



Policy for Hiring/Contracting with Politically Exposed Persons (PEP)



Index

1. Purpose
2. Scope
3. Definition
4. Policy
5. Monitoring
6. Periodic report
7. Exceptions
8. Validity
9. Annex: Politically Exposed Person (PEP) Declaration Form



1. Purpose

The purpose of this procedure is to normalise and regulate the framework of the relationship between Cox companies (Cox ABG Group, SA and controlled subsidiaries) and future employees, managers, suppliers of goods and services, commercial counterparties and clients who are classified as Politically Exposed Persons (PEP), allowing for an appropriate process of identification and risk management and, at the same time, ensuring that at no time are these persons granted more favourable treatment or are they granted facilitation with respect to the relationship with certain third parties.

The risk associated with PEPs is their degree of public exposure, that is, their ability to influence or be influenced by third parties in a manner or for an illegitimate purpose. The specific treatment of PEPs is an additional precaution assumed by society, without prejudice to the fact that there is no presumption of any type of bias in these persons.

2. Scope

The scope of this policy covers all directors, senior management and employees of the Cox Group who are involved in the selection and hiring processes of workers, employees, directors or managers or who interact with suppliers of goods and services, commercial counterparties and clients who have PEP status, without exception, including legal entities that, according to the information available, have links with a PEP and, therefore, require similar treatment.

Expressly excluded from the treatment established in this policy are those electricity supply contracts that Cox enters into with regulated clients, in accordance with the provisions of the regulations of the electricity sector, taking into account the legal obligation to provide electricity supply to anyone who requests it and who is located within its concession area or connects to it through its own or third-party lines.

The policy covers the identification of the future employee (applicant, candidate), supplier, commercial counterparty or client, and will continue throughout the period of their relationship with Cox and until their PEP status ceases.

The policy is mandatory for all Cox employees to know and apply. The tolerance level is zero.

3. Definition

3.1. Politically Exposed Person (PEP): is the person ²who exercises or has exercised a relevant public function (head of State or Government, heads of cabinet, ministers, high-level politicians, government officials, judicial, diplomatic, financial, banking, fiscal, tax, military, security forces of any kind, high-ranking, high-level executives of state corporations, whether of the state or territorial administration (cantonal, autonomous, sub-state, ...), in state, public,

¹Regardless of whether it is linked by an employment or commercial relationship.

²According to the definition of the Financial Action Task Force (FATF) reviewed periodically.



semi-public bodies, unions, confederations, sports or cultural federations, non-profit organizations or foundations and similar.

The above definition **includes** their spouses, blood relatives up to the second degree of consanguinity and natural persons with whom they have entered into a joint action agreement whereby they have sufficient voting power to influence joint ventures.

3.2. Scope of application: For the purposes of this policy, Cox considers PEPs to be all those persons who perform or have performed functions with influence in public procurement and in sectors that, within a legal regulatory framework, are classified as strategic (banking, electrical sector, etc.), whether negotiating or awarding any type of contract, technical counterparty, supervision and in general who perform or have performed technical or control functions in matters and activities specific to the Cox companies' business, especially energy and/or electricity, public tenders and regulatory functions for at least one year after the end of the exercise of the same.

Likewise, the Politically Exposed Person will transfer his status to the legal entity when the former:

- Have a direct or indirect interest, through your spouse or blood relative in a straight line or collateral line up to the second degree, equal to or greater than 10% in your property or;
- Be a legal representative with broad powers to act on behalf of the company (this type of power normally falls to the general manager and first-line managers).

4. Policy

Cox, despite not being subject to reporting under the provisions of the Money Laundering and Terrorist Financing regulations, ³acknowledges that, due to their activity, many Politically Exposed Persons (PEP) may find themselves in positions that can potentially be misused to commit the crime of money laundering and other related crimes such as bribery, corruption, or activities leading to the financing of terrorism.

In this regard, Cox, in compliance with the provisions of its Code of Conduct and Business Ethics and its Crime Prevention Policy and its commitment to promoting a culture of ethical compliance, has established this policy to regulate the hiring of or with those persons that the regulations define as PEPs, taking into special consideration their transparent behavior and in line with national regulations and international best practices.

a) PEP Identification

³According to each local legislation.



The identification of a PEP or those who have links to a PEP must be carried out as early as possible through verification with official documents and publicly available information. Since in certain cases the determination of whether or not an individual is a PEP can be complex, Cox may always request additional information and documentation and resort to other legal sources of information, which may include databases and other technological solutions.

This identification is the beginning of a due diligence that aims to obtain personal and financial information ⁴about the Politically Exposed Person (PEP), determining his/her activity and period of tenure in office, the source of his/her income and the legitimacy and origin of his/her resources.

Any candidate, supplier, business counterparty or client who is found to be a PEP under the guidelines of this policy must disclose such circumstance by signing the simple affidavit form attached in the annex to this document.

If the respective area or department has doubts regarding whether a person is classified as a PEP or not, it should direct the query directly to the Compliance Director or Department, who will analyze the background and qualify the relationship in accordance with the applicable regulations.

b) Approval of the contractual relationship with PEP

The hiring of or with the persons listed in this procedure during the first 6 months ⁵after the end of their duties in the respective public bodies is especially sensitive. Both the hiring of employees (and senior management or similar) and the hiring of commercial personnel (supplier/client), through the departments of Human Resources, Purchasing, and Approval of Corporate Suppliers and of each business group, will be responsible for obtaining the signed and dated declaration of the PEP person in question prior to hiring them. The authorization for purchase, sale, or registration will include said declaration and the Compliance Director will be included in the approval chain. In the event that confidential information is contained in said authorizations, he/she will be notified in advance and in writing in relation to the signed declaration together with the information that he/she may request in this regard.

After the above period has elapsed, in order to materialize the link with a future employee, supplier of goods and services, commercial counterparty or client who has the status of PEP, prior and express approval will be required through the corresponding authorization form (purchase, sale, registration, etc.) with the knowledge of the Compliance Director. The same procedure must be followed to maintain the contractual relationship with an employee, supplier, commercial counterparty or client who acquires the status of PEP during the course of the relationship.

c) Content material

It is essential to have transparent information regarding the type of service and/or goods provided or supplied to the Company, the vacant position and its responsibilities in the case of job or business applications, the purpose of the contract or consultancy, its duration, the agreed value, in

⁴Regarding the origin and application of funds related to the business or contractual relationship with the PEP

⁵The deadline varies depending on local regulations and the applicable sector.



order to determine the risks involved in the contractual relationship, among others. Once the respective analysis has been carried out, with due justification for the contract, the authorization will be approved.

The General Secretary or the Secretary of the Board of Directors assumes responsibility for the above tasks within the context of the administrative body, government, committees, etc., unless expressly delegated to the Compliance Department. The Compliance Director is responsible for channeling the approval requests of which he or she has reliable knowledge and keeping the appropriate records.

Without prejudice to the express approval of Compliance in any case, the hiring of a PEP must comply with Cox's other internal employment or commercial hiring policies and procedures.

5. Permanent monitoring of the contractual relationship

Cox, through the department responsible for contracting, labour or commercial matters, will carry out permanent and exhaustive monitoring of the business relationship that links it to a PEP, adopting the measures it deems appropriate in order to detect any possible anomaly.

6. Periodic report

The administrative body and/or the committee with the appropriate authority shall be informed at least once a year of the contracts entered into between Cox and persons classified as PEPs, in which they have the status of employees, suppliers of goods and services, commercial counterparties or clients, together with the background information that underlies the decision to contract.

7. Exceptions

Exceptions to the treatment established in this policy must be documented and approved by the administrative body, through the General Secretary or the Board of Directors, with the prior approval of the Compliance Director.

8. Validity

This document enters into force upon approval by the Board of Directors and will remain in force until it is updated, revised or repealed. The current version, revised in September, 29, 2024, is the current one, approved by the Board of Directors on November, 21, 2024. This policy must be kept up to date and may be revised annually, and on an extraordinary basis, whenever there are changes in the strategic objectives or applicable legislation, with the Compliance Director submitting a proposal for modification to the Compliance Committee, and from there to the Board of Directors.



Cox ABG Cox		
Policy	• Hiring PEPs	
Responsible	• Board of Directors	
Area	• Corporate – Regulatory Compliance	
Version Control	Date	Changes
1	September 29, 2024 / Nov 21, 2024	majv

Exhibit : Politically Exposed Person (PEP) Declaration Form



Politically Exposed Person (PEP) Declaration Form

I am a PEP holder

(Complete numbers 1 and 3)

I am related to PEP

(Complete numbers 2 and 3)

1.- Personal background of the PEP holder (complete only if you are a PEP holder)

DNI/NIF	
Name	
Nationality	
Country of Birth	
Country of Residence	
Profession currently practiced	
Position you hold or held as a PEP	
Body	
Date of taking office	
End of term date	
Is there a time limit or other restriction arising from the previous relationship that would prevent or hinder the current one being requested?	
Current economic activities (participation in companies, commercial activities, etc.)	
Have you been involved, in the last three years, in any official investigation, police, judicial or fiscal, related to the previous relationship, or have you been criminally convicted?	

2.- a) Personal background (complete letters a) and b) of this number if you are a person related to PEP by marriage or kinship (spouse, parents, grandparents, siblings, children and grandchildren)

DNI/NIF	
Full name	
Nationality	
Country of Birth	
Country of Residence	
Profession currently practiced	
Current economic activities	
Type of link or relationship that unites you to the PEP	
Have you been involved in any official police, judicial or fiscal investigation in the last three years, related to the previous relationship, or have you been criminally convicted?	

2.- b) Background of the public office of the PEP holder with which he is related

PEP ID/NIF	
Full name of the PEP	
PEP Nationality	
Country of Birth PEP	
Country of Residence PEP	
Profession currently practiced by PEP	
PEP Organization	
Have you been involved in any official police, judicial or fiscal investigation in the last three years, related to the previous relationship, or have you been criminally convicted?	

3.- Summary of the Declarant's status

Indicate the company(ies) in which you have a stake greater than 10% or act as legal representative	
NIF/RUR company	
Legal representative % of participation	

I declare that the information contained in this declaration is true, complete and reliable.

PEP Signature Holder or Related to PEP

Name and surname:

Date:

Signature: