and in their direct or indirect benefit by its legal representatives or by those acting individually or forming part of a body within the legal entity, are authorized to make decisions in the name of the legal entity or hold organization and control faculties within the company.*

b) *For crimes committed in the exercise of corporate activities or in the name and direct or indirect benefit thereof by those who being subject to the authority of physical people mentioned in the previous section, have been able to carry out the facts due to the serious breach of supervisions, surveillance and control duties of its activity once attended the specific circumstances of the case”.*

The second section of article 31 bis states a series of measures which form what should be considered as the existence of an appropriate control excluding criminal liability. In this sense it states that: Were the offence committed by the legal representatives or by those authorized to make decisions in the name of the legal entity, such legal entity shall be exempt from any liability if:

“The governing body has adopted and efficiently exercised before the commission of the crime, organization and management templates including the appropriate surveillance and control measures to prevent crimes of the same nature and to significantly reduce the risk of their commission”.

3. PURPOSE

This Policy designs a framework to detect and prevent the commission of crimes. It defines the principles of action and the grounds of a system for the prevention of crimes in order to eliminate, reduce or mitigate Negratín’s criminal liability for acts which may be committed under its name.

With this Policy we wish to send out to all Staff forming part of Negratín as well as third parties working with the Group, a clear message against the commission of any illicit, criminal or similar act. Under no circumstance is the commission of a crime, either directly or indirectly by the Staff justified, not even when such action may apparently involve a benefit of any nature, either present or future, for Negratín. Moreover, Negratín is ready to combat these acts and prevent an eventual damage of its image and reputational value.

This Policy is aimed at:

- Defining a structured action framework intended to mitigate the risk of commission of criminal crimes.

- Promoting a true ethic and compliance culture in Grupo Negratín as well as establishing a series of rules, policies and procedures intended to prevent, detect and react in case of criminal conducts.
- Raising awareness and informing all Staff on the importance of compliance with the Policy on the Prevention of Criminal Risks and of the ethical principles contained in the regulation of the compliance model of the Group.
- Expressing and public stating Negratín's total rejection of the commission of any illicit or criminal behaviour.
- Certifying that Negratín has exercised due control of corporate activities.

4. SCOPE OF APPLICATION

This Policy is to be applied and mandatory for all members of the Board of Directors, officials and employees, regardless of their duty, level, position, hierarchy, seniority, type of employment contract (indefinite or fixed term) or place of work as well as for all those acting in the name and representation of Negratín (hereinafter the "Staff").

The implementation of the Policy may be extensive fully or partly, to any individual and/or legal entity holding or to hold a professional or business relationship with Negratín insofar as the specific circumstances of the case so advise and it is possible given the nature of the relationship ("Due Diligence").

5. COMMITMENTS AND PRINCIPLES OF ACTION

The general principles of action of the System for the Prevention and Detection of Crimes of Negratín and which govern this Policy are:

- To prevent and combat the potential commission of crimes and illicit acts by Negratín's Staff.
- To act at all times, under the light of the current legislation and within the framework established by the Code of Ethics and Conduct fulfilling internal regulations.
- To promote and foster a preventive business culture based on the "zero tolerance" principle with respect to the commission of criminal or illicit acts and on the application of the ethic and responsible behaviour conducts of the whole Staff.
- To create an environment of transparency, integrating the different system developed for the prevention of crimes, offering appropriate internal channels to favour the reporting of potential irregularities among which there is the Whistleblowing Channel ("whistleblowing").
- To investigate the reporting of an allegedly criminal act guaranteeing confidentiality of the informant and the rights of those reported.

- To communicate to the Staff the duty to inform of any act which may represent a potential criminal, illicit act or irregularity they might be aware of through the specific channels.
- To establish internal regulations, procedures and protocols of action and decision.
- To guarantee that the Regulatory Compliance Committee has the necessary material and human means to supervise the operation and compliance of this Policy in an efficient and proactive manner.
- To maintain and promote proactive activities oriented to prevention and detection as compared to reactive activities such as investigation and sanctions.
- To implement appropriate and necessary training programs with enough frequency and informing of the requirements of the applicable legislation and its internal regulations to guarantee the correct update of the Staff's knowledge.
- To monitor the imposition, when necessary, of the relevant disciplinary measures or sanctions pursuant to the provisions of the applicable legislation from time to time.

6. BASIS OF THE MODEL FOR THE PREVENTION AND DETECTION OF CRIMES

The System for the Prevention and Detection of Crimes in Negratín is based mainly on 4 principles: Prevention, Detection, Reaction and Monitoring.

(i) Prevention

- Regulatory Compliance Committee, with independent action and control powers in charge of the development, supervision and follow-up of the System for the Prevention and Detection of Crimes provided with the necessary means and authority for the development of its duties. It will also be assisted by Top Management and each and all of the Area/Department Managers who will implement the identified controls related to the System for the Prevention and Detection of Crimes as well as all other policies, procedures and related regulations.
- Code of Ethics and Conduct, which lists conduct values, principles and guidelines applicable to the whole Staff. Moreover, it states the compliance obligation and the duty to report any breach thereof through the Whistleblowing Channel.
- Codes, Policies, Procedures and Protocols are aimed at guaranteeing the effective ethical culture and compliance in Negratín and to establish the control mechanisms to reduce the risk of illicit behaviours by the Staff.
- Training and dissemination of the Code of Ethics and Conduct and Prevention and Detection of Crimes, considered as essential elements to raise awareness among the whole Staff on the compliance of legality, internal regulations and values envisaged in the Code of Ethics and Conduct.

(ii) Detection

The main element of the System for the Prevention and Detection of Crimes intended to detect potential irregular conducts is the Whistleblowing Channel.

It is a system implemented in the organization available in the intranet or by email to canaldedenuncias@negratin.com and that is available for all the Staff where you will be able to report confidentially any knowledge or suspicion of behaviours against the Code of Ethics and Conduct, the Anticorruption Policy or any other policy, regulation or internal procedure and/or which may be involve the existence of criminal risk always in good faith and providing those evidences and documentary proof of the facts reported which shall be exact and confirmed.

Therefore, the Staff aware or suspecting of any irregularity falling under the objective scope of the Whistleblowing Channel shall immediately inform Negratín using the mechanisms for such end. The management of this Whistleblowing Channel is totally confidential and will be entrusted to the Regulatory Compliance Committee as delegated body of the Board of Directors in the follow-up duties of the System for the Prevention and Detection of Crimes.

Also the Staff may channel reports informing the Management to refer immediately the information received to the Regulatory Compliance Committee.

(iii) Reaction

The main element of the System used to react against the risks of breach is the disciplinary regime that will be applied taking into account the seriousness of the infraction and always with full respect of the employment and commercial regulation in force or the Collective Bargaining which may be applicable from time to time; the Regulatory Compliance Committee being in charge of promoting and ensuring the effect and correct application of the disciplinary measures appropriate for each case.

(iv) Monitoring

The elements of the System for the Prevention and Detection of Crimes used for its appropriate monitoring and supervision as well as for verification are:

(i) Plan for the monitoring and supervision of the System for the Prevention and Detection of Crimes; which main objective is to validate on an ongoing basis the implementation of the System allowing the periodical verification of the efficiency of existing policies, procedures and controls as well as their evolution for Negratín to take the necessary actions to guarantee their adaptation to the development of its prevention, management and criminal risks control duties.

(ii) Verification of the System for the Prevention and Detection of Crimes, by the intervention of the third defence line (external audit) in collaboration with the Regulatory Compliance Committee that will be developed once a year every time a serious breach of the System is detected or when organizational and/or legislative changes making it necessary take place.

7. APPROVAL, UPDATE AND DISSEMINATION OF THE CRIME PREVENTION POLICY

This Crime Prevention Policy has been approved by the Board of Directors of Negratín on July 27th 2023 and shall be effective from the date of its approval.

The Regulatory Compliance Committee may propose to the Board of Directors amendments to the present Policy in order to have at all times due control of Negratín's activities to minimize the commission of compliance irregularities including those of a criminal nature. Likewise it shall be responsible for its implementation, monitoring and update making it available for the whole Staff and proceeding to its revision and continued improvement specially when the regulatory, corporate, business circumstances or of any other nature so require. In any case, it shall be the object of an annual revision.