

INTERNAL REPORTING MANAGEMENT PROCEDURE

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1. PURPOSE

The purpose of this document is to establish the provisions necessary for the management of the Internal Reporting System of the FUNDACIÓN REAL ESCUELA ANDALUZA DE ARTE ECUESTRE (FREAAE) in accordance with the requirements set out in Law 2/2023 of 20 February on the protection of persons who report regulatory breaches and the fight against corruption.

2. SCOPE OF APPLICATION

2.1. Personal Scope

This Procedure shall apply to Reporting Persons who work for FREAAE or are stakeholders and who have obtained information concerning breaches in a work-related or professional context, including, in particular:

- a) Persons who are employees of the Foundation.
- b) Self-employed individuals providing services to the Foundation.
- c) Shareholders and persons belonging to the Foundation's administrative, management or supervisory body, including non-executive members.
- d) Any person working for or under the supervision and direction of contractors, subcontractors or suppliers.

This Procedure shall also apply to persons who report information concerning breaches obtained in the context of an employment or statutory relationship that has since ended, as well as to volunteers, trainees and individuals undertaking work placements, irrespective of whether they receive remuneration. It shall also apply to persons whose employment relationship has not yet commenced, where the information concerning breaches was obtained during the recruitment process or pre-contractual negotiations.

2.2. Material Scope

Reports may be submitted through the Internal Reporting System concerning:

- a) Any acts or omissions that may constitute breaches of European Union law, provided that:
 - 1. They fall within the scope of the European Union acts listed in the Annex to Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law, irrespective of how such breaches are classified under national law;

2. They affect the financial interests of the European Union, as referred to in Article 325 of the Treaty on the Functioning of the European Union (TFEU); or
3. They relate to the internal market, as referred to in Article 26(2) TFEU, including breaches of European Union rules on competition and State aid, as well as breaches relating to the internal market concerning acts that infringe corporate tax rules or practices whose purpose is to obtain a tax advantage that defeats the object or purpose of the applicable corporate tax legislation.

b) Acts or omissions that may constitute serious or very serious criminal or administrative offences. In all cases, this shall include any serious or very serious criminal or administrative offences that result in financial loss to the Public Treasury or the Social Security system.

c) Any acts or omissions that may constitute breaches of the FREAAE Code of Ethics, the Criminal Compliance and Anti-Bribery Policy, or FREAAE's internal Corporate Governance rules.

3. PROTECTION MEASURES AGAINST RETALIATION

3.1. Conditions for Access to Protection

The guiding principle of FREAAE's Internal Reporting System Policy is the protection of the Reporting Person. Accordingly, persons who report any of the regulatory breaches falling within the scope of this Procedure shall be entitled to protection, provided that the following conditions are met:

- they have reasonable grounds to believe that the information reported is truthful at the time the report is made, even if they do not provide conclusive evidence; and
- the report has been made in accordance with the requirements established in this Procedure.

In addition, the protection measures shall also apply, where appropriate, to:

a) The legal representatives of employees when acting in their capacity of advising and supporting the Reporting Person.

b) Natural persons who, within the organisation where the Reporting Person provides services, assist the Reporting Person in the reporting process.

c) Natural persons who are connected with the Reporting Person and who may suffer retaliation, such as the Reporting Person's colleagues or family members.

d) Legal entities for which the Reporting Person works or with which they have any other type of relationship in a work-related context, or in which they hold a significant ownership interest. For these purposes, an ownership interest in the capital or voting rights attached to shares or other equity interests shall be considered significant where, by virtue of its proportion, it enables the holder to exercise significant influence over the legal entity in which the interest is held.

However, the protection regime shall expressly not apply to persons who report:

- a) Information contained in reports that have been rejected as inadmissible.
- b) Information relating to interpersonal conflicts or concerning exclusively the Reporting Person and the persons referred to in the report.
- c) Information that is already fully available to the public or that constitutes mere rumours.

3.2. Prohibition of Retaliation

Acts constituting retaliation, including threats of retaliation and attempts to retaliate against persons who submit a report in accordance with this Procedure, are expressly prohibited.

Retaliation means any acts or omissions prohibited by Law 2/2023, or any acts or omissions that, directly or indirectly, result in unfavourable treatment that places the persons affected at a particular disadvantage compared with another person in a work-related or professional context, solely because of their status as Reporting Persons, provided that such acts or omissions occur during the investigation proceedings and within the two years following their conclusion.

In particular, the following shall be considered acts of retaliation:

- a) Suspension of an employment contract, dismissal or termination of an employment or statutory relationship, including non-renewal or early termination of a fixed-term employment contract once the probationary period has been completed, or the early termination or cancellation of contracts for goods or services; the imposition of any disciplinary measure; demotion or denial of promotion; any other substantial modification of working conditions; and the failure to convert a fixed-term employment contract into a permanent contract where the employee had legitimate expectations of being offered permanent employment. This shall not apply where such measures are taken in the ordinary exercise of the employer's management powers pursuant to the applicable employment legislation or legislation governing the status of public employees, on the basis of duly established circumstances, facts or breaches unrelated to the submission of the report.
- b) Harm, including reputational harm, or financial loss, coercion, intimidation, harassment or ostracism.
- c) Negative performance assessments or employment or professional references.
- d) Blacklisting or dissemination of information within a particular sector that makes it difficult or impossible to access employment or to contract for goods or services.
- e) Denial or cancellation of a licence or permit.
- f) Denial of training.
- g) Discrimination or unfavourable or unfair treatment.

In the event of retaliation, the Reporting Person shall immediately report it through the reporting channel available on the website www.realescuela.org, which shall refer the

matter to the Compliance Committee, in its capacity as Internal Reporting System Officer. The Committee shall periodically monitor the situation of the Reporting Person and, where applicable, of any other persons covered by the protection regime.

If the System Officer establishes that retaliation has occurred during the period in which the protection regime applies, in addition to any disciplinary measures and/or administrative sanctions that may be applicable, the necessary measures available shall be taken to restore the person who suffered retaliation to the position they were in prior to the harm suffered.

3.3. Support Measures

FREAAE shall provide its own support and assistance measures, without prejudice to those adopted by the Independent Authority for the Protection of Reporting Persons (A.A.I.). Persons who report or publicly disclose breaches falling within the scope of Section 2 through the Internal Reporting Channels provided for in this Procedure shall have access to the following support measures:

- a) Comprehensive and independent information and advice from the Foundation regarding the procedures and resources available, protection against retaliation, and the rights of the affected person.
- b) Effective assistance from the Foundation before any relevant authority involved in protecting the Reporting Person against retaliation, including certification that the Reporting Person is eligible for protection under this Law.
- c) Legal assistance in criminal proceedings and in cross-border civil proceedings, in accordance with applicable European Union legislation.
- d) Financial and psychological support, on an exceptional basis, where so decided by the Independent Authority for the Protection of Reporting Persons (A.A.I.) following an assessment of the circumstances arising from the submission of the report.

4. OBLIGATIONS OF FREAAE PERSONNEL

As a general rule, all FREAAE personnel, including persons belonging to the entity's governing body, shall maintain the strictest confidentiality regarding:

- a) The identity of the Reporting Person.
- b) The identity of the persons concerned by the report.
- c) The identity of any other persons mentioned in the report.
- d) Any information communicated through the Internal Reporting System.

In particular, persons authorised to access the identity of the Reporting Person shall be responsible for safeguarding the confidentiality of that identity and of the identity of any third party mentioned in the report.

Where a report is submitted through channels other than those established in this Procedure, or to personnel who are not responsible for handling it, the recipient of the report shall immediately forward it to the System Officer (hereinafter, the “System Officer”).

The System Officer may request FREAAE personnel to assist with the investigation proceedings. Within the applicable legal framework, such personnel shall be required to:

- a) Appear before the System Officer when requested to do so and answer all questions put to them.
- b) Respond to all requests for information or documentation made by the System Officer.
- c) Maintain confidentiality regarding the existence and content of the investigation.

Requests for assistance shall be complied with without delay and, in any event, within the time limits specified by the System Officer. Likewise, FREAAE personnel, including persons belonging to the entity's governing body, shall refrain from:

- Obstructing the submission of reports.
- Preventing, frustrating or delaying the follow-up of reports, including by providing false or incomplete information or documentation when requested to do so.
- Taking any retaliatory action, including threats of retaliation or attempts to retaliate, against persons who submit a report or any other persons covered by the protection regime, as established in Section 3 of this Procedure.
- Knowingly submitting false information through the Internal Reporting System.

The obligations established for FREAAE personnel shall also apply to persons outside FREAAE who fall within the scope of this Procedure.

Failure to cooperate with the System Officer may result in the closure of the case file.

5. CHANNELS FOR REPORTING

The FREAAE corporate website (www.realescuela.org) provides a link entitled “Whistleblowing Channel” which gives access to a platform provided by a specialised technology company. This platform has appropriate technical measures in place to ensure the confidentiality and security of the information, as well as anonymity where this reporting method is chosen.

Once the report has been submitted, it will be automatically registered on the platform, generating a case file to which all documentation relating to the report must be attached.

It is also possible to report regulatory breaches, at the request of the reporting person, by means of an in-person meeting with the person responsible for the Internal Information System. Such a meeting may be requested at the following email address: canaletico@realescuela.org

Where the report is made by means of an in-person meeting, the person responsible for the Internal Information System shall document it in one of the following ways, subject to the reporting person's prior consent:

- a) By recording the conversation in a secure, durable and accessible format; or
- b) By means of a complete and accurate transcript of the conversation. In this case, the person responsible for the System shall be assisted by the person holding the position of Secretary of the Compliance Committee.

Without prejudice to the rights afforded to the reporting person under data protection regulations, they shall be given the opportunity to verify, rectify and accept the transcript of the conversation by signing it.

In addition, the report may be submitted through an external channel established and managed by the Independent Authority for the Protection of Whistleblowers (A.A.I.), a public-law entity at national level affiliated with the Ministry of Justice.

6. REPORT HANDLING PROCEDURE

The Compliance Committee is responsible for the Internal Information System, with the person holding the position of Secretary of the Compliance Committee being the natural person to whom the Board of Trustees has delegated responsibility for managing the Internal Information System. The investigation and processing of cases arising from reports received shall be entrusted to the person designated by the Secretary of the Compliance Committee.

In the event that this person's position is vacant, or in the event of their absence or illness, or where it is duly alleged that they are subject to a conflict of interest, the Secretary of the Board of Trustees shall act as substitute.

6.1. Receipt of Reports

The person deciding to submit a report shall provide, together with the report, as much information as possible regarding the reported facts, and shall expressly include:

- a) The type of relationship that the reporting person has with FREAAE, in accordance with Section 2.1 of this Procedure.
- b) The date or dates on which the reported facts occurred.
- c) The person or persons who, where applicable, were responsible for such facts.
- d) A complete and accurate description of the facts.
- e) Documents, data and any other sources of evidence or information which, where applicable, may enable the facts to be investigated.

Upon receipt of the information, an acknowledgement of receipt shall be issued within a period not exceeding seven calendar days following its receipt, unless doing so could jeopardise the confidentiality of the report.

Once the information has been registered, the person responsible for the System shall determine whether it concerns facts or conduct that constitute a breach, irregularity or unlawful act under the FREAAE Good Governance System. For this purpose, the reporting person may be asked, where deemed appropriate, to provide additional

information that may clarify or supplement the contents of the report, together with any documents or data deemed necessary to substantiate the existence of the irregular or unlawful conduct.

Once the initial assessment of the report has been carried out with regard to its subject matter, responsibility for handling the case may be transferred, taking into account the following:

a) Reports concerning workplace harassment, sexual harassment or harassment on grounds of sex shall be referred to the Human Resources Department and handled in accordance with the FREAAE Protocol for the Prevention of and Action against Harassment. If the final report concludes that the reported facts constitute harassment, such report shall be forwarded to the person holding the position of Secretary of the Board of Trustees, in order to proceed in accordance with Section 6.4. In all cases, the maximum period established in this Procedure for responding to the investigative proceedings shall be observed. In the event that this position is vacant, or in the event of the person's absence or illness, or where it is duly alleged that they are subject to a conflict of interest, the person designated by the Compliance Committee shall act as case manager.

b) Reports concerning breaches of data protection regulations shall be referred to the person responsible for coordinating the protection of the entity's personal data, although they shall be handled in accordance with the provisions set out in the following sections. In the event that this position is vacant, or in the event of the person's absence or illness, or where it is duly alleged that they are subject to a conflict of interest, the person designated by the Compliance Committee shall act as case manager.

c) Reports concerning other matters shall be handled by the person responsible for the System in accordance with the provisions set out in the following sections.

In all cases, the person responsible for the System shall ensure the diligent handling of the case.

6.2. Admissibility or Inadmissibility Assessment

Following this preliminary assessment, the person responsible for the System shall decide to:

a) Reject the report for processing in any of the following cases:

- Where the facts reported lack any credibility or do not constitute a breach, irregularity or unlawful conduct under the FREAAE Good Governance System.
- Where the facts reported do not constitute an infringement of the legal system falling within the scope of application of this Procedure.
- Where the report is manifestly unfounded because it does not meet the requirements set out in Section 6.1 of this Procedure, or where there are reasonable grounds to believe that the evidence was obtained through the commission of a criminal offence.
- Where the report contains no new and significant information concerning infringements compared with a previous report in respect of which the relevant proceedings have been concluded, unless new circumstances arise that justify different follow-up.

- b) Admit the report for processing, in which case the protection regime against potential retaliation shall take effect under the terms set out in Section 3 of this Procedure.
- c) Immediately refer the information to the Public Prosecutor's Office where the facts may, on a prima facie basis, constitute a criminal offence.

Where a report is submitted by a person who does not fall within the personal scope of this Procedure, the report shall be rejected for processing, without prejudice to taking whatever legal action may be appropriate.

The decision to admit or reject the report for processing shall be communicated to the reporting person as soon as possible. The decision to reject the report for processing shall be briefly reasoned.

6.3. Investigative Proceedings

The investigative proceedings shall comprise all actions aimed at verifying the credibility of the facts reported, and a record of such actions shall be kept in the case file. Some of the main investigative measures that may form part of the investigation are set out below:

- a) Conduct interviews with the reporting person, the persons mentioned in the report or FREAAE personnel, which shall be duly documented.
- b) Obtain any information or documentation deemed necessary from any of the entity's Departments.
- c) Access the IT systems and devices that the entity makes available to its employees for professional purposes (e.g. laptops, email accounts, storage devices, etc.), within the limits established by applicable employment and data protection regulations.

Where necessary, the person responsible for the System may obtain the assistance required to carry out the investigative proceedings, which shall in all cases comply with the principles established in the Internal Information System Policy. Any procurement procedures that may be required shall be carried out with the necessary speed to meet the investigation deadlines.

The person concerned by the report shall be informed of its existence, as well as of the facts reported in summary form. However, such information shall be provided at the time and in the manner deemed appropriate to ensure the proper outcome of the investigation. Under no circumstances shall the identity of the reporting person be disclosed to the person concerned, nor shall they be granted access to the report.

The person concerned shall also have the right to be heard at any time in order to present their version of the facts and provide such evidence as they consider appropriate and relevant, with full respect for the presumption of innocence. They shall be informed of the possibility of appearing with the assistance of a lawyer.

6.4. Conclusion of the Proceedings

Once the investigatory measures have been completed, the person responsible for the System shall issue a report containing a summary of the facts reported, the actions carried out to verify the credibility of those facts, an assessment of the investigatory measures and the evidence supporting them, and the conclusions reached in the investigation.

This written report setting out the conclusions reached shall be submitted to the Compliance Committee, which shall adopt one of the following decisions:

- a) Close the case file in any of the following circumstances:

- Where the facts that could constitute a regulatory infringement falling within the scope of application of this Procedure did not occur.
- Where the investigatory measures carried out do not sufficiently establish that the infringement was committed.
- Where the proven facts manifestly do not constitute a regulatory infringement falling within the scope of application of this Procedure.
- Where the person or persons responsible could not be identified.
- Where it is concluded at any stage that the infringement is time-barred.

The closure of the case file shall be notified to the reporting person and, where applicable, to the person concerned.

b) If the Compliance Committee's decision concludes that the person concerned or any other persons involved within FREAAE are liable in respect of the reported facts or conduct, the decision shall be forwarded to the General Director for the adoption of the appropriate measures.

c) If the Compliance Committee considers that the investigatory measures carried out sufficiently establish the commission of a regulatory infringement falling within the scope of application of this Procedure, it shall forward the report to the person holding the position of Secretary of the Board of Trustees for a determination regarding the legal classification of the facts.

Upon receipt of the legal report, if the facts could constitute a criminal offence, the matter shall be immediately reported to the Public Prosecutor's Office or to the European Public Prosecutor's Office where the facts affect the financial interests of the European Union.

In all cases where the case file has been closed, the reports issued by the person responsible for the System and by the person holding the position of Secretary of the Board of Trustees shall be forwarded to the General Director for information purposes.

Likewise, where disciplinary measures may be appropriate against an employee of the entity, the reports shall be forwarded to the Department responsible for Human Resources.

The reporting person and the person concerned shall be given a brief account of the decisions adopted.

The period for completing the proceedings and providing a response to the reporting person shall not exceed three months from receipt of the complete report or, where applicable, from the rectification of the requirements that had resulted in the report being rejected for processing. This period may, with reasons duly stated, be extended by a maximum of a further three months in cases of particular complexity.

7. CONFLICT OF INTERESTS

Where a report directly concerns persons who may actively participate in its handling and investigation, i.e. one or more members of the Compliance Committee, such persons shall be automatically excluded from the entire investigation and assessment process until its conclusion, in order to prevent any conflict of interest or incompatibility and thereby ensure the objectivity and independence of the actions undertaken by the Compliance Committee itself.

The excluded members of the Compliance Committee shall be required to maintain the strictest confidentiality regarding the report and shall be prohibited from accessing, directly or indirectly, any information concerning the identity of the reporting person or the ongoing investigation.

8. PERSONAL DATA PROTECTION

The processing of personal data arising from the application of this Procedure shall be governed by Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016, by Organic Law 3/2018 of 5 December on the Protection of Personal Data and Guarantee of Digital Rights, by Organic Law 7/2021 of 26 May on the protection of personal data processed for the purposes of preventing, detecting, investigating and prosecuting criminal offences and executing criminal penalties, and by Title VI of Law 2/2023 of 20 February regulating the protection of persons who report regulatory and corruption-related infringements.

The data controller for the personal data processed within the Internal Information System is FUNDACIÓN REAL ESCUELA ANDALUZA DE ARTE ECUESTRE (FREAAE).

Personal data and any other information provided, where applicable, through the Internal Information System shall be processed for the purpose of receiving reports of regulatory infringements, analysing their content and managing the corresponding case file. The processing of personal data is based on compliance with a legal obligation, in accordance with Article 30 of Law 2/2023.

The identity of reporting persons shall in all cases be kept confidential and shall not be disclosed to the persons to whom the reported facts relate or to any third parties.

Data subjects may exercise their rights to object, access, rectification, erasure, restriction of processing and data portability by sending an email to protecciondedatos@realescuela.org or by post to FUNDACIÓN REAL ESCUELA ANDALUZA DE ARTE ECUESTRE, Avenida Duque de Abrantes S/N, 11407 Jerez de la Frontera, Cádiz.

Where the person to whom the facts reported in the report relate exercises their right to object, it shall be presumed, unless proven otherwise, that there are compelling legitimate grounds justifying the processing of their personal data.

Access to the personal data contained in the Internal Information System shall be restricted, within the scope of the respective powers and duties, exclusively to:

- a) The person responsible for the Internal Information System and the person responsible for managing the corresponding case file.
- b) The person responsible for the Human Resources Department, solely where the adoption of disciplinary measures against an employee may be appropriate.
- c) The person holding the position of Secretary of the Board of Trustees of FREAAE, where legal action may be appropriate in relation to the facts reported.
- d) Any data processors that may be appointed.

The processing of data by other persons, or even the disclosure of such data to third parties, shall be lawful where necessary for the adoption of corrective measures within the entity or for the handling of any administrative sanctioning or criminal proceedings that may be appropriate.

Under no circumstances shall personal data that are not necessary for the assessment and investigation of regulatory infringements falling within the scope of this Procedure be processed. Where applicable, such data shall be deleted immediately. Likewise, all personal data that may have been provided and that relate to conduct falling outside the scope of application of this Procedure shall be deleted.

If the information received contains personal data falling within the special categories of personal data, such data shall be deleted immediately and shall not be recorded or otherwise processed.

Data subject to processing shall be retained in the System only for the period strictly necessary to determine whether an investigation into the reported facts should be initiated.

Where it is established that the information provided, or any part thereof, is untrue, it shall be deleted immediately from the time at which such circumstance becomes known, unless the lack of truthfulness may constitute a criminal offence, in which case the information shall be retained for the period necessary while the relevant judicial proceedings are ongoing.

In any event, where three months have elapsed since receipt of the report without any investigative proceedings having been initiated, the information shall be deleted, unless the purpose of retaining it is to provide evidence of the functioning of the System. Reports that have not been acted upon may only be retained in anonymised form, and the blocking obligation provided for in Article 32 of Organic Law 3/2018 of 5 December shall not apply.

Under no circumstances may personal data relating to reports received and internal investigations be retained for a period exceeding ten years.

9. NON-COMPLIANCE WITH THE PROCEDURE

As a general rule, all FREAAE personnel, including persons serving on the entity's governing body, are required to comply with the provisions of this Procedure. Disciplinary measures may be taken in the event of non-compliance.

Non-compliance with this Procedure may result in fines for the organisation of up to EUR 1,000,000, and up to EUR 300,000 where the persons responsible are individuals, as established by Articles 63 and 65 of Law 2/2023. Accordingly, all persons involved are required to demonstrate an active commitment to compliance with all matters relating to the Internal Information System.

The obligation to comply with this Procedure also extends to persons outside FREAAE who submit a report through the entity's Internal Information System.

10. APPROVAL, ENTRY INTO FORCE AND DISSEMINATION

The General Director and the Board of Trustees of FUNDACIÓN REAL ESCUELA ANDALUZA DE ARTE ECUESTRE (FREAAE) are the bodies competent to approve this Procedure.

This Procedure shall take effect upon its approval and shall be published on the FREAAE corporate website and on the intranet.

The Department responsible for Human Resources shall promote the training activities necessary for the proper dissemination of this Procedure, as well as of the compliance culture and the purposes of Law 2/2023.