INTERNAL INFORMATION SYSTEM POLICY

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1. INTRODUCTION

This Policy has been drafted in accordance with Law 2/2023 of 20 February on the protection of persons who report regulatory breaches and on combating corruption, adapting and integrating the various internal reporting channels for irregularities and setting out the general principles governing the Internal Reporting System and the protection of reporting persons.

2. OBJECTIVES

The objectives of this Policy are to:

- Provide adequate protection against retaliation for natural persons who report breaches covered by the Law and by the Code of Ethics of the Royal Andalusian School of Equestrian Art Foundation (FREAAE) and who, as a result of making such reports, may be subjected to retaliation in various forms, including, for example, dismissal, reassignment to another position, or termination of a contract in the case of suppliers.
- Strengthen the reporting culture as a mechanism for preventing and detecting threats to the organisation and the public interest, thereby reinforcing integrity within the organisation.

3. SCOPE OF APPLICATION

This Policy protects natural persons who report, through any of FREAAE's internal reporting channels, any of the following:

a) Any acts or omissions that may constitute breaches of European Union law, provided that they:

1. 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. 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. 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 arrangements whose purpose is to obtain a tax advantage that defeats the object or purpose of the corporate tax legislation applicable.

b) Acts or omissions that may constitute serious or very serious criminal or administrative offences. In all cases, this includes 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 its internal Corporate Governance rules.

This Policy shall apply to whistleblowers who work for FREAAE or are stakeholders and who have obtained information about breaches in a work-related or professional context, including, in particular:

a) Individuals employed by the Foundation.

b) Self-employed individuals providing services to the Foundation.

c) Trustees and members of the Foundation's management, governing or supervisory bodies, including non-executive members.

d) Any person working for or under the supervision and direction of contractors, subcontractors and suppliers.

This Policy shall also apply to Reporting Persons who report or publicly disclose information concerning breaches obtained in the context of a former employment or statutory relationship, as well as volunteers, trainees, interns, 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.

The protection measures established under this Policy shall also apply, where appropriate, to the legal representatives of employees when providing advice and support to a Reporting Person in connection with the reporting process.

4. CONTENT, COMMUNICATION AND TRAINING

The Internal Reporting System is the preferred channel for reporting the acts or omissions referred to in Section 3 of this Policy, provided that the alleged breach can be effectively addressed and the Reporting Person considers that there is no risk of retaliation.

The governing body of FREAAE is responsible for implementing the Internal Reporting System, following consultation with the legal representatives of the employees. It shall also act as the data controller for the processing of personal data in accordance with the applicable personal data protection legislation.

This Policy is supplemented by the Internal Reporting System Management Procedure. Both documents are made readily available on the Foundation's intranet and corporate website. Persons submitting a report through FREAAE's Internal Reporting Channels shall be provided, in a clear and accessible manner, with information regarding the available external reporting channels before the competent authorities and, where applicable, the institutions, bodies, offices or agencies of the European Union.

The Foundation shall provide training on this Policy and the Internal Reporting System Management Procedure in order to ensure awareness of their contents and to promote their effective use.

5. INTERNAL REPORTING SYSTEM OFFICER

The Board of Trustees of FREAAE has appointed the Compliance Committee as the Internal Reporting System Officer, with the day-to-day management of the System entrusted to the individual designated by the Committee.

In the event of the absence, illness or vacancy of the individual responsible for managing the System (hereinafter, the "System Officer"), or where a conflict of interest is alleged, such responsibilities shall be assumed by the holder of the office of Secretary General and Secretary to the Board of Trustees.

In its capacity as the Internal Reporting System Officer, the Compliance Committee shall perform its functions independently and autonomously from all other bodies of the Foundation. It shall neither seek nor receive instructions from any person or body in the performance of its duties and shall be provided with all human, technical and financial resources necessary to carry out its responsibilities effectively.

6. GENERAL PRINCIPLES SCOPE

The FREAAE Internal Reporting System Policy is based on the following principles:

1. **Reporting of Breaches:** The System enables the reporting of the information concerning breaches referred to in Section 3 of this Policy.

2. **Confidentiality:** The System is designed, established and managed in a secure manner to ensure the confidentiality of the identity of the Reporting Person and of any third party mentioned in the report, as well as the confidentiality of all actions taken during the handling and investigation of the report. It also ensures compliance with applicable data protection requirements by preventing unauthorised access.

3. **Freedom of Choice:** Reports may be submitted either in writing or orally, in accordance with the Internal Reporting System Management Procedure and under the principles of confidentiality, independence and objectivity.

4. **Integration:** The Internal Reporting System incorporates all existing internal channels for reporting irregularities within FREAAE and forms part of the Foundation's **Criminal Compliance and Anti-Bribery Management System**.

5. **Effective Handling of Reports:** All reports submitted through the System shall be handled effectively, with the objective of ensuring that the Foundation itself is the first to become aware of any potential irregularity.

6. **Prohibition of Retaliation:** Any form of retaliation against a Reporting Person is strictly prohibited, including attempted retaliation or threats of retaliation.

7. **Right to Anonymity and Information:** Reporting Persons have the right to submit reports anonymously and to receive information regarding the status of the handling of their report and, where appropriate, the outcome of the investigation, in accordance with the Internal Reporting System Management Procedure.

8. **Presumption of Innocence, Right of Defence and Access to the File:** During the handling of a report, persons concerned shall be entitled to the

presumption of innocence, the right of defence and the right to access the case file. They shall also benefit from the same level of protection afforded to Reporting Persons, while their identity and the confidentiality of the facts and information relating to the procedure shall be preserved.

9. **Independence, Impartiality and Absence of Conflicts of Interest:** All reports shall be handled fairly, objectively, independently and with integrity. The Foundation shall ensure the independence and impartiality of all persons involved in the process and shall take appropriate measures to prevent conflicts of interest.

7. CHANNELS FOR REPORTING BREACHES

The FREAAE corporate website (www.realescuela.org) provides access to a reporting platform operated by a specialised technology provider. The platform incorporates appropriate technical and organisational measures to ensure the confidentiality and security of the information submitted, as well as anonymity where the Reporting Person chooses to report anonymously.

At the Reporting Person's request, reports may also be submitted during an in-person meeting with the Internal Reporting System Officer.

8. NON-COMPLIANCE

All persons subject to this Policy, as well as any individuals involved in the management of the Internal Reporting System, shall comply with the requirements set out in this Policy and in the Internal Reporting System Management Procedure. Failure to do so may result in internal disciplinary measures in accordance with the applicable Collective Bargaining Agreement.

Non-compliance with this Policy or the Internal Reporting System Management Procedure may expose the Foundation to administrative fines of up to EUR 1,000,000 and individuals to fines of up to EUR 300,000, as provided for in Articles 63 and 65 of Spanish Law 2/2023. Accordingly, all persons involved are expected to demonstrate an active commitment to compliance with all requirements relating to the Internal Reporting System.

9. APPROVAL, ENTRY INTO FORCE AND REVIEW

This Policy has been approved by the Director General and the Board of Trustees of the Royal Andalusian School of Equestrian Art Foundation (FREAAE) and shall enter into force upon its publication on the Foundation's corporate website. It shall be reviewed annually or whenever changes in the applicable legal or organisational circumstances so require.