

ProFuturo

Code of Good Governance

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PREAMBLE

This Fundación ProFuturo Code of Good Corporate Governance was approved by its Board of Trustees at its meeting held on 31 May 2017. This Code of Good Governance includes the chief national and international recommendations on the good governance of non-profit entities and the principles regarding the social responsibility of foundations.

In accordance with the above, Fundación ProFuturo's system of governance is shaped in accordance with the following regulations:

- The Statutes of Fundación ProFuturo, which, together with the Law, constitute the basis for the responsible management of its projects and its interaction with society as a whole.
- The Action Principles of Fundación ProFuturo, principles that inspire and define the way in which it conducts its activity, whose general principles include honesty, trust, respect for the law, integrity, respect for human rights, health and safety, the development of society, the environment, measures regarding conflicts of interest, equality and transparency, responsibility regarding the supply chain, independence and prudence, collaboration, advertising, and communication.
- The Code of Good Governance, which interprets and implements the Statutes of Fundación ProFuturo in order to guarantee the fulfilment of the foundational purposes, the transparency of the bodies, the members of the Board of Trustees and the employees of Fundación ProFuturo.

CHAPTER I: VALUES AND GOOD PRACTICES

1. Nature and purposes

1. Fundación ProFuturo is a private, permanent and non-profit cultural foundation with full juridical personality and full legal capacity to act.
2. The aim of Fundación ProFuturo is outlined in its foundational purposes and the activities set forth in its Statutes.
3. The general goal of Fundación ProFuturo is to encourage and foster the education and training of children, young people and individuals from the most disadvantaged sectors or at risk of social exclusion, to contribute to the promotion and generation of equal opportunities in society by means of the enhancement of digital and network education and, specifically, to promote the digital education of children and young people, thus enabling them to acquire competencies through technology.
4. Within the above-mentioned framework, the Fundación has the following aims:
 - a. To promote digital online education and training for disadvantaged children and young people and people at risk of exclusion, encouraging them to use the new information technology and providing them with the necessary means to do so.
 - b. To analyse and decide on the proposals to be submitted for the expansion of digital literacy among children and young people in developing countries.
 - c. To facilitate the vocational and intellectual training of people in need, in a situation of unemployment or with a lack of social roots by means of the use of digital technologies and the development of their online digital education.

2. Absence of a profit motive

Fundación ProFuturo will not distribute any surplus or profit to its founding entities (not even in the event of its dissolution), assigning any surpluses it may obtain to the achievement of its foundational purposes in accordance with the provisions of its Statutes and the current legislation.

3. Disclosure of the actions of Fundación ProFuturo

1. The purposes, activities and beneficiaries of Fundación ProFuturo will be made known to the beneficiaries of its activities and society as a whole by the means available to it.
2. The Fundación will disclose its Statutes, as well as the composition of its Board of Trustees and the identity of its General Manager.

4. Accountability and transparency

1. Fundación ProFuturo, without detriment to its compliance with its legal obligations, will undergo an annual external audit.
2. The Fundación will disclose its annual accounts and its report of activities, as well as any other relevant information concerning its activity, via its channels for access to information.
3. The Fundación will provide its Board of Trustees and Protectorate with information on the projects it implements, the destination of their contributions and the results and indicators obtained.

5. Public-private partnerships

1. Fundación ProFuturo will cooperate with other entities, organisations, institutions and companies from the public, private and third sectors in order to develop strategies to enhance the collaboration with collectives related to the fulfilment of its goals.
2. The Fundación will seek synergies of scale with other entities to multiply the social impact of its initiatives, without undermining its identity and the essential values set forth in its Statutes.

6. Independence

1. Fundación ProFuturo will secure the appropriate structures to guarantee its autonomy and independence.
2. The Fundación will not accept any financial contributions that condition the fulfilment of its objectives, its values or its principles or any that endanger the fulfilment of its aims.
3. The Trustees and employees will always abide by the Action Principles in the fulfilment of their responsibilities, regardless of their own or any other interests.

7. Resource planning and optimisation

1. Fundación ProFuturo will administer its resources efficiently, seeking to optimise their application and adopting the management control measures required to ensure that this is the case, in accordance with the principles of transparency, concurrence and objectivity defined for the conducting of its activity.

2. The Fundación's employees will constantly observe the planning mechanisms, monitoring of objectives and indicators and control of resources established for the development of the projects, as approved by the Fundación ProFuturo Management Committee and submitted to the Board of Trustees.

8. Social Responsibility

1. Fundación ProFuturo will attend to the general interests of society, bearing in mind the socio-economic situation of the societies in which it develops its projects.
2. As far as possible, the Fundación will promote the social, economic and environmental progress of the above-mentioned societies. The beneficiaries of its activity may be any non-profit natural or legal persons, without any discrimination of any kind, and, in particular:
 - a. Children and young people undergoing training;
 - b. Any person or group of people from disadvantaged collectives or at risk of social exclusion;
 - c. Adults who have not had access to regulated or non-regulated training allowing them to develop specific technical skills, thus making it difficult for them to access the labour market at a later age;
 - d. Non-governmental organisations and entities in developing countries that promote or carry out educational activities and projects and/or projects geared towards improving the educational and social conditions that allow the development of people.

9. Planning and monitoring of the activity

1. Fundación ProFuturo will enhance its stability, flexibility and organisational culture by means of long-term planning and the monitoring of the objectives and indicators established for each particular project.
2. The Board of Trustees will approve the global plans of action that guide the Fundación's activity for the most effective achievement of its objectives.

10. Action Principles

Fundación ProFuturo's Action Principles are assumed and abided by its Board of Trustees and employees, form an integral part of its collaboration agreements and contracts with third parties and are disseminated to society via the Fundación's own channels for access to information.

CHAPTER II: ORGANS OF THE FOUNDATION

11. Ethical behaviour

1. Respect for ethics will inspire the actions of the Fundación's bodies.
2. Ethical behaviour entails diligence, good faith and the primacy of the Fundación's interests.

12. Respect for legal principles

1. All the organs of Fundación ProFuturo will comply with the applicable regulations.
2. The organs will give fair and equal treatment to anyone who may be affected by their actions, without making any distinctions on the grounds of birth, race, gender, religion, disability, opinions or any other personal or social condition or circumstance.

Section One: THE BOARD OF TRUSTEES

13. Nature, composition and competences

1. The representation, governance and administration of Fundación ProFuturo corresponds to the Board of Trustees appointed in accordance with its Statutes, which will act pursuant to the rules contained therein and the provisions of the Law. It may be assisted by an Advisory Committee, which will help it in its decision-making.
2. The competences of the Board of Trustees extend to all acts and legal transactions concerning the representation and governance of the Fundación, as well as the free administration and disposal of all the assets that comprise its patrimony, income and products, the exercise of all its rights and actions, the interpretation of the Statutes of Fundación ProFuturo and the resolution of any legal incidents that may occur and, in particular, the fulfilment of the foundational purpose, without detriment to the attributions awarded to the Protectorate by the current legislation.

Section Two: THE TRUSTEES

14. Composition

1. The Board of Trustees will be made up of a minimum of four (4) members and, in any event, the following persons (the specific total number of members will be determined by the Board itself):

- a. The Chairman of Fundació Telefónica;
- b. The Caixa d'Estalvis i Pensions de Barcelona Banking Foundation ("La Caixa");
- c. A person designated by FUNDACIÓN TELEFÓNICA;
- d. The General Manager of the Trustee of the Caixa d'Estalvis i Pensions de Barcelona Banking Foundation, "La Caixa".

2. The Board of Trustees may complement the number of its members by appointing Trustees who are natural and legal persons with a proven track record in their involvement in projects and/or activities related to the foundational purposes and/or the capacity to provide knowledge, experience and/or resources that can contribute to fulfilling these purposes and meet the requirements established in this article and the current legislation.

3. Natural persons who have full capacity to act, are not disqualified from holding public office and are not affected by any cause of incompatibility may be members of the Board of Trustees.

4. Legal persons may form part of the Board of Trustees; these must designate the natural person or persons who will represent them and the

order of replacement of the representatives in the event that there are several of them.

15. Renewal

1. The Trustees who hold their offices due to their positions will renew them when they are relieved thereof and then re-appointed.

2. The office of Trustee referred to in letters a) to d) of article 9 of the Statutes is not subject to a set term.

3. Trustees not included in the preceding paragraph will serve for a term of four (4) years and may then be re-elected for successive terms without any limitation.

4. Upon the expiry of the term for which they are appointed, the Trustees will continue in office until the following meeting of the Board of Trustees, during which their renewal or replacement will be determined.

5. The renewal of the office of Trustee will be approved by the Board of Trustees registered in the Registry of Foundations, in accordance with the procedure established in the Statutes for the approval of agreements. The affected Trustee will not participate in the decision.

16. Offices of the Board of Trustees

The offices of the Board of Trustees will be based on trust and of an honorary nature.

1. Consequently, their holders will perform them free of charge, without earning any remuneration in their exercise. However, they will be entitled to

reimbursement for any duly justified travel expenses they incur as a result of attending the meetings of the Board of Trustees and any other equally justified expenses incurred during the fulfilment of any specific mission entrusted to them on behalf of and in the interests of the Fundación.

2. However, the Board of Trustees may establish appropriate remuneration for Trustees who provide the Fundación with services other than those that the performance of their duties as members of the Board entails, subject to the Protectorate's prior authorisation.

17. Obligations and responsibilities

1. The obligations of the Trustees include, among others, fulfilling the purposes of the Fundación, attending meetings, performing their duties with the diligence of loyal representatives, maintaining and preserving the values of the Fundación and promoting its termination in the cases envisaged in the current legislation and the Statutes of Fundación ProFuturo.
2. The Trustees will be held liable towards the Fundación under the terms provided for in the Civil Code and Law 50/2002 of 26 December for any damage caused by acts contrary to the Law or the Statutes and any carried out without the diligence with which they should perform their duties. Those who have voted against the agreement and those who can prove that, by virtue of not having taken part in its approval and execution, they were unaware of its existence or, although knowing of it, did all they could to avoid the damage or, at least, expressly opposed it will be exempt from liability.
3. Without detriment to the mandatory authorisations of the Protectorate, the Board of Trustees will have the following powers, by way of example and without limitation:

- a. To exercise the governance and representation of the Fundación and approve its management plans and regular action programmes.
- b. To represent the Fundación in all kinds of relations, acts and contracts before the Spanish State, Foreign States, Autonomous Communities, Public Bodies, Courts and any entities of a public or private and national or foreign nature, as well as natural persons, and to initiate and proceed with whichever procedures, files, claims and trials are of active or passive interest to the Fundación by means of proceedings, instances and appeals.
- c. To interpret and implement the Statutes and, as appropriate, agree upon their amendment, provided that the above is in the interests of the Fundación and the best achievement of its aims, in accordance in any event with the provisions of article 29 of Law 50/2002.
- d. To buy, sell and in any way make available movable and immovable property, to constitute, modify and cancel real and personal rights, without detriment to the system of communications, authorisations and registry entries relevant in each case in accordance with article 21 of Law 50/2002, to perform all kinds of banking and credit operations, to constitute, modify and cancel deposits, to accept inheritances, legacies, donations and grants subject to the provisions of article 22 of Law 50/2002, to exercise political and economic rights directly or through a representative, to make collections and payments and enter into all kinds of contracts and legal transactions and to grant and revoke powers of attorney of any kind, subject to the limitations established by the current legislation.
- e. To ensure the fulfilment of the founder's will, interpreting and implementing it if necessary.
- f. To agree on the opening and closure of its offices.

- g. To establish the general guidelines for the distribution and application of the available funds among the purposes of the Fundación.
- h. To appoint and empower the Fundación's General Manager.
- i. To select the beneficiaries of the foundational services.
- j. To approve the Action Plan and the Annual Accounts (annual report, balance sheet and profit and loss account) to be submitted to the Protectorate.
- k. To establish the general guidelines for the distribution and application of the available funds among the purposes pursued by the Fundación.
- l. To authorise the modification of foundational capital investments.
- m. To approve the appointments and recruitment of the Fundación's management personnel.
- n. To change the Fundación's domicile by means of the appropriate amendment of the Statutes and the reporting thereof to the Protectorate.
- o. To approve agreements on any merger or termination of the Fundación, under the terms envisaged in articles 30 and 31 of the Statutes.
- p. To delegate its powers to one or more Trustees, except for those that cannot be legally delegated, including, among others, the approval of the accounts and the Action Plan, the amendment of the Statutes and any merger or dissolution of the Fundación, as well as any acts that require the

Protectorate's authorisation. The delegation of powers will be recorded in an entry in the Registry of Foundations.

q. To appoint general or special proxies. General powers of attorney must necessarily be recorded in entries in the Registry of Foundations.

r. To decide on any matters not expressly mentioned in the previous sections which are necessary for the achievement of the foundational purposes, performing whatever functions may be necessary, without any requirements or limitations other than those expressly stipulated in the Statutes or required by the Law.

Section Three: MAIN OFFICES AND ORGANS OF THE FOUNDATION

18. Composition

1. The Trustees will elect a President from among their number, by a majority vote and, in any event, with the favourable votes of the Trustees referred to in letters a) to d) of article 9.1. of the Statutes.
2. The Board of Trustees may appoint one or more Vice-Presidents from among their number, who will replace the President in the event of any absence or illness.
3. The Board of Trustees will appoint a Secretary, a position that may be held by a person who is not a member thereof, in which case he/she will have the right to speak but not vote. The Board of Trustees may appoint a Vice-Secretary, who need not be a Trustee, to assist the Secretary and replace him/her in the performance of his/her duties in the event of any absence, impossibility or indisposition.

4. The Board of Trustees may appoint a General Manager who must comply with the conditions for capacity for Trustees established in the Statutes, a position which, in the opinion of the Board, may be remunerated if said appointment falls on a person who does not qualify as a Trustee. The General Manager will be assisted by the technical personnel determined by the Board of Trustees.
5. The Board of Trustees may be assisted by an Advisory Committee, which will have the coordinating, advisory and evaluation functions regarding the activities and programmes carried out by the Fundación that are entrusted to it by the Board upon its creation, as well as any others that may be subsequently conferred upon it. The composition, form of appointment and the procedure for access and action will be regulated in an internal regulation to be approved by the Board of Trustees.
6. The self-evaluation of the Board of Trustees is a way of improving its performance in keeping with the values with which Fundación ProFuturo identifies. With the frequency established by the Board of Trustees, it will self-evaluate its management, examining the fulfilment of its responsibilities and duties and identifying areas for improving the organisation and its operation.

CHAPTER III: FUNCTIONING OF THE BOARD OF TRUSTEES AND APPROVAL OF AGREEMENTS

19. Calls and holding of meetings

1. The meetings of the Board of Trustees will be convened in writing and by rapid and secure procedures by the President on his own initiative or at the request of at least one third of the members of the Board. Meetings will be convened, as necessary, twice a year and the Secretary will announce them at least five days in advance.

2. The meetings of the Board of Trustees will be considered to be validly constituted when at least half plus one of its members are present, including the President or, as appropriate, the person acting as President.

20. Agreements

1. The agreements will be approved by majority vote. In the event of a tie, the President will have the casting vote.
2. Said agreements will be transcribed in the minutes book and authorised by the signatures of the Secretary and the President, who will indicate his approval.
3. The affected Trustee will abstain from exercising his/her right to vote when the agreement to be voted on by the Board of Trustees concerns the following matters:
 - a. The contractual relationship between the Fundación and the Trustee, his/her representative, relatives up to and including the fourth degree or spouse or person linked by an analogous relationship of affectivity;
 - b. Remuneration for services provided to the Fundación by the Trustee, other than those entailing the performance of the duties corresponding to him/her as a member of the Board;
 - c. Civil liability action against the Trustee.

CHAPTER IV: MANAGEMENT TEAM

21. Selection of personnel

The selection of personnel for the required profiles will be made in accordance with the principles of equality, merit and capacity.

22. Professional development and equal opportunities

1. Fundación ProFuturo will promote the professional and personal development of its employees, ensuring the observance of ethical principles, non-discrimination and equal opportunities.
2. The Fundación will guarantee its employees an environment free of health risks at all its facilities.
3. The Fundación will promote measures designed to reconcile the personal, family and professional responsibilities of its employees.
4. The Fundación will provide its employees with the appropriate means for the proper performance of their duties.

CHAPTER V: ACCEPTANCE, COMPLIANCE, MONITORING, AMENDMENTS, VIOLATION AND VALIDITY OF THE CODE OF GOOD GOVERNANCE

23. Acceptance and compliance

1. This Code of Good Governance is applicable to the Fundación's governing organs and employees, who will act in accordance with its contents.

2. The Fundación will disclose the contents of this Code by publishing it in its channels for access to information.

24. Monitoring

The monitoring and control of the application of the Code of Good Governance will be the responsibility of the Fundación ProFuturo Board of Trustees, which will ensure its disclosure, knowledge and interpretation, making the necessary recommendations and proposals to keep it updated and improve its contents.

25. Amendments

Any amendments of the Code of Good Governance will require the approval of the Fundación ProFuturo Board of Trustees.

26. Violation or breach

1. Any violation or breach of the Code of Good Governance must be reported by whoever becomes aware of it to the President of the Board of Trustees or the General Manager of Fundación ProFuturo, depending on its nature, who will assess the channel to be applied to the information received.
2. The confidentiality of said information, as well as the identity of the person providing it, will be guaranteed.

27. Validity

This Code of Good Governance was approved at the meeting of the ProFuturo Fundación Board of Trustees held on 31 May 2017 and will remain in force until any amendment is approved.