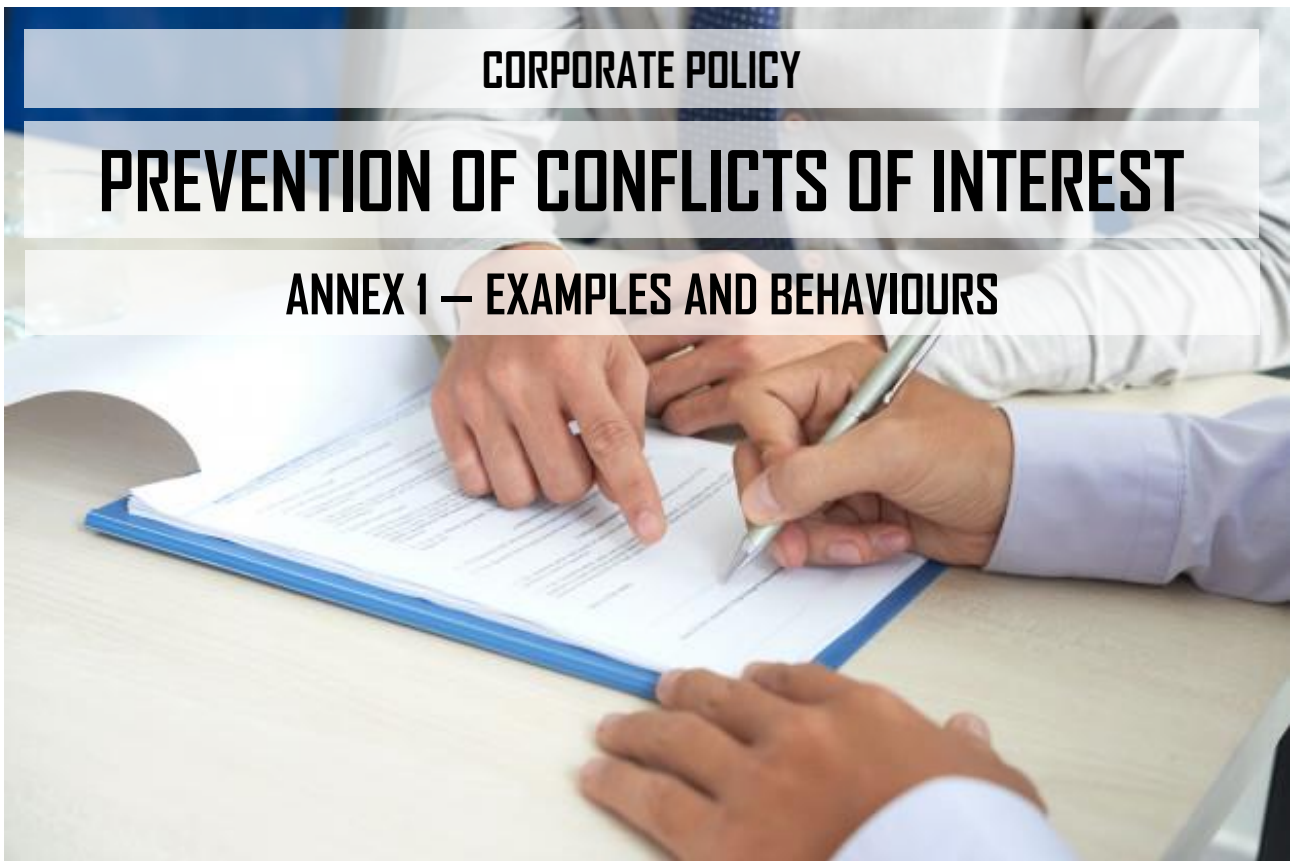




CORPORATE POLICY

PREVENTION OF CONFLICTS OF INTEREST

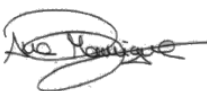
ANNEX 1 — EXAMPLES AND BEHAVIOURS



PREVENTION OF CONFLICTS OF INTEREST

ANNEX 1 — EXAMPLES AND BEHAVIOURS

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PREPARED BY COMPLIANCE DIRECTOR	REVIEWED BY QUALITY DIRECTOR	REVIEWED BY THE APPOINTMENTS, REMUNERATION AND CSR COMMITTEE	APPROVED BY BOARD OF DIRECTORS
ANA MANRIQUE Signature:  Date: 25/06/2021	BEATRIZ GÓMEZ Signature:  Date: 02/07/2021	Reviewed 05/07/2021	Approved 26/07/2021

LIST OF REVIEWS

Revision	Date	Modifications
00	26/07/2021	Original edition

Some illustrative examples of potential conflicts of interest are shown below in *grey italics*. This is by no means an exhaustive list of all situations, potential or real, that constitute a conflict of interest for Grupo Sesé.

PREVENTION OF CONFLICTS OF INTEREST

ANNEX 1 — EXAMPLES AND BEHAVIOURS

A. GOOD GOVERNANCE OF THE ORGANISATION

BASIC PRINCIPLES

- The members of the Board of Directors will not assume responsibilities in the development of their activity that conflict with the objectives of Grupo Sesé.
- No member of the Board of Directors of Grupo Sesé may be a shareholder (holding more than 10% of the shares) or work simultaneously for a competing company, or one that could have interests that conflict with those of Grupo Sesé.
- No member of the Board of Directors of Grupo Sesé may make use of assets, facilities, material, confidential information or any type of company resource for purposes of external work or personal activities.

EXAMPLES OF CONFLICTS OF INTEREST

- *Martín, a member of the Board of Directors of Grupo Sesé, is a renowned business consultant and an expert in business strategy. Simultaneously to his functions as Director of Grupo Sesé, he provides advice to a company that is a direct competitor of Grupo Sesé.*
- *Martina is a member of the Board of Directors of Grupo Sesé. She has recently joined the Board of Martintrans, Grupo Sesé's main competitor, managing to juggle both positions as she is a very efficient person.*
- *Martina is a member of the Board of Directors of Grupo Sesé. At one of the Board meetings, she learns that Grupo Sesé is going to buy the company Transformados SL. With this information, she decides to talk to her cousin Martín, so that he can make a better purchase offer.*

B. EMPLOYEE-EMPLOYER RELATIONS

BASIC PRINCIPLES

- Employees will not assume responsibilities in the development of their activity that conflict with the objectives of Grupo Sesé.
- No employee of Grupo Sesé may be a shareholder (holding more than 10% of the shares) or work simultaneously for a competing company, or one with interests that may conflict with those of Grupo Sesé.
- No employee of Grupo Sesé should carry out any work simultaneously with the work performed in the Company that could interfere with the ability to carry out their activities or handle their responsibilities.
- No employee of Grupo Sesé may make use of assets, facilities, material, confidential information or any type of company resource for purposes of external work or personal activities.

PREVENTION OF CONFLICTS OF INTEREST

ANNEX 1 — EXAMPLES AND BEHAVIOURS

- ▶ If a personal relationship of an employee of Grupo Sesé with a client, supplier or other third party could influence the decision-making of the latter, this relationship will be reported to the Chief Compliance Officer, who will determine the measures to take, including the possible removal of the employee from that specific activity.

EXAMPLES OF CONFLICTS OF INTEREST

- ▶ *Martín is a Traffic Manager at Grupo Sesé. Simultaneously, he is working as a Traffic Manager at the company Martintrans, which is a direct competitor of Grupo Sesé.*
- ▶ *Martina is a Programmer at Grupo Sesé. Simultaneously, she has her own business where she develops websites for SMEs and freelancers. To perform this second job, she uses her company laptop and also conducts some of these activities during her working hours at Grupo Sesé (in total, she only uses her spare time...)*
- ▶ *Martín is an HR Technician at Grupo Sesé and is a partner and owner of Martintrans, a transport provider that works for Grupo Sesé. This shareholding accounts for more than 10% of the total shares of Martintrans.*
- ▶ *Martín is an employee of Grupo Sesé. His wife, Martina has shares in a client or supplier of Grupo Sesé. This shareholding exceeds 10% of the total shares.*
- ▶ *Martina is a Traffic Manager at Grupo Sesé and is a partner and owner of the company Martintrans, a transport provider that works for Grupo Sesé. She has not informed the company of this situation and the Planning Department has placed the Martintrans lorries resources under her supervision (in this case, it makes no difference how many shares she owns).*
- ▶ *Martín is an employee of Grupo Sesé and can influence the business decisions of one of Grupo Sesé's best clients, as he has direct influence over his sister who is a Purchasing Director at that client company.*

C. PROCESS OF PURCHASING GOODS OR SERVICES FROM A SUPPLIER

BASIC PRINCIPLES

- ▶ It is forbidden to actively or passively participate in any agreement with any supplier if the agreement may cause overlapping of the interests of the company covered by the agreement with the interests of Grupo Sesé.
- ▶ No cash or in-kind payments, gifts or presents may be received from suppliers or third parties that may affect or impact the interests of the latter, undermine the fairness of the Purchasing process, or in any way contravene the Group's Gifts and Entertainment policy.
- ▶ Confidential information will not be provided to suppliers for their benefit against the objectives of Grupo Sesé, unless it must be provided by law, court order or similar.

PREVENTION OF CONFLICTS OF INTEREST

ANNEX 1 — EXAMPLES AND BEHAVIOURS

EXAMPLES OF CONFLICTS OF INTEREST

- ▶ *Martina works in the Purchasing Department of Grupo Sesé. She is managing a tender to select a new supplier of lollipops, which are key to the business of Grupo Sesé. One of the suppliers participating in the Tender gives her a gift and, in return, Martina provides her with information on her competitors' rates so that she can adjust her offer.*
- ▶ *Martina works in the Purchasing Department of Grupo Sesé. She is managing a tender to select a new supplier of lollipops, which are key to the business of Grupo Sesé. One of the suppliers participating in the Tender gives her a gift and, in return, Martina selects that supplier as the best to provide the product.*
- ▶ *Martina is a Transport Buyer at Grupo Sesé and her father is the owner of the company Martintrans, a transport provider that works for Grupo Sesé, so she is in charge of negotiating the rates to be applied to this company (in this case, it does not matter how many shares she owns).*
- ▶ *Martín works in the Purchasing Department of Grupo Sesé and participates in the selection process of a supplier, one of the candidates being a company owned by his sister-in-law Martina. She does not report the existence of the relationship to her superior and goes ahead with the selection process involving her sister-in-law's company.*
- ▶ *Martín works in the Purchasing Department of Grupo Sesé. His sister has just bought a house that needs some renovation. He is currently managing a Tender to select a new maintenance provider, so, in exchange for a free bathroom renovation, he promises Mantenimiento SA the business of Grupo Sesé.*

D. PROCESS OF SELLING GOODS OR SERVICES TO A CUSTOMER

BASIC PRINCIPLES

- ▶ It is forbidden to actively or passively participate in any agreement with any supplier if the agreement may cause overlapping of the interests of the company covered by the agreement with the interests of Grupo Sesé.
- ▶ No cash or in-kind payments, gifts or presents may be given to customers or third parties that may affect or impact their interests, or that in any way contravene the Group's Gifts and Entertainment Policy.
- ▶ Confidential information will not be provided to customers for their benefit against the objectives of Grupo Sesé, unless it must be provided by law, court order or similar.

EXAMPLES OF CONFLICTS OF INTEREST

- ▶ *Martina works in the Commercial Department of Grupo Sesé. She is participating in a Tender to obtain a new project for Grupo Sesé. She has known the Buyer for a long time, and they have a good relationship, so she decides to give him some Davis Cup tickets so that, in return, he can provide her with information about his competitors' rates in order to adjust his offer.*

PREVENTION OF CONFLICTS OF INTEREST

ANNEX 1 — EXAMPLES AND BEHAVIOURS

- ▶ *Martina works in the Commercial Department of Grupo Sesé. She is participating in a Tender to obtain a new project for Grupo Sesé. She has known the Buyer for a long time, and they have a good relationship, so she decides to treat him and his wife to a 'dream holiday' so that in return, he will select her as the successful bidder for the new project.*
- ▶ *Martín works in a department of Grupo Sesé in a position of influence. Grupo Sesé is participating in a Tender to get a new operation for Grupo Sesé. Martin has known the Buyer for a long time and knows that his son has just been fired from his company. He talks to the Buyer and promises to give his son a job at Grupo Sesé if he selects his trade offer as the best, and Grupo Sesé is thus awarded the new operation.*
- ▶ *Martin is responsible for the commercial area of Grupo Sesé and is happily married to Martina, a renowned manager in a company that could be a potential client of Grupo Sesé and which he intends to attract. Martin wants to be directly in charge of the acquisition of this client.*

E. SELECTION, RECRUITMENT AND PERSONNEL MANAGEMENT PROCESSES

BASIC PRINCIPLES

- ▶ Direct or indirect intervention in the management of any type of contract by family members or relatives shall be avoided.
- ▶ Direct supervision by family members or close associates that could call into question the objectivity of decision-making about the family member or associate's job performance shall be avoided.

EXAMPLES OF CONFLICTS OF INTEREST

- ▶ *Martin is a technician in the HR Department of Grupo Sesé. He is managing a selection process to fill a traffic manager position. His sister Martina has submitted her CV for the position. Martin does not report the existence of the relationship to his superior and goes ahead with the selection process in which his sister participates.*
- ▶ *Martina is an IT Director at Grupo Sesé. There is currently an open selection process for a Programmer, whereby she conducts the interviews personally together with the HR team. Her nephew Martin has just (finally) finished his IT engineering studies, so he arranges to hire him, although he is not the best candidate.*
- ▶ *Martín was the mayor of the town of Martinlandia for 5 years, where Grupo Sesé is directly active. During his term of office, he signed licences and authorisations for the activities carried out by Grupo Sesé. After completing his term of office, he joined Grupo Sesé as a Director.*
- ▶ *Martín and Martina are married and work in the Finance Department of Grupo Sesé. The Finance Director retires and Martina is promoted to that vacancy. She thus becomes her husband Martin's direct superior, being able to make direct decisions about his performance, the achievement of objectives or proposals for salary increases.*

**PREVENTION OF CONFLICTS OF INTEREST
ANNEX 1 — EXAMPLES AND BEHAVIOURS****F. OTHERS**BASIC PRINCIPLES

- In all areas of professional activity, we will always act impartially and objectively, without conditioning factors derived from financial, personal or kinship considerations.

EXAMPLES OF CONFLICTS OF INTEREST

- *The Compliance Department receives a complaint of irregular behaviour from Martina, an employee of Grupo Sesé. Martin, the person in charge of the investigation, is a good friend of Martina's and thinks that the accusations cannot be true, so he decides not to investigate the incident reported and to dismiss the received message.*