

Code of Conduct

**COMPANÍA EUROPEA DE COSPELES, S.A.
[CECOSA]**

March, 2017.

TABLE OF CONTENTS

I. INTRODUCTION

- 1.- Who we are**
- 2.- Corporate Purpose**
- 3.- Importance of the Code of Conduct**
- 4.- Principles**
- 5.- Field of Application**

II. CODE OF CONDUCT CONTENTS

Article 1.- PURPOSE

Article 2.- FIELD OF APPLICATION

Article 3.- GENERAL PRINCIPLES

- 3.1.- Legality Compliance
- 3.2.- Labour and Human Rights

Article 4.- PERFORMANCE GUIDELINES

- 4.1.- Respect for people
- 4.2.- Equal opportunities
- 4.3.- Collective and employees' rights
- 4.4.- Behaviour within the market and respect for the free competition
- 4.5.- Quality Control
- 4.6.- Society and development
- 4.7.- Conflict of interest
- 4.8.- No competition

Article 5.- RULES OF CONDUCT

- 5.1.- General Principles
- 5.2.- Relationship among the Partners of CECOSA
 - 5.2.1.- Foundation
 - 5.2.2.- Performance Guidelines
- 5.3.- Respect for the Intimacy and Confidentiality Duty

5.4.- Regarding the performance within the market

a) Obtaining Information

b) Relationship with suppliers

c) Relationship with customers

d) Payments and collection

e) In regards to international partners

f) In regards to industrial and intellectual property

5.5.- Rules of Conduct in Financial Matters

5.5.1.- Foundation

5.5.2.- Performance Guidelines

5.6.- Regarding the Corruption

5.6.1.- Foundation

5.6.2.- Performance Guidelines

Article 6.- EXTERNAL CODE OF CONDUCT

6.1.- Foundation

6.2.- Performance Guidelines

Article 7.- CODE OF CONDUCT MANAGEMENT

7.1.- Authority Body for the Supervision and Control in regards to the regulatory compliance

7.2.- Disciplinary System

7.3.- Definition

7.4.- Acceptance

Article 8.- COMPLAINTS CHANNEL

8.1.- Improvements Policies

8.2.- Confidentiality

8.3.- Procedure for Complaints' processing

8.4.- Reprisals prohibition

8.5.- External Audit

Article 9.- COMPLIANCE AND INTERPRETATION

9.1.- Compliance

9.2.- Interpretation

I. INTRODUCTION

1.- Who we are

Compañía Europea de Cospeles S.A. (henceforth, CECOSA), located in the city of Madrid, was born as a partnership project in 1.999, since there was the need to manufacture a great number of blanks because of the currency change and the Euro introduction as the official currency from January 1st, 2.002.

CECOSA was founded as a Joint Venture by the Royal Spanish Mint (FNMT-RCM) and the company Deutsche Nickel GmbH in order to tackle this change of currency jointly. Since then, it has been manufacturing coin blanks for more than 50 countries all over the world, what consolidated the company's reputation as a reliable and independent partner for the different mints, both in quality and technical capacity. Its exportation quota is about 75% of all its invoicing.

Supported by its wide technical experience and its modern machinery, is capable of supplying a different range of blanks: copper plated steel, stainless steel, copper alloys, blanks with several layers and aluminium. Currently it has a total of 84 employees, distributed among 8 different departments or working areas.

CECOSA's share capital belongs 50% to the Royal Spanish Mint (FNMT-RCM) and the other 50% to Mint of Finland GmbH.

2.- Corporate purpose

The main objective of CECOSA is the manufacturing, production, transformation, industrialization, supply and commercialization of all kind of metals, including precious metals and alloys.

Despite of the above, and in a more precise way, CECOSA has technical experts for the production and processing of coin blanks. Therefore, it provides technical consulting about different matters:

- Design and technical specifications of coin blanks.
- Proposal for alternative material or types of blanks for changes to be made in currency.
- Improvements in blanks finishing (annealing, washing and selection).
- Processing of blanks' defects.

Besides, it has services of technical consulting which are specifically aimed to solve this kind of incidences.

3.- Importance of the Code of Conduct

Our Code of Conduct is a document which summarized the different policies and procedures in force within CECOSA, related to the behaviours of both the personnel and the company.

The Code of Conduct is a key element to the rules of responsible behaviour that all the employees and personnel, related directly or indirectly with the Company, must comply.

The Code of Conduct was made in order to help everybody to practice the expected behaviours.

Therefore, it is an element of special significance within our policies of internal control and the observance of the applicable normative, and guarantees that we have the appropriate mechanisms to support employees in the observance of their obligations and the performance of the commercial activities they carry through.

This code has included the ethical values, commitments and good practices that must be applied in the management of every comercial activity to be carried out, within the corporate purpose of CECOSA.

4.- Principles

Our aim goal is the **RESPONSIBLE WORK** based in the respect for our external customers and the people who are part of CECOSA.

The **TRANSPARENCY**, in all our operations, is other of our principles, since it represents the core idea to give confidence in all our relationships.

We are fully convinced of what we do and how we do it. So we want to transmit this **ASSURANCE** to the foreign market, and therefore to each one of our customers and/or co-operators.

Our **PRINCIPLES** are also the truth, humility, ethics, teamwork, people's dignity and justice.

5.- Field of Application

The Code of Conduct affects every person who is part of CECOSA, independent to his/her role, working position or hierarchy level and includes all the societies that constitute the organizational and corporate structure of the same, in the present and in the future.

Besides, all the suppliers, manufacturers, co-operators and assisting companies must work, as well, in accordance to the rules and behaviours detailed within the present Code of Conduct when they carry through commercial practices abroad on behalf of CECOSA or representing us. CECOSA considers the agents to play a very important role in the commercial strategy of the company, and in many occasions the image projected by CECOSA to its national customers and above all the international ones, in their commercial transactions, will be closely related to a professional performance made by its agents; therefore CECOSA will request all its co-operators and agents, to know and strictly comply with this Code of Conduct, during the performance of their roles in commercial transactions, national and international ones, otherwise CECOSA will act with severity in case of any non-observance of the same.

II.-CODE OF CONDUCT CONTENTS

FIRST CHAPTER

Article 1.- PURPOSE

The Code of Conduct has as main objective to establish the principles that should guide the behaviour of the organizational and corporate structure of CECOSA, by establishing action patterns to be shared, accepted and respected by the employees.

The Code of Conduct has been made with the purpose to orient the relationships of CECOSA's employees, in a way that it will be an institutional and formal guide of conduct for the personnel, both in a personal and professional way, reducing as much as possible the subjectivities and personal interpretations about morals and ethical principles. At the same time, the purpose will be the strengthening of the image and identity of CECOSA, in relation to the public and market.

The basis of the Code of Conduct is comprised of integrity, dignity, respect, loyalty, commitment, efficacy, transparency and conscience to guide the behaviours of the people who are part of the corporate structure of CECOSA.

Besides, this ensures giving a response to the competitiveness, profitability and social responsibility. Understanding that within the latter there is the value of its employees, health, safety, transparency, a good attitude towards the final customer and the environment.

Article 2.- FIELD OF APPLICATION

1. The present Code of Conduct of CECOSA will be applicable and its observance is mandatory for all the Required Staff listed below:
 - (i) All the members of CECOSA's Administration Body, and the companies which are part of its corporate and organization structure, in the present time and future time.
 - (ii) All the management of CECOSA, and the companies which are part of its corporate and organization structure, in the present time and future time.
 - (iii) All the rest of employees of CECOSA, and the companies which are part of its corporate and organization structure, in the present time and future time.

- (iv) All the temporary and occasional workers that provide any kind of service or labour activity to CECOSA, and its corporate and organizational structure, in the present time and future time.
- (v) If CECOSA performs its corporate purpose in another country different than Spain, the present Code of Conduct will also be applicable to such international activity developed by CECOSA, and its organizational and corporate structure, in the present time and future time, and there will be subject to this Code of Conducts all the Administrators, Directors and employees that could provide services and carry through any work for CECOSA and its organizational and corporate structure outside the national territory, in the present time and future time.

2. The present Code of Conduct will be notified:

- In a personal and individual way to the Administration Body and Directors of CECOSA, as well as the rest of companies which are part or could be part of the corporate structure of CECOSA, who should acknowledge in a written way the irrevocable commitment to comply with the provisions of the same.
- To the employees and personnel of CECOSA, who must make the commitment to comply with this Code, and in order to ensure this there will be adopted the necessary measures and the legally allowed ones to guarantee the dissemination, knowledge and observance of this Code of Conduct.
- Likewise, and as an alternative method to disseminate the code's contents there will be available on the website of CECOSA (www.ceco-sa.com), for its proper knowledge and compliance.

3. The employees and personnel of CECOSA, must:

- (i) Know and comply the Code of Conduct.
- (ii) Cooperate and ease the implementation of the Code of Conduct.
- (iii) Attend and participate in all training sessions to which they are summoned, in relation to the knowledge of the Code of Conduct.
- (iv) Check with the supervision and control body in regards to regulatory compliance, about any doubt there may be about the Code of Conduct's contents.

- (v) The supervision and control body in matters of regulatory compliance will inform the workers and/or personnel about any modification or alteration made to the Code.
- (vi) The employees and/or personnel of CECOSA, will be able to get help from their superiors, and also through the means implemented by CECOSA to get the Code of Conduct to be disseminated, known and complied.
- (vii) Any reference to the observance of the Code will involve, as well, the obligatory nature to comply, by CECOSA and the people to whom this Code is oriented to, the mandatory laws that would be applicable even when such reference is not expressly included in any section of the present Code of Conduct.

Article 3.- GENERAL PRINCIPLES

3.1.- Legality Compliance

Employees from all working ranks of CECOSA, must comply strictly with the legality in force in the place where the activity is developed, according to the spirit, purpose and literalness of the regulations. CECOSA will respect entirely the commitments and obligations gotten, its contractual relationships with third parties, as well as the procedures and code of good practices of those countries where it develops commercial activities.

The directors, within the framework of their roles, must particularly know the laws and rest of the regulations that could affect their corresponding working areas. Likewise, they must ensure that the employees under their supervision will receive all the information and required training that will allow them understand and comply with the legal obligations applicable to their working positions.

In virtue of which, we must try to guarantee that we only maintain commercial, professional and labour relationships with companies and people who have a good reputation.

3.2.- Labour and Human Rights

CECOSA's priority is to maintain the commitment, consistency and firm respect in the performance of its corporate activity and labour relationships with all the ones it cooperates with, regardless of its contractual or dependency relationship, the Human and Labour Rights acknowledged by the national and international laws, as well as the ones which are part of Universal Declaration of Human Rights and the Agreements of the International Labour Organization (ILO).

With this purpose, there will be established the necessary means to assure the compliance of the ILO's provisions, especially in those matters related with Child's labour, not accepting, under no circumstances, practices against this or the rest of the ILO's principles neither within the Society, nor in those companies where there is a co-operative relationship of any nature. In the same way, CECOSA lays bare the total rejection to mandatory or obligatory work and it is committed to respect the freedom for association and collective negotiation.

Connected to this, all the employees, no matter their working positions and the rest of the personnel of CECOSA, must have an honest professional conduct, and avoid any practice, even when this one does not violate the law, that could harm the reputation of CECOSA's corporate structure and affect in a negative way its private and public interests. In order to do this, one must be honest, unbiased and loyal, and at the same time every action must be oriented to a responsible, efficient and excellent practice.

Article 4.- PERFORMANCE GUIDELINES

4.1.- Respect for people

1. The respect for people is one of the fundamental tenets of CECOSA and its corporate structure. Such principle, will be observed in the performance of any activity CECOSA develops anywhere in the World. Consequently, it is completely forbidden any action that could infringe or threaten, in a direct or indirect way, people's dignity.
2. Under no circumstances, there will be accepted in the working environment, the intimidation, harassment of any kind, psychological or moral type or mobbing, as well as any other type of conduct that could produce a damaging working environment where there is abuse of authority, lack of respect or regard or any other act of physical or verbal aggression.
3. In the relationships among employees, whatever they might be, as well as the relationships the employees have with any company, entity and people who CECOSA cooperates or maintains a commercial relationship, must take precedence a

respectful, professional and well-manner treat, in order to foster a pleasant, gratifying and safe working environment that encourages people to give the best of themselves.

All colleagues must be treated in a fair and equitable way, showing full respect for the cultures, religions, orientations, opinions and marital status of people.

4.2.- Equal opportunities

1. Those workers who have been trusted with functions of personnel recruitment for CECOSA, will act, at all time, respecting this principle of equal opportunities.
2. In no case, there will be denied to someone the possibility to work or cooperate with CECOSA or its corporate structure, because of its race, religion, gender, sexual orientation, backgrounds and marital status.
3. Likewise, there can't be denied or hampered the development of the professional career of any person that works or cooperates with CECOSA or its structure, because of the reasons given in the previous paragraph, nor they will be treated in a different way because of the same reasons.
4. Therefore, the employees in charge of hiring or defining the professional career of people who work for CECOSA or its corporate structure must act, in the decision making, with full objectivity and considering, in any case, the adaptation of the candidates' profiles to the needs the company has to covered.

4.3.- Collective and Employees Rights

1. The employees of CECOSA and the entities which constitute its corporate structure, as well as the Partners of the same shall respect:
 - (i) The rights of unionization, association and negotiation that will be recognized by the national and international legal system.
 - (ii) The actions that could carry through the workers' representatives, within the framework of their functions, in accordance with the rights that they have legally recognized.
2. The connection and/or belonging to political parties or any other kind of institution, association or entity with public purposes or that could surpass CECOSA's own purposes, must be done in a way that it is completely clear that this is done strictly on their own personal capacity, thence avoiding CECOSA or its corporate structure to get linked to this.

3. CECOSA considers its employees to be an essential and basic piece for its corporate and social project, for that reason it will avoid the unfulfilment of labour rights and will promote the good practices in regards to the following matters: working conditions, health and safety in relation to the working positions and professional actions.
4. CECOSA will use the necessary means to provide its employees a healthy and safe working environment. Fostering as well, the implementation of practices in matters of safety and health among its suppliers and rest of the companies that cooperate with its corporate structure.
5. The working shift and overtime work will not exceed the amount that is legally allowed and so this matter will be monitored, in all cases, according to the applicable laws, and considering the country where it is being performed the activity.
6. CECOSA and its corporate and organizational structure, will always hire in accordance to the legally established regulations in this matter.
7. The managers, employees and personnel of CECOSA and its corporate structure must use in a correct and proper way the instruments given to them in order to perform their professional tasks.

4.4.- Behaviour within the market and respect for free competition

The compliance of the laws established in relation to free competition matter, will be CECOSA's commitment, either internationally or in those countries where CECOSA and its organizational and corporate structure maintains relationships or performs an activity or where it has commercial facilities.

4.5.- Quality Control

1. The quality of the products and services CECOSA and/or the entities which are part of its organizational and corporate structure, is one of the essential tenets and a fundamental basis for the correct performance of its activity.
2. The management, employees and personnel of CECOSA must strictly respect and observe the legal applicable laws, rules, guidelines, policies and regulations followed by CECOSA in order to guarantee the highest quality of the manufactured products.
3. CECOSA is committed to offer products and services to its customers, which complied with the superior standards of quality and excellence, respecting, at all times, the rules in regards to the use of the materials needed in a safe way.

4.6.- Society and development

CECOSA is committed to support, to the extent possible, the development of the countries where it is located, through employment's offers, support to the sanitary and educational infrastructure and the cooperation with the local authorities in order to improve the management of the economic, social and environmental systems.

4.7.- Conflict of Interest

It will be avoided to hire and make professional relationships with family related people, as long as this could affect the impartiality in our professional performance, and in any case, this will be informed to our direct superior. Any doubt we have must be communicated to the Authority Body for the Supervision and Control, mainly when it is related to regulatory compliance, and this one will evaluate whether or not there is a clear conflict.

It is forbidden to have relationships with customers/suppliers that could bring into question the independence and professional objectivity, nor show behaviours that could be assumed as power's abuse in order to harm or benefit a third party connected to business in any sense.

Any manager, worker, employee and/or member of the Administration Body of CECOSA or any of the entities which are part of the corporate and organizational structure, who will be or has been designated to perform a public role, must communicate this situation to the authority body for the supervision and control in matters of regulatory compliance, prior to accepting the new position, in order to evaluate if there is some kind of incompatibility with the current position and obligations within our company.

CECOSA develops a business model without participating in political process of those countries where it carries out its activities, so that, any relationship with governments, authorities and political parties will be based in principles of legality and political impartiality.

4.8.- No Competition

1. The managers, employees and personnel must communicate to CECOSA, through the Authority Body for the Supervision and Control in regards to regulatory compliance, the practice of any professional or personal activity that could produce a conflict of interest with the professional activities developed within CECOSA or in the companies that are part of the corporate and organizational structure of the same, in order to avoid that such role could harm

CECOSA or its employees. Otherwise, such omission will be considered a disciplinary cause.

2. In particular, the management, employees and personnel must communicate to CECOSA if they will begin any kind of activity for a company or sector which it is a direct competitor to CECOSA's activity. All this, notwithstanding the responsibilities one might have gotten because of the non-compliance of the agreements that might have been accepted in their working contracts or other type of possible agreements of exclusive rights.
3. The managers, employees and personnel are committed to always act, in a fully respectful way according to the applicable law, in benefit of CECOSA and its corporate and organizational structure, in the performance of the roles they were assigned and avoid the personal, individual and inappropriate use of corporate, comercial and/or business opportunities that would be of CECOSA's interest.
4. The possible conflicts of interest between CECOSA and its Partners/Customers will be regulated in accordance to the provisions of the articles 5.2, 5.4 and the following ones of the present Code of Conduct, its By-laws and rest of regulations within the Internal set of laws approved by the Authority Body of the Company to that effect.

Article 5.- RULES OF CONDUCT

5.1.- General Principles

1. The management, employees and personnel, once they have been given, explained and/or informed about the present Code of Conduct, shall be aware that any action against the provisions of this code, or opposite to the rules, policies, guidelines and instructions given/approved by CECOSA, unfulfilling the applicable normative in each case and every moment, or CECOSA's By-Laws and the legal and contractual provisions that would be applicable in the performance of their roles, would make them fall not only into disciplinary offences (that could be expected), but also into penal responsibility which they would be fully responsible of.
2. Likewise, the board of directors, in virtue of the commitment acquired by them, both in their relationship with CECOSA and within the management of their business, must avoid committing any action against the provisions of the present Code, the By-laws, the Internal Regulations and the rest of the laws of obligatory nature within the Company, as well, they must respect the provisions of the Corporate Enterprise Act, otherwise they could get penal responsibilities which are specifically made for that purpose.
3. In this sense, the managers, employees and staff are committed to observe the due diligence and good faith in the development of their roles, committing themselves to check with their direct superior and/or the Authority Body for the Supervision and Control in matters of regulatory compliance, any doubt they may have about this Code of Conduct and/or any other regulation (either internal or external), that could be applicable and of mandatory compliance.
4. Without prejudice to the general principle exposed in this article, next there will be detailed different criterion of conducts, according to their significance, that must be observed in some specific situations of the performance of CECOSA's own activities.

5.2.- Relationships with the partners of CECOSA

5.2.1 Foundation

CECOSA will foster the highest transparency and objectivity in the relationships this one has with its partners.

5.2.2 Performance Guidelines

- (i) The commercial relationships that could have CECOSA with its partners, must respect, at all times, the fixed prices and usual terms in accordance to the prices' policies established by the Management of the Company.

- (ii) The managers, employees and personnel of CECOSA must respect, in all cases, the applicable normative for this kind of operations and request the approval of the superior authority bodies of CECOSA, in those cases where it has to be applicable a corresponding rule.

5.3.- Respect to Intimacy and Confidentiality Duty

The respect for the personal intimacy, freedom and secret of communications, will be a basic right for all the workers of CECOSA and its corporate and organizational structure, since this entails the correct performance of employees' roles within CECOSA, as well as the appropriate commercial and professional activity.

Those conducts that infringe these rights will be punished in the articles 197, 198, 199, 200 and 201 of the Penal Code. Therefore, in order to guarantee the protection of the aforementioned rights and prevent those actions that could diminish or harm them, there will be a few measures to be observed and which we mention below:

- (i) The files, the store data devices and documents used by the employees in the different working areas of CECOSA must be safeguarded in a way that they are not accessible to non-authorized staff.
- (ii) For this reason, the managers, employees and the personnel of CECOSA, shall be obedient to the different rules, proceedings and guidelines that have been duly approved by the Management of the Company, and must be properly communicated to the whole personnel.
- (iii) Also, those managers, employees and personnel that because of their working position within CECOSA, have access to data, IT files and other documents that could affect the personal intimacy or any family related issue of the Administrators, Managers, Partners and Employees of CECOSA, will be obligated to keep confidentially all the information related to them, being forbidden to make copies of such data, give away, reveal or make public any of these documents to non-authorized personnel.
- (iv) It is forbidden to use any of the computers systems which are property of the Company (email, intranet, extranet, corporate mobile, etc.) for purposes different to the ones related to the working position the employee has within the Company.
- (v) All the IT files, messages or communications defined as private must be handled with a strict confidentiality.
- (vi) As a general rule, it is established that the employees of CECOSA do not have the right to access to documents or information of CECOSA

unconnected to their working position, unless there was a prior authorization, nor it will be possible for them to take out of CECOSA such documents for personal or external use to their functions, during the validity of their working relationships with the company or once this one has been concluded.

- (vii) The authority body for the supervision and control in matters of regulatory compliance, in those cases where there is serious suspicion that some employee or personnel of CECOSA have committed an irregular behaviour, could proceed to implement mechanism of data recording, sound or image, in accordance to the legislation and/or jurisprudence applicable to that effect, and with a proportional judgment, and also being a fair, suitable and needed measure in accordance to the applicable provisions.

5.4. – Regarding the performance within the market

CECOSA must act within the market with a loyal, serious and responsible conduct avoiding incurring or being part of any fraudulent or deceitful action that do not meet the mandatory principles of good faith and due diligence in the commercial transactions.

The Employees, in their professional practice within the market, must follow the below performance guidelines:

A) Obtaining Information

- (i) The means used to get the commercial and market information must not violate the legal rules or private covenants established or agreed to protect them.
- (ii) The employees will reject or avoid using any information that could have been gotten unfulfilling any legal ruling or private agreement endorsed by CECOSA.
- (iii) It is strictly forbidden for the employees to spread spiteful or imprecise information to a competitor or company in the commercial transactions or in any other scope of activity.

B) Relationship with suppliers

- (i) The Managers and/or Employees will avoid any kind of interference with CECOSA's suppliers, which could affect, in a direct or indirect way, their impartiality, objectivity and transparency in the performance of their work, specially, in matters related to the fixation of economic

terms, that consequently would affect the good name and reputation of the company and its brand in the commercial transactions and its field of activity.

- (ii) As a general rule, they will try to avoid relationships of exclusivity with suppliers, so that the concurrence of them has a positive impact to CECOSA and in the same way will give a greater transparency or objectivity to the commercial relationships. Nevertheless, the employees will combine this principle with the need of CECOSA to promote and strengthen the relationships with the principles that inspired this Code of Conduct, in a way that will help to consolidate and settle the position of CECOSA and its corporate and organizational structure.
- (iii) The suppliers of CECOSA have to respect the human and labour rights in their corresponding organizations, being a reason to be excluded, from the supplier's network of CECOSA, the non-compliance of these requirements.
- (iv) The supplies and purchases to the suppliers must meet, at all times, the criteria, guidelines and/or policies established to that effect, by the competent authority of CECOSA.
- (v) The Partners and/or Employees must refrain from requesting to the suppliers those prices that they could have offered to third parties.
- (vi) It is strictly prohibited for the employees and personnel to offer or accept any gift or grant within the framework of their relationships with the suppliers.

C) Relationships with the customers

- (i) No employee or worker will accept in an individual way to work with customers that have been already dismissed by the competent authority of CECOSA.
- (ii) The employees or personnel of CECOSA will maintain, at all time, a respectful and thoughtful attitude to the clients of CECOSA, without making any distinction under no circumstance or reason.
- (iii) The employees or personnel will try to ensure that the customers to which CECOSA sells its products have the capacity and needed means to keep these products safe from becoming deteriorated or produced damage or harm to third parties.

- (iv) The employees or personnel shall not falsify products features in order to get more sales or demand.
- (v) There must not be any relationship of exclusivity with customers in order to guarantee, to the extent possible, the transparency and objectivity in the commercial relationships, notwithstanding to maintain primary relationships with those customers that meet the principles that inspired this Code of Conduct in a way that this will ease the strengthening and stabilizing of CECOSA's position and its corporate structure within the market.
- (vi) The customers of CECOSA must respect the human and labour rights in their respective organization, being a reason for exclusion from the customers' network of CECOSA, the non-compliance of these principles.

D) Payments and collection

- (i) The managers, employees and/or personnel of CECOSA will avoid, in a general nature, the payments and money collection, from commercial transactions, above 2,500 Euros, to be given in cash, nor through a bearer check. There will be paid special attention to those operations made in currencies different from the previously agreed or legal tender of the country where the transaction is made.
- (ii) There will be object of special control and examination those payments or collections made with a company with which: (a) when it is a first time comercial relationship; (b) when it comes from or should be done to a different account and not the usual one that was being used for a company in its comercial transactions with CECOSA; (c) the payments that has to be done or received from an account or entity located in countries that do not have a fiscal transparency; (d) when the payment is made by third parties which are not mentioned within the contracts, and, (e) those payments made to entities in which it is not possible to identify the partner, owner or final beneficiary.
- (iii) There will be carefully revised the extraordinary payments that were not indicated within the corresponding contracts or agreements.
- (iv) In any case, the payments and collections must fulfill the policies established by the Financial Management, and all those situations in which these conditions are not met; it will have to be reported.

- (v) All the transactions of CECOSA and its corporate structure, such as operations, stock movements, hiring, must reflect clarity and accuracy within the registers of the company.

E) In regards to International Partners

- (i) CECOSA won't be allowed to internationally join into partnership with entities, organizations or associations that do not respect the good use or commercial practices, or makes actions against the human rights, the freedom and dignity of people.
- (ii) It is forbidden to endorse any kind of agreement, cooperation or interest with an entity or person, natural or legal one, which distinguishes people because of their race, gender, religion, health, sexual orientation or any other type of condition or personal decision.
- (iii) CECOSA won't be allowed to join into partnership or begin commercial or professional relationships with entities that do not prove, through a reliable mean, the origin of the funds pretended to be used in the commercial transactions.

F) In regard to the industrial and intellectual property

- (i) The respect for the work, investigation and development will be another principle of CECOSA, not only commercially, but also as brand, during the performance of its activity, being mandatory the importance to comply with the registered rights within the relevant registration office.
- (ii) There has to be verified the legal and registered situation of the existing rights of Industrial and Intellectual Property in relation to the designs, prototype, procedure, etc that will be used in the performance of CECOSA's activity.
- (iii) It is prohibited to make use of the results gotten from investigation works or developments made by other companies or third parties, without the proper authorization of the owners of the existing rights on these works.
- (iv) It is required to CECOSA's personnel to keep the highest respect when using investigation works and developments made by CECOSA.
- (v) It is forbidden to transfer to third parties commercial and industrial secrets of CECOSA, as well as any other knowledge about techniques,

sale or distribution methods, consumers' profiles, publicity strategies, suppliers and customers' data base and manufacturing process developed within the scope of CECOSA's activity, which must be kept completely confidential.

- (vi) It is totally forbidden to manufacture prototypes made by other companies when there has not been gotten the necessary permission for that purpose, which should be previously attributed by the owners of the rights of such prototypes.
- (vii) It is prohibited to use information of third parties, or about them, which has not been obtained with the duly consent of the owners according to the opportune legal proceedings.
- (viii) It is mandatory to respect the conditions and restrictions established by the manufacturers to give the license or permission to use all kind of products with the purpose to perform CECOSA's activity.
- (ix) Any doubt we have in relation to the legal situation of a particular prototype, product, procedure, drawing or any other kind of object, method or strategy liable to get a special protection, shall be check with the authorization body for the supervision and control in matters of regulatory compliance.

5.5.- Rules of conduct in Financial Matters

5.5.1.- Foundation

The information about CECOSA in relation to its economic and financial situation, which is made public and given to its partners, official authorities and in general, that it is officially disseminated, must accurately comply with the real economy within CECOSA and its organizational and corporate structure, and so for this reason CECOSA will be subject to the mandatory obligation to audit, yearly, its annual accounts, by a specialized company in matters of accounts' inspection.

5.5.2.- Performance Guidelines

With the purpose to guarantee that the employees or personnel comply faithfully with the obligation of veracity in regards to the economic and financial information given and in order to assure the efficacy of the regulating principles for the social and economic set of laws, CECOSA established the following rules:

- (i) All the employees, managers and administrators of CECOSA, must provide, faithfully and justifiably, to the financial management, the economic data related to the performance of its activity, when this one is required by it.
- (ii) Likewise, all the employees, directors and administrators of CECOSA, must inform and provide, faithfully and justifiably, to the financial management, the needed information about the facts, circumstances or events that, in relation to the performance of its activity, because of its significance, may affect substantially the result of the company or the real situation of this one.
- (iii) All the communications and documents that CECOSA needs to make public, disseminate, present or give in relation to resources, activities and business must reflect the economic and financial situation of CECOSA and its corporate structure, in a real and trustworthy way, and should have been previously authorized by the General Management, or alternatively by the Financial Management of CECOSA.

It is expressly forbidden to communicate to third parties, inaccurate information as well as to hide or omit important data about the economic and financial situation of CECOSA, which could show an unreal and distorted image of the real situation of CECOSA's companies.

5.6.- Regarding the corruption

5.6.1.- Foundation

Within CECOSA there is respect for the fair and honest competition, defining as the main principle the transparency in its commercial relationships with third parties, which must be regulated by objective criteria of prices, quality, reliability and suitability of the product, and always complying fully with the existing legal regulations in the field where such relationships are established. It must be understood that the use of non-ethical practices within CECOSA, in order to get a benefit, will be considered as a fraudulent action.

5.6.2.- Performance Guidelines

In order to assure the correct behaviour when performing commercial transactions, CECOSA demands that employees and personnel's practices will adhere to the following criteria:

- (i) No director, employee or personnel of CECOSA, will give, offer, request, take or receive, in any way, directly or indirectly, gifts, benefits, advantages, personal favours or presents related to a commercial, contractual or corporate activity developed on behalf of CECOSA and its corporate structure. The present prohibition will include any kind of gift but the admitted and established as common ones within the social relationships, understanding in all cases, that there will be out those gifts which value exceeds 300 Euros.
- (ii) The above-mentioned prohibition will be applicable to the commercial relationships that the directors, employee or personnel of CECOSA has within the international performance of its activity, with the obligation to respect the existing legal framework of each one of the country where this activity is being performed.
- (iii) When the managers, employees or personnel received or are aware that they are being offered to get advantages or personal favours, must immediately report this to their superiors or to the authority body for the supervision and control in regards to regulatory compliance.
- (iv) Likewise, those people whose working position or role would allow them to get certain knowledge about complaints made for any conducts aforementioned must notify this situation, in an immediate way, to the authority body for the supervision and control in regards to regulatory

compliance, with the purpose to get the corresponding regulating measures to be applied to this effect.

- (v) The costs and expenses produced on the occasion of buying gifts, promotional campaigns, etc, which will be done because of the activity of CECOSA, must be proved by the respective invoices, receipts and supporting documents that will include the date of the purchase, concept, identity of the person to whom the gift will be given and the reason why it was bought.
- (vi) The actions of CECOSA and its managers, employees and personnel that represent any of the societies and/or entities of the same, in public tenders, biddings, hiring with administration, autonomous organizations, State or Public Capital Companies of any nationality and/or country must adjust to the request of transparency and legality previously mentioned.

Article 6 .- EXTERNAL CODE OF CONDUCT

CECOSA, won't buy merchandise nor will subscribe contracts with manufacturer or suppliers that do not have ethical and acceptable working conditions.

The suppliers, manufactures and/or producers that contract or wish to contract products or services with CECOSA, must comply with the following Code of Conduct, just as it is established in the same. Every supplier/producer or manufacturer that, at the same time, needs to hire services or products from third parties, which final destination would be the relationship with CECOSA, must also assure the compliance of the conditions established within our Code of Conduct, therefore this will be mentioned in our web page or in an analogous location to which our suppliers, manufacturers or producers have access to.

6.1. Foundation

This Code is based on:

- (i) ILO's Agreements.
- (ii) Universal Declaration of Human Rights of the United Nations.
- (iii) The principles of United Nations' Global Compact.
- (iv) The applicable Labour Regulation.

- (v) Sector Codes.
- (vi) Local, Communal or International Legislation related to the environment.
- (vii) Any other law that would be applicable in accordance to CECOSA's own activity.

6.2.- Performance Guidelines

- (i) Support and respect to the protection of International Human Rights.
- (ii) CECOSA will only work with suppliers, manufacturers and/or producers that are responsible and which working conditions and habits are ethical and acceptable, in accordance to the principles emanated by the United Nations and the ILO.
- (iii) Assuring there is not complicity with abuse of process practice.
- (iv) The producers and suppliers that will hire from CECOSA, will treat respectfully and deservedly its employees. No employee will be subject to abuse or physical, sexual, psychological or verbal harassment.
- (v) Health, safety and cleanliness.
- (vi) Our suppliers must have a safe working environment that complies with the legal provisions of safety, health standards and hygiene. This will be applicable to the lodgement or any other kind of facility provided to the employees.
- (vii) Payments and Benefits.

The payments to the employees will be, at least, the ones established by the applicable legislation in force, respecting in all cases, the collective agreement which are of obligatory compliance.

- (viii) Working shifts.

The number of hours must be reasonable and in accordance to the local laws and the industry and sector standards. The overtime work must be compensated according to the mandatory applicable normative.

- (ix) Freedom of association and the right for collective negotiation.
- (x) The suppliers, producers and/or manufacturers, hired by CECOSA, must acknowledge and respect the following legal rights: freedom of association, unionization and collective negotiation, by getting the

commitment of not interfering, penalizing or restricting the legitimate initiatives of their workers.

(xi) Reject all type of slave labour.

(xii) CECOSA won't allowed the employment of people who do not give a voluntary and aware work, with full consent, nor any other kind of forced work, neither directly nor indirectly from the suppliers, producers or third parties that contract from CECOSA.

(xiii) Rejection to child labours

It won't be allowed, under no circumstances, the child labour from our suppliers, producers or thirds parties that will hire from CECOSA in a direct or indirect way.

(xiv) No discrimination.

There won't be tolerated in any way from anyone that belongs to CECOSA, an unfair, rude or unfavourable treat because of people's race, religion, gender, condition or ideology. For that reason, the hiring of employees made by the companies that subscribe a contract with CECOSA, must be based in the hired personnel's abilities to perform the tasks that have been entrusted, and always corresponding to their working positions and not according to personal features or believes.

(xv) Respect to the environment.

There has to be guaranteed the compliance of the laws, rulings and applicable norms related to the environment, always taking as an action guideline, a responsible behaviour in respect to the environment.

All of that, in accordance to the implementation of policies aimed to lessen the impact on the environment, adapting our process to the regulations in force and making our best efforts to its compliance, just like it is reflected in our certification ISO 14001:2004 of Environmental Management.

(xvi) Laws observance.

Every supplier, producer, manufacturer or third party that subscribe a contract with CECOSA, must assure the compliance of the local, national and international laws by its company, as well as with the ones that were subcontracted to get products, raw material or services of any kind, not being tolerated, in any way, the corruption, subornation or extortion.

(xvii) Supervision.

In order to make sure this Code of Conduct is effective, it must be known and shared with the whole organization and its compliance has to be verifiable whenever is required.

To that effect, the third parties that hired, in a direct or indirect way from CECOSA, must ease the conditions for such compliance's verification of this Code of Conduct which could be made by the personnel of CECOSA or an authorized third party within the framework of the agreements made by the parties.

Article 7.- CODE OF CONDUCT MANAGEMENT

7.1. Authority Body for the Supervision and Control in regards to the regulatory compliance

The authority body for the supervision and control in relation to the regulatory compliance shall foster and quicken actively the dissemination and compliance of this Code of Conduct, and with this purpose there will be adopted the following measures:

- (i) The management body of the company will appoint an **Authority Body for the Supervision and Control in regards to the Regulatory Compliance**, to who will be entrusted the task of control and compliance of the rules within this Code of Conduct.
- (ii) The Authority Body for the Supervision in regard to the Regulatory Compliance will perform, among other functions, the following role:
 - (a) Guarantee the compliance of this Code of Conduct.
 - (b) Supervise the effectiveness and observance of Code of Conduct and the regulations related to it.
 - (c) Establish and develop the necessary procedures in order to guarantee the observance of the present Code of Conduct and the regulations related to it.
 - (d) Prepare an informative program for the staff of CECOSA to get them to know, acknowledge and accept this Code of Conduct and the regulations related to it.
 - (e) Clarify the existing doubts expounded by the personnel who have the obligation to follow the guidelines of this Code of Conducts, in relation to the application of the same, assuring the proper performance of CECOSA's activity.
 - (f) Make an annual management report and afterwards send it for approval to the administration body.

- (g) Evaluate and propose disciplinary measures, in case of non-compliance, to the General Management.
- (h) Examine the contracts that CECOSA has endorsed with customers, suppliers and casual partners with purpose to get them to comply with the established policies within the Code of Conduct and the regulations related to it.
- (i) Keep and safeguard the record of every incident produced within CECOSA in relation to the observance of the present Code of Conduct and the regulations related to it, as well as the documents coming from such event, guaranteeing in all cases, the confidentiality.
- (j) Adopt the necessary measures in order to maintain the confidentiality of the complaints handle, which should be used only for the previously mentioned legal purposes.
- (k) Inform the corresponding authorities all those facts that, after the timely internal investigations, are considered to be an illicit action.
- (l) Represent CECOSA before the judicial bodies and organizations or before the corresponding administrative authorities, in the procedures of jurisdictional or administrative nature in which CECOSA could be involved to request it penal responsibility or disciplinary proceeding, unless such representation by legal provision or judicial and/or administrative ruling or by decision of the Administration Body of CECOSA, it is agreed that such representation will be made by other authority body, department, Administrator, Director and/or proxy of CECOSA.

7.2 .- Disciplinary System

CECOSA will develop the necessary measures for the efficient implementation of this Code of Conduct.

No one, regardless of their level, working position or role, will be authorized to request a partner, professional and/or other person (either inside or outside of CECOSA) to commit an illegal action that could disobey what it is established within the Code of Conduct. At the same time, no partner, professional and/or any other person (inside or outside of CECOSA) will be able to justify an illegal or inappropriate conduct against the regulations within the Code of Conduct, exercising their rights in the order of a direct superior.

The professionals of CECOSA have the right and duty to expose, before the Authority Body for the Supervision and Control in regards to the Regulatory Compliance, an unfulfilment of the principles included within the guidelines which are part of this Code of Conduct and the regulations related to the well management of the company.

7.3.- Definition

With the aim of the present Code of Conduct, we hereby provide the following definitions:

- **Activity:** any of the actions, functions and works performed by CECOSA or its Partners, Administrators, Managers and Employees in the development of its respective corporate purposes.
- **Administrators:** Each one of the members of the Administration Body of CECOSA.
- **External Advisers:** those natural or legal people that provide a consultancy service, advice or any other service of similar nature to CECOSA, and as a result of this work, they will have access to Privileged and/or Confidential Information.
- **Partners:** Those people, natural or legal ones, which become part of CECOSA, in the role of Partners, in accordance to CECOSA's By-Laws linked specially to the conditions of observance and requirements within the By-Laws of the Entity and any other normative approved by the Governing Bodies of CECOSA.
- **Cc:** Royal Decree of August 22nd 1885, in which was included the Trade Code.
- **Penal Code:** Organic Law 10/1995, of November 23rd of the Penal Code.
- **Sector Codes:** these are specific subjects of CECOSA's activity that because of its distinctive features will need more detailed and specific rules than the one included in this Regulation.
- **Company or CECOSA:** This one will be CECOSA or any other entity that is part of its organizational or corporate structure presently or in the future.
- **Authority Body for the Supervision and Control in regards to Regulatory Compliance:** is the competent body for the supervision and conflicts' resolution in accordance to this applicable regulation.

- **Director:** is that person within the headquarters of the Company, responsible of the General Management, Deputy Head, Division, Functional Area, and/or Department, which has a direct dependency on the Managing Director. This definition will be understood without detrimental of the different legal definitions of director provided within the normative of stock market related to abuse of market, transparency and good corporate governance that would be applicable in each particular case.
- **Supplementary Documents:** refers to the rules, documents and/or memos enacted and issued by CECOSA in order to complete, clarify and/or modify the established in the present Code or the Sector Codes.
- **Confidential Documents:** this refers to all the informative materials we have in different formats: written, audio-visual, computerized form, digital or any other type of a Privilege or Relevant information.
- **Public Worker:** Government Employees, State's Agency for Tax Administration, Authority Bodies such: Governmental, Legislative, Judicial, State, Autonomous, Municipal as well as the State Companies or a Public Organization either of State nature or International. Also, it will be considered a public worker, all those workers who meet the same features but provide a service in a different State.
- **Group of Societies or corporate and organizational structure of CECOSA:** CECOSA, and all those mercantile societies which meet the requirements established in the art. 42.1 Cc.¹, or those where CECOSA has direct or indirect control.

¹ **Article 42 (Trade Code)**

1. Every society that dominates a group of societies will be obligated to prepare the Annual Financial Statements and the consolidated management reports in the format established in this section.

There exists a group, when a society takes or could take, direct or indirect control of one or all. In particular, it will be presumed that there is control when a society, designated as the controlling one, is related to other society, that will be designated as the dependent one, in any of the following situations:

- a) Possesses the majority of the rights to vote.
- b) Has the authority to designate or dismiss most of the members of the administration body.
- c) Can get, by virtue of the agreements subscribed with third parties, the majority of the rights to vote.
- d) Has designated, with its votes, the majority of the members of the administration body, who is performing the working position at the moment when the Consolidated Accounts have to be prepared and during the two immediately previous fiscal years. In particular, this circumstance will be presumed when the majority of the members of the administration body of the dependent society are also members of the administration body or senior managers of the controlling society or other dominated by this one. Under this assumption, there won't be a consolidation if the society, which administrators have been appointed, is linked to other that meets any of the cases mentioned in the first two letters of this section.

- **Personal Operations:** it shall be understood as Personal Operations, any kind of operation made by people submitted by the present Code or the People related to the values affected by this Code.
- **Personnel and employees:** these are all the Chief Executive Officers, directors, and rest of the employees of CECOSA, whatever it would be the type of contract they have, when they act in such condition, this means, representing or acting behalf of CECOSA, either if they do it directly or indirectly, or through a third party, a society or any other kind of controlled entity.
 - **Related Person:** any person who meets any of the following situations with an employee of CECOSA or its corporate structure:
 - Spouse or a person with a similar emotional relationship.
 - Predecessor, descendent or sibling.
 - Predecessor, descendent or spouse's sibling or a person with a similar emotional relationship
- **Society:** CECOSA, and/or all those societies and/or entities that constitute, presently or in the future, its Organizational or Corporate Structure.

7.4.- Acceptance

The employees of CECOSA, and the rest of the societies and/or entities which are part of its Corporate and/or Organizational Structure, currently or in the future, for the simple fact of being, must know and perform their jobs in accordance to the rules established within this Code of Conduct. They will have to make a written declaration stating explicitly that they have received a copy of the Present Code of Conduct, for its reading and acceptance. There won't be considered a justification the ignorance of this Code of Conduct.

For the purposes of this section, there will be added, to the rights to vote of the controlling society, all those rights possessed through other dependent societies or through people that act on their own name but on behalf of the controlling entity or the other dependent ones, or those that have been systematically gotten from any other person.

(...)

Article 8.- COMPLAINTS CHANNEL (Whistle Blowing)

8.1.-Improvements Policies

1. The personnel and employees must report to the Authority Body for the Supervision and Control in regards to the regulatory compliance, about any incident they are aware of related with non-observance or originated from the due compliance of the present Code of Conduct, guaranteeing always the confidentiality of what they report.
2. The incidents' declaration can be done by the personnel and employees through the communication with the Authority Body for the Supervision and Control in regards to the regulatory compliance.
3. CECOSA will publicize the existence of this complaint channel through its website, within the framework of its policies of improvements, explaining the proper way to make this type of communications, which in all cases, will be confidential.
4. The personnel and employees of CECOSA will be allow to use the same means of communication to request information or set out doubts to the Authority Body for the Supervision and Control in regards to regulatory compliance, in order to obtain a clarification, explanation or point of view about the present Code of Conduct, Sector Codes, Supplementary Documents or any other normative that would be applicable.

8.2.- Confidentiality

The Authority Body for the Supervision and Control in regards to regulatory compliance guarantees to the personnel and/or employees a complete confidentiality in the complaints that could have been lodged.

8.3.-Procedure for Complaints' Processing

1. Once received a complaint, the Authority Body for the Supervision and Control in regards to regulatory compliance, will begin an investigation on the facts, subject matter of the complaint, with the purpose to clear up what actually happened.
2. The Authority Body for the Supervision and Control in regards to regulatory compliance, in charge of doing the investigation, could request as much information as he considers necessary, documentary or by making a personal interview to all the people involved, the head of departments, areas, sections, departments, etc...Directors or members of the Administration Body, respecting in all cases, the obligations of keeping the confidentiality when processing the information received during the investigation.

3. The personnel and/or employees must provide (by any of the media above mentioned) the information or evidences they have knowledge of while the investigation is being developed. In this sense, a complaint that would have been filed at first because of lack of evidence, could be reopen and initiate again a new investigation in case there was gotten some new information.
4. Every investigation about a reported complaint must be concluded by preparing a written report which will be issued by the Authority Body for the Supervision and Control in regards to regulatory compliance, and there will be explained a summary on the case.
5. If within the investigation made by the Authority Body for the Supervision and Control in regards to regulatory compliance there is enough proof that there was committed an irregular action, CECOSA and its corporate and organizational structure shall impose the corresponding and applicable punishments to the personnel or employees involved.
6. The Authority Body for the Supervision and Control in regards to regulatory compliance will keep record of all the complaints received. Such complaints' record must follow the rules about the matter of data protection which would be applicable in this case.

8.4.- Reprisals prohibition

1. CECOSA won't be allowed to take any reprisal or action that could bring a negative consequence to the employee or personnel, for the simple fact of being obedient and reporting a situation that was consider to be a violation of the present Code of Conduct and the normative related to it.
2. The reason why it is forbidden to impose reprisals to the staff and/or employees, it is because of the importance of the compliance of this Code of Conduct and brings cause of the spirit and purpose included therein.
3. Despite of the previous, CECOSA considers that the personnel and/or employees must use the Complaints Channel in a responsible way, avoiding a self-interested and excessive use of the same. For that reason, once made the investigation it was concluded that the interposed complaint was false and reported in bad faith, the Authority Body for the Supervision and Control of penal risks within CECOSA will suggest the corresponding disciplinary measures included in this Code of Conduct, as well as the applicable legal provisions.

8.5.- External Audit

The administration body, through the Authority body for the Supervision and Control in regards to the regulatory compliance, shall hire external consultants whenever it is

considered convenient, in order to verify and confirm, in an independent way and with total freedom, the observance of the present Code of Conduct.

Article 9 .- COMPLIANCE AND INTERPRETATION

9.1.- Compliance

CECOSA must observe the rules included in the same.

The non-observance of the employees and/or personnel regarding the guidelines established by this Code of Conduct will be considered as a serious labour offence, being applicable the existing and respective legislation at that moment. Likewise, the hypothetical penal punishment that could be imposed to any of the people obligated to comply the present Code of Conduct, could imply the end of the labour relationship with the company CECOSA in which it is providing services, being considered this action a lawful dismissal.

9.2.- Interpretation

The Authority Body for the Supervision and Control in regards to regulatory compliance, will be in charge of the interpretation of laws included within the Code of Conduct and the Penal Risks Prevention's Manual of CECOSA, trying to reconcile such interpretation with the rest of the manuals, proceedings, guidelines, orders and existing instructions within the company for a better and more efficient performance of his role.