CODE OF ETHICS AND GOOD GOVERNANCE
OF FUNDACIÓN REAL MADRID
1. Introduction

Fundación Real Madrid (the Foundation) is linked to the Code of Ethics of the Club approved by the Executive Committee in June 2012 and revised on 29 May 2015.

The Foundation, beyond the regulatory framework, has a firm commitment to the values and ethical principles of Good Governance which allow for the development of statutory goals and for the effectiveness of its social contribution to be ensured.

The Foundation pursues compliance with the regulations, standards and recommendations of Transparency and Good Governance, prescribed by Law 19/2013 on Transparency, Access to Public Information and Good Governance or advised by the Spanish Association of Foundations.

Due to all the foregoing, Fundación Real Madrid has included in this Code of Ethics and Good Governance, the Code of Ethics of the Club and the Crime Prevention and Compliance System, adding principles and specific regulations on Good Governance, according to its By-laws and according to its institutional identity and social function.

2. Scope of application

a) The principles and guidelines of conduct contained in this Code of Ethics and Good Governance apply to all professionals of the Foundation, regardless of their hierarchical level and geographic and functional location, as well as the members of its Governance and Management Bodies.

b) Likewise, this Code shall apply to those agents and collaborators who, without holding an occupational connection with the Foundation, carry out any kind of activity on its behalf.
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c) The principles and guidelines laid out in the Code of Ethics of Real Madrid adhere to the principles and guidelines of Conduct in this Code.

d) The Code of Ethics and Good Governance, due to its nature, does not cover all possible situations but establishes criteria to orient the conduct of the Sponsors and professionals of the Foundation and, where applicable, settle doubts which may arise on the development of its activity.

3. Purpose of the Code of Ethics and Good Governance

The Code of Ethics and Good Governance includes the commitment of the Foundation with the principles of ethics, Good Governance, compliance and transparency in all areas of activity, creating a set of principles and guidelines for conduct aimed at guiding the ethical, comprehensive, diligent and responsible behaviour of the Sponsors and all their professionals, directors and employees in carrying out their activity.

The Code of Ethics and Good Governance of Fundación Real Madrid is calling to develop and formalise its mission and values and is used as a guide for the activity of its sponsors and professionals.

4. Social purposes of the Foundation.

According to article seven of the Company By-laws, the Foundation was established with the main purpose of cooperating in the social field in compliance with goals of general interest associated with playing football and basketball, in its different categories and ages and, generally, the playing of all sports. Other goals of the Foundation are: to promote all the educational and cultural aspects linked to sport, as well as to promote, in Spain and abroad, the inherent values of playing sport and the promotion of this as an educational tool which can contribute to character building for those who play it and also as a social integration factor to the benefit of those who suffer any kind of marginalisation. Likewise, it is considered a corporate goal to contribute to human development and social inclusion of the most vulnerable and disfavoured groups in developing countries through international cooperation on cultural and sports-related matters.

5. Mission and vision of the Foundation

According to the goals of the by-laws, Fundación Real Madrid has the mission of, through sport and its values, developing the extensive social, cultural, educational and environmental commitment of Real Madrid, thus establishing its presence in society and contributing to improving current and future society.

The vision of the Foundation is oriented towards being a benchmark in values education through sports and the integration of all kinds of groups.

6. Activities of the Foundation

The Foundation carries out its activities programme using five big areas:

- Sports Activities
- Training and Cultural Activities
- Social Welfare Activities
- International Cooperation
- Institutional Activities
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Generally, and in compliance with its own goal, the Foundation will sponsor exhibits and editions of publications, related with the promotion of sports, especially football and basketball; shall hand out awards and internships in connection with the best contributions made in society in the field of foundational goals; shall promote the playing of sport among young people, without forgetting training in human values; shall promote youth teams in values in sport, and shall cooperate in the training of young people for the future; shall promote sport and cultural exchanges within Spain, as well as Spain with other countries; shall promote studies, publications and the dissemination of the influence of sport on quality of life; shall carry out cultural, sports-related activities aimed at promoting the social integration of those who suffer from any kind of marginalisation, shall carry out international cooperation actions through cultural sports-related projects aimed at vulnerable and excluded groups in developing countries and in general, any other activity which serves to bring sports closer to society, especially football. The previous statement of activities is open and is without limitation, the Foundation being able to carry out any other activity which helps it to better comply with its foundational goals.

7. Criteria for electing and selecting activities

The Foundation shall render the previous activities, taking into account the criteria of opportunity and priority; and considering social circumstances and needs, as well as the means that it may have. In any case, it shall always act under the criteria of impartiality and non-discrimination in determining its beneficiaries, giving sufficient information on its goals and activities so that they may be known by any possible beneficiaries and other interested parties.

8. General principles and values

a) Fundación Real Madrid adheres to the firm commitment of the Club to values and principles based on ethics, dignity, honour, responsibility, as well as a competitive spirit under strict and clean playing rules, and the sport's fight against violence, racism, xenophobia and intolerance. Apart from these values associated with the sport and education area, the Foundation establishes values such as universality, leadership, camaraderie, commitment, solidarity, achievement, passion, pride and the sense of belonging.

b) Fundación Real Madrid has no reservations about adhering to the United Nations Global Compact and its 10 Principles on Human Rights, Labour Rights, Environmental Protection and the Fight against Corruption, to which the professional actions of its professionals and members of the governing and managing bodies must constantly contribute.

c) Fundación Real Madrid expects its employees, collaborators and members of the Board of Trustees, to show exemplary behaviour. Apart from strictly complying with legal regulations on mercantile, labour, fiscal and administrative matters, they shall abstain from behaviours which, even without being subject to legal-judicial reproach, may be reprehensible from an ethical point-of-view. Their conduct shall be guided by the following principles and values:

(i) Integrity, transparency and ethical responsibility in their relations with providers, clients or third parties with which, due to their activity, they shall work and establish a relationship.
(ii) Honesty, good faith, loyalty and alignment with the principles and values of the Foundation.
(iii) Professionalism, understood to be a responsible and diligent attitude in the undertaking of activities and tasks which the Foundation carries out.
(iv) Dedication in the duties entrusted by the Foundation, expressly renouncing any kind of activity which may entail competition or a conflict of interest with them, or jeopardize the level of activity demanded.
(v) Righteousness of behaviour in the use and/or handling of the goods (tangible or intangible), working tools, materials, reports, contents, etc., placed at their disposal for work in the Foundation.
(vi) Full identification with the values of sport and education as transversal instruments of transformation, fighting especially and actively against any act of violence, racism, xenophobia or intolerance in sport.

9. Specific principles of Good Governance

The Foundation, as well as the general principles, assumes a set of principles which express its commitment on matters of Good Governance. The pillars which are the the backbone of their activity are foundational social responsibility, full legal compliance and information transparency. These principles shall guide the behaviour of the members of the Board of Trustees, the Management and other bodies and professionals that make up the Foundation.

The principles are:

- a) Principle of regulatory compliance, according to which the Foundation will promote the achievement of its statutory purposes within the framework of the strictest compliance with applicable law at the international, national and local levels
- b) Principle of good management and prudence in investments, which entails the optimisation of one’s own financial resources for the achievement of the foundation’s purposes.
- c) Principle of transparency, which guarantees the provision of clear information about the origin of its financing means and the publicity of the actions carried out.
- d) Principle of planning and monitoring of the specific activities carried out, by virtue of which the Board of Trustees will approve multi-year Master Plans in which the objectives and activities expected to be carried out for the achievement of the foundation’s goals are collected and in order to guarantee continuous improvement, it will implement control systems and internal monitoring of the different activities put into practice.

10. Respect for human and labour rights

a) The Foundation states its firm commitment to respect for human and labour rights included in national and international legislation. Expressly, the Foundation expresses its total rejection of child labour and forced or compulsory labour as well as the maximum respect for the rights of its employees as recognised in applicable labour regulations, including the rights of association, unionisation and to strike. The following behaviours are expressly prohibited:

  - The imposition of labour conditions or social security which harm, suppress or restrict the rights that professionals have recognised according to legal provisions, collective agreements or individual contracts which may result in each case of application.
  - The hiring of foreigners who do not have a work permit and the illegal trafficking of labour or fraudulent emigration.

b) According to the Code of Ethics of the Club, the rights of dignity, equal treatment, non-discrimination and other fundamental rights shall be respected, without in any case tolerating behaviours which could be considered to be discriminatory or assault or harassment, of any kind, in the occupational scope or, where applicable, in the relationship maintained with the Foundation. In particular, the Foundation rejects any form of discrimination in employment due to ideology, marital status, political opinions, religion or beliefs, age, belonging to an ethnic group, race or nation, sex, sexual orientation, family situation, illness or disability, for holding legal or union representation of workers.

c) The Foundation will ensure that its facilities and equipment are kept in a perfect state of maintenance to carry out its work activities in a safe, healthy and fair working environment, with full respect for applicable local and international regulations.
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d) The Foundation will provide its professionals, in all places where it operates, with the necessary means and equipment to carry out their activity with the appropriate safety and hygiene measures in order to safeguard their indemnity and physical and moral integrity at all times. To this end, the Foundation shall (in any place where it carries out its activity) promote occupational safety and health programmes in accordance with the regulations for the prevention of occupational hazards.

e) For their part, the professionals of the Foundation must respect and strictly comply with the rules regarding health and safety in the workplace, with the aim of preventing or, where appropriate, minimising occupational hazards and ensuring the safety and security of their colleagues.

11. Respect for the good name, image and reputation of Real Madrid

The image of Real Madrid has been forged to a great extent thanks to the actions and behaviour of all its professionals. Inappropriate conduct could seriously jeopardise the image, reputation and good name of the Club. For this reason, the sponsors, employees and collaborators of the Foundation shall ensure that its actions and even public image do not jeopardise Real Madrid.

Sponsors, Directors and employees shall maintain the highest levels of integrity and ethical respect in their interactions with the members of the sports establishment of the Entity and information in which they participate regarding the same. Under no circumstances shall they seek or obtain, whether for themselves or for third parties, profits from said actions, the following behaviours being prohibited, merely as an example and without limitation, listed below:

(i) Any kind of behaviour which may be understood as taking advantage of the image and/or reputation of the athletes of Real Madrid, or the presence of employees, players or experts for particular acts or events, even with their consent.
(ii) Actions which show or cause damage to the image and/or reputation of the Real Madrid athletes.
(iii) Attitudes which reveal any kind of information concerning the activities of the athletes to the outside or third parties apart from Real Madrid, as well as information connected to their professional, personal or family development and, in particular, their personal data

It is forbidden for employees or collaborators of the Foundation to privately use distinctive signs of Real Madrid as well as any other industrial or intellectual property right of the Club or Foundation, unless express authorisation is received from Fundación Real Madrid for the aforementioned use.

12. Relations with providers and clients. Avoidance of conflicts of interests and business opportunities

a) The Foundation's staff shall respect the interests of Fundación Real Madrid and the Club in the interactions that they have with providers and clients of the same, without using their standing to obtain any personal benefit from them, for themselves or for third parties. Likewise, they undertake to not have commercial relations with companies or individuals who they know violate the General Principles and Values of this Code. Generally, situations that create conflicts of interest shall be understood to be situations in which the personal or professional interests of sponsors, employees or collaborators of the entity or their family members and their intimate lives may be in conflict with those of the Foundation of Real Madrid.

b) The Foundation’s staff which has responsibilities to propose, authorise or approve any kind of action or contract referring to assets owned by the Foundation or the Club whether works, services or supplies of any other kind, shall abstain from doing so in favour of their spouses, ascendants or descendants, and relatives up to a second degree, whether by blood or kinship, as
well as companies or groups of companies in which one or the other or the employee themselves, in fact or in law, directly or indirectly, has control or in which they have significant influence.

c) The members of the Governing Bodies and professionals of the Foundation shall avoid placing themselves in situations that could be understood to be a conflict of interest in the relations maintained with the suppliers and clients of the Club, being obliged to behave, in all circumstances, in an honest and loyal way, prioritising the interests of the Foundation. In the case of a conflict of interest, the Compliance Committee shall be informed and they shall abstain from any influence or participation in the decision-making process.

d) In the same way, the duty of secrecy will be respected at all times regarding the information disclosed to them by suppliers and customers, considering these, for all purposes, to be confidential information.

e) It is strictly prohibited and will be considered concurrent or competing activity, the provision of any type of paid service in favour of the clients or suppliers of the Foundation or the Club.

f) Sponsors, professionals and collaborators of the Foundation will not be able to take advantage of business opportunities to their own benefit or for people linked to them. For these purposes, business opportunities will be considered to be investments or any operations linked to the assets of the Foundation which the professional has knowledge of during the undertaking of their professional activity, when the investment or operation had been offered to the Foundation or the Foundation has a holding in the same.

13. Fiscal responsibility and tax obligations

a) The Foundation is firmly committed to assuming its obligations on fiscal and tax matters according to each country in which the Foundation carries out its activities.

b) The Foundation will act at all times in such a way to avoid the concealment of any relevant information, as well as the fraudulent evasion of the payment of taxes or the obtaining of undue tax benefits. To this end, in the interests of greater transparency, the Foundation undertakes to publish on its website (Transparency Portal) and any other means it deems appropriate, the annual accounts and the audit reports of its accounts which will be carried out on an annual basis.

c) The Foundation, its professionals and other collaborators subject to the Code will in any case avoid the use of shady structures for tax purposes, understood to be those which, through the interjection of instrumental companies through tax havens or territories not cooperating with the tax authorities, are designed with the purpose of preventing the tax authorities from knowing the ultimate liable party for the activities or the ultimate owner of the assets or rights involved.

d) The Board of Trustees will annually approve the information required by the Law, expressed in the Balance Sheet, Income Statement and Report, which will include the degree of compliance with the Action Plan. The annual accounts will be approved by the Board of Trustees of the Foundation, within a maximum period of six months from the end of the fiscal year and will be submitted to the Protectorate within ten business days following their approval. Any person may obtain information on the documents deposited.

14. Gifts and shows of hospitality

a) It is strictly prohibited for staff and collaborators of the Foundation to request and/or receive any type of gift, present, invitation, sponsorship, etc. from providers and clients of the Foundation or the Club. The only ones excluded from this prohibition are small courtesies (such as Christmas gifts) in amounts in line with social manners. In a reciprocal manner, gifts may not be offered to third parties beyond those authorised institutionally and must always remain within the shared
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limits of good business practices. In the event that an employer, employee or collaborator of the Foundation has doubts about the legality of a certain gift, it should be addressed to the Compliance Committee to obtain the required authorisation.

b) In any case, gifts or invitations which, although they may be considered to be in accordance with such signs of courtesy, commercial attention or social manners, fall under any of the following cases, shall not be accepted:

1. Those which are prohibited by international, national or local regulations as they may apply in the place where the Foundation carries out its activity.
2. Those which due to their nature, frequency, characteristics or timeliness may inappropriately affect, or which may be perceived as possibly inappropriately affecting, the independence of the recipient’s behaviour towards the giver or grantor.
3. Those which contradict the provisions of the code of ethics or conduct or a similar document of the entity to which the giver or grantor belongs.

c) When the gifts or invitations are not allowed according to that stipulated in previous sections, the persons affected must decline the offer, referencing if necessary the prohibitions indicated in this Code. If for any reason, it is not possible or, as it may apply, appropriate to decline the offer, it will be immediately communicated and delivered to the Compliance Committee, which will allocate it, if possible, to social interest purposes or institutions, or if this is not possible, it will be allocated or treated in a way that is considered reasonable and appropriate taking into account the circumstances of each specific case.

d) Employees of the Foundation will be especially rigorous in the realization of representation expenses, strictly managing expenses in meals in restaurants, trips and invitations to games, limiting said expenses to the essential minimum and always according to the needs of the Foundation and in accordance with the internal spending procedures.

15. Governing bodies and the Board of Trustees

a) The governing body and representation of the Foundation is the Board of Trustees which has the composition, rules for appointment and replacement of its members, reasons for dismissal, powers and manner of deliberating and adopting agreements that are contained in the By-laws, without prejudice to the delegations of duties contained therein for the better functioning of the Foundation.

b) Protectorate: Given that the aims of the Foundation are limited mainly to the field of sports and culture, the Board of Trustees of the Foundation entrusts the Protectorate of the Foundation to the Ministry of Education and Science.

c) The Board of Trustees is governed by the By-laws and in accordance with the principles and guidelines of this Code, adopting its resolutions by a majority in the terms established in the By-laws.

d) Gratuities of the position. The positions of the Board of Trustees have no retribution whatsoever, without prejudice to the right to be reimbursed for the expenses duly justified due to the job in the performance of their duties.

16. Obligations of diligence, loyalty, integrity and responsibility

a) The conduct and activity of the trustees, employees and collaborators of the Foundation will always be carried out in accordance with the criteria of professionalism, integrity, responsibility, loyalty and due diligence.

b) In particular, it is the obligation of the Trustees to fulfil the purposes of the Foundation; attend meetings; perform their duties with the diligence of a loyal representative; maintain and preserve
the assets and securities of the Foundation, and lodge its termination in accordance with the provisions of current legislation and the By-laws and this Code of Ethics and Good Governance.

c) The Trustees are jointly and severally liable before the Foundation for damages caused by acts contrary to the Law, the By-laws, or those carried out without the diligence, loyalty, integrity and ethics with which they must carry out their duties.

17. Right to secrecy of communications and privacy. Personal data protection. And confidentiality in information.

a) The Foundation expresses its full respect for the secrecy of communications and the privacy of its professionals and third parties (clients, suppliers, candidates) in all forms, and especially with regard to personal data especially protected, in accordance with current regulations at any time and in each place where it operates on matters of personal data protection.

b) By virtue of this right, it will be prohibited for the foundation or any of its employees to intercept communications or use technical devices for the listening, transmission, recording or reproduction of sound or image to discover secrets or violate the privacy of people without their consent.

c) Likewise, the seizure, discovery, disclosure, dissemination or transfer of information, papers, letters, email messages, images or any other documents, effects or personal data to discover the secrets or violate the privacy of another without their consent, are prohibited. And this, without prejudice to any exceptional access made to the information contained in the IT or technological resources of the Foundation made available to its professionals, always in accordance with current legislation and internal policies approved by the Foundation to that effect.

d) On their part, the employees and collaborators of the Foundation undertake to make responsible use of the media, computer systems and any other device that the Foundation places at their disposal and in accordance with the internal policies approved for such purposes.

e) The Foundation undertakes to not disclose personal data of its professionals or third parties (clients, suppliers, candidates) unless consent is obtained from the interested parties and in cases of legal obligation or in compliance with court or administrative rulings. Under no circumstances may personal data of professionals be treated for purposes other than those legally or contractually provided.

f) Employees or collaborators of the Foundation who, due to their activity, access personal data of other professionals or third parties, will commit themselves in writing to maintain the confidentiality of said data and to strictly comply with the personal data protection regulations in force at any time, and in every place where they carry out their duties.

18. Duties and responsibilities of the Board of Trustees

a) Govern the Foundation diligently.

b) Represent the Foundation through its Chairman or the persons which it delegates within the Board of Trustees, in all kinds of relationships, acts or contracts before the Public Administration, Courts and any public or private entities, as well as natural persons, exercising rights, actions and exceptions in however many processes, cases or claims may affect the Foundation, granting the corresponding powers to that effect.

c) Interpret and develop the By-laws and this Code, safeguarding the will of the Foundation in any case.

d) Approve the Budgets and the Action Plan of the Foundation.

e) Approve the Annual Accounts of the Foundation: the Income Statement, the Balance Sheet, the Report on the Foundation's activities and economic management. The report will include: the property inventory, the foundational activities, the changes in the governing bodies, management and representation, the degree of compliance with the Action Plan, the resources used, their origin and beneficiaries, signed agreements and the allocation of the income and revenue.

f) Amend the By-laws by a two-thirds majority, in any case safeguarding the essence and primary purpose of the Foundation.
g) Choose and replace the rest of the positions on the Board of Trustees.

h) Appoint and dismiss managerial staff.

i) Decide on all matters not expressly mentioned in the previous points which are necessary for the achievement of the Foundation's goals.

j) Exercise senior inspection, surveillance and orientation of the work of the Foundation and its management and of the periodic action programmes.

k) Communicate to the Protectorate the changes in the Board of Trustees of the Foundation, its address and whatever is required, in accordance with current legislation.

l) Request from the Protectorate the authorisations that are necessary according to the Law to perform acts of disposal, self-contracting and in general for all those who require it.

m) At the proposal of its Chairman, grant and revoke general and special powers as it deems appropriate. The delegations, general powers of attorney and revocations as well as the creation of other bodies will be registered in the Foundations Registry.

n) Approve, amend and develop this Code.

1. The duties listed in the previous points will be understood as being conferred to the Board of Trustees of the Foundation, without prejudice to the duties delegated by the By-laws to the management bodies with the start-up of the Foundation. Under no circumstances shall the approval of the Accounts, the Action Plan, the amendment of the By-laws, the merger and liquidation of the Foundation, or acts that require authorisation from the Protectorate be understood to be delegated.

2. In accordance with the By-laws, the Board of Trustees will meet at least twice a year and, in addition, as many times as deemed appropriate for the good operation of the Foundation.

3. The Board of Trustees may create work presentations in order to prepare proposals, reports or opinions.

19. Selection of professionals and performance assessment

a) The Foundation shall carry out its processes of recruitment and selection of staff in the most rigorous and objective way possible, exclusively addressing the academic merits and professional capacity of the candidates and according to the needs of the entity. In the case of candidates for positions especially exposed to criminal risk or another kind of risk, a due diligence procedure shall be carried out in order to reasonably verify that it is appropriate for the position.

20. Advisory Board

Within the Foundation, an Advisory Board may be established, which shall be the consulting body for the governance and management of the Foundation, for all matters pertaining to the Foundation's activity which the Board of Trustees and its Executive Committee deem appropriate to submit to its deliberation. The Board of Trustees will proceed to appoint members of this Board from persons of well-known prestige in Spanish society and of proven Madridista affinity.

21. On Management

a) The Board of Trustees, in accordance with the By-laws, will adopt the organisational and procedural measures that it deems most appropriate for the achievement of the Foundation's goals, establishing, for this purpose, the organisational structure that it deems most suitable.

b) The management body of the Foundation will be equipped with the organisational and material means, as well as the human, technical and administrative resources required for the fulfilment of its obligations. Where appropriate, those who occupy the management bodies will receive the appropriate remuneration.

22. On the Executive Committee

a) In order to achieve a more effective management of Fundación Real Madrid, and in accordance
with current regulations, there may be an Executive Committee which will be made up by the Vice Chairman or if there are any, the Vice Chairmen of the Foundation and a number of members not exceeding fifteen, which will be appointed by the Board of Trustees from among its members, at the proposal of its Chairman, proceeding in the same way for their dismissal. The Committee will be chaired by the Chairman of the Board of Trustees, who may delegate the vice chairman or any of the existing vice chairmen or any of the trustees.

b) The duties of the Executive Committee will be, among others, the following: advise the Board of Trustees of the Foundation; submit to the Board of Trustees for approval the proposals within their corresponding jurisdictions by virtue of the By-laws and the laws; propose to the Board of Trustees the approval of the Action Plan and the Annual Accounts; propose to the Board of Trustees the appointment and replacement of the Trustees of the Foundation, in accordance with the By-laws; propose to the Board of Trustees for approval any acts that require authorisation from the Protectorate; keep the Board of Trustees informed on the progress of the Foundation.

c) The Executive Committee will meet as often as its Chairman calls it or at least one third of its members request it, being able to establish within it the presentations or working groups deemed appropriate.

23. Linked assets.

Onerous or gratuitous disposal, as well as the encumbrance of the assets and rights that form part of the provisions, or which are directly linked to the fulfilment of the Foundation's goals, will require the prior authorisation of the Protectorate, which will be granted if there is duly accredited just cause. It shall be considered a direct link to the Foundation's goals when said link is contained in an express declaration of will, either by the founder, the Board of Trustees of the Foundation or by an individual or legal entity, public or private, which makes a voluntary contribution to the Foundation. Acts of disposal of property and rights other than those of the provisions or which do not have any direct connection to the Foundation's goals, must be communicated by the Board of Trustees to the Protectorate within a maximum period of thirty working days following their execution, provided that they represent a value greater than 20 percent of the assets of the Foundation resulting from the last approved balance.

24. Participation in Companies.

The Foundation may not participate in commercial partnerships in which it must personally answer for corporate debts. The Foundation may participate or establish mercantile companies which have limited liability for the members.

25. Donations and grants

The acceptance of inheritance by the Foundation will be understood as being made for the benefit of the inventory. Trustees shall be liable against the Foundation for the loss of the profit of inventory for the acts referred to in article 1024 of the Civil Code. The acceptance of legacies or donations with onerous or remunerative burdens and the repudiation of inheritance, donations and bequests without burdens shall be communicated to the Protectorate within a maximum period of ten business days.

The Foundation, within the framework of its activities, may carry out sponsorships and donations, within the legal framework and according to current provisions in the places where the Foundation operates. The giving of donations shall be carried out always in a transparent and objective way and in line with the Foundation's goals.

26. Other economic rules.

a) Trustees may contract with the Foundation, either on their own behalf or on behalf of a third party, a prior authorisation from the Protectorate, which will be issued in the case of natural
persons acting as representatives of the trustees. The Foundation may participate in commercial companies in which it shall not personally answer for corporate debts. When this participation is as a majority, the Protectorate shall be informed. The acquisition of shares which entail liability will imply their disposal within a year or the transformation that releases the Foundation from liability.

b) The Foundation may obtain income from its activities, provided that this does not imply an unjustified limitation of the scope of its potential beneficiaries.

27. **Action Plans**

a) The Board of Trustees will on a yearly basis draw up and approve an Action Plan for the following year, in accordance with current legislation, which will present to the Protectorate in the last three months of each fiscal year. The Action Plan shall include the objectives and activities planned to be carried out during the following fiscal year.

b) The Board of Trustees will annually approve the information required by the Law, expressed in the Balance Sheet, Income Statement and Report, which will include the degree of compliance with the Action Plan. The annual accounts will be approved by the Board of Trustees of the Foundation, within a maximum period of six months from the end of the fiscal year and will be submitted to the Protectorate within ten business days following their approval. Any person may obtain information on the documents deposited.

28. **Ethics Committee and complaint procedure**

a) The present Code of Ethics and Good Governance will be monitored by the Ethics Committee, which will be responsible for supervising the observance and compliance with the precepts, obligations and instructions contained therein.

b) The Ethics Committee of Fundación Real Madrid will be made up a total of between 3 and 6 members appointed by the Board of Trustees.

c) The main functions of the Ethics Committee, without prejudice to others that may contribute to its achievement or which are duly attributed by the Board of Directors, will be the following:

   (i) Interpret the content of this Code of Ethics and Good Governance and, where appropriate, offer resolutions on any interpretative discrepancies that may arise with respect to the same.
   (ii) Clarify whatever doubts may be submitted regarding behaviour and performance by employees, professionals, executives and governmental or managerial bodies.
   (iii) Carry out the duty of monitoring and proposing updates or amendments to the Code.
   (iv) Resolve any eventual complaints which, under the procedure regulated in the Club’s Code of Ethics, are lodged for any violations of the obligations of this Code.
   (v) Disseminate, promote and observe the obligations arising from this Code of Ethics and Good Governance.

29. **Compliance System and Compliance Committee**

1. Fundación Real Madrid has implemented a Compliance and Risk Prevention System, the surveillance, effectiveness, monitoring and updating of which is entrusted to the Compliance Committee.

2. The Compliance and Risk Prevention System shall be regulated in the Compliance Programme of Fundación Real Madrid, the implementation proposal of which is approved by the Board of Trustees on 6 November 2017.
3. The Compliance Committee will be composed of the General Director, Managing Director and Head of Compliance of Fundación Real Madrid.

4. The Compliance Committee will adopt the internal organisational measures that it deems necessary to ensure its correct and regular operation, and especially those related to the calling and holding of its meetings, preparing of minutes of those held, the filing and safeguarding of documentation, and information documents to the Ethics Committee, the Board of Trustees and the Governing Bodies.

5. The Committee shall assume the following duties:
   
a. Approval of the Compliance System, made up of the Criminal Risk Map of the Foundation and the systems for the prevention, control and monitoring of processes, as well as the rules and procedures necessary for its operation.
   b. Surveillance of the operation of said controls through periodic reviews and the issuance of compliance reports with the detected improvement proposals.
   c. Support and coordination with Internal Auditing in the tracking and monitoring of the rules of the internal control of information.
   d. Design of training plans in criminal matters addressed to the Employees of the Foundation in exercising their duties.
   e. The obligation to report regularly to Internal Auditing, the Ethics Committee and the Board of Trustees.
   f. In coordination with the Ethics Committee, the knowledge and processing of the complaints presented in the Internal Complaints Channel.
   g. Awareness raising on the present Code of Ethics and Good Government among the Employees of the Foundation and among third parties separate from the same.
   h. Control of the effective fulfilment of the decisions adopted as well as the execution of the sanctioning and corrective measures that are considered appropriate in each case.
   i. Periodic preparation of reports on the level of compliance with the Code and the Compliance System, presenting to Internal Auditing, the Ethics Committee and the Board of Trustees the recommendations deemed as necessary to improve their content, facilitate their understanding, ensure their application and ensure that they are safeguarded.

30. Complaints

Fundación Real Madrid, through a specific telematic link, makes available to employees, clients, users, suppliers and/or any person or organization that represents or participates in any way with the entity, the possibility of reporting and/or communicating any indication or possible irregular, unethical or inappropriate conduct in order to be able to carry out an effective and fully confidential investigation process. Nevertheless, to ensure the truthfulness of the information received, only complaints in which the complainant is identified will be accepted for processing.

Complaints will be received by the Compliance Committee which will determine jointly, according to their criteria and depending on the cases:

• To admit them or not.
• To resend them, if applicable, to any of the units or Managers responsible for the matter subject to communication and in particular to: (1) Ethics Committee (2) Internal Auditing and Process Control, as the area responsible for irregularities of potential importance on financial and accounting matters; or (3) Human Resources Management, as the area responsible for preventing situations of discrimination, and occupational and sexual assault. In any case, the informant shall be informed about the decision made.

Once the admissibility of the communication and jurisdiction on the matter is established, after
the procedures of inquiry and verification which may apply in each case, and, where appropriate, the proposal for action received from any of the aforementioned Directorates, the Compliance Committee shall adopt the corresponding resolution and decide on the measures that are necessary to ensure compliance. The Foundation formally establishes that it will not tolerate reprisals committed against persons who make use of the established procedures for the communication of irregular conduct.

On the other hand, whistleblowers who submit complaints in bad faith, knowing their falsehood or with the sole intention of undermining the reputation or prestige of FUNDACIÓN REAL MADRID or any of its professionals, will be subject to the sanctions provided for in the disciplinary system of the entity, including the dismissal of the worker.

31. Monitoring and Review of the Code of Ethics and Good Governance

a) The Board of Trustees assumes the commitment to promote the updating of this Code of Ethics and Good Governance in order to ensure its suitability to current regulations at all times, to the needs of the Foundation and the Founder's system of governance.

b) This Code will also be permanently monitored by the Ethics Committee and the Compliance Committee in order to be reviewed periodically to ensure its suitability to the conditions at any time.

c) The Board of Trustees, through an agreement adopted by the majority of its members either present or represented, may amend this Code on its own initiative, or the chairman or secretary of the Board of Trustees.

32. Informational transparency

1. Fundación Real Madrid is firmly committed to Transparency as well as to the Club's holding of the highest standards of excellence in the publication of information.

2. The website of the Foundation is the main instrument of the Transparency Policy. Through it, the Foundation will inform the public in general, and third parties directly related to it, about the activities carried out, while also serving as an instrument to facilitate knowledge and participation in future activities to be carried out, as well as for the disclosure of its purposes and principles.

3. Notwithstanding that the Board of Trustees may agree at any time to other information, the website of the Foundation shall contain at least:

a) The By-laws of the Foundation.
b) Contact information, headquarters and general data
c) Mission, vision and values
d) Governing bodies
   a. Board of Trustees
   b. Directors
e) The Code of Ethics and Good Governance of the Foundation.
f) Projects carried out.
g) Action Plan.
h) Annual report of activities
i) Annual accounts and auditing
j) Key data
k) Evaluation criteria
l) Quality systems
33. **Account Auditing**

Fundación Real Madrid undertakes to submit its financial statements and annual accounts to a yearly external financial auditing, the report on which is published on the Transparency Portal.