



# REGULATION OF THE BOARD OF DIRECTORS OF BANCO INVERISIS, S.A.



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## Chapter I. PRELIMINARY

### **Article 1.- Purpose.**

The purpose of these Regulations is to establish the principles governing the performance of the Board of Directors of Banco Inversis, SA, as well as the basic rules of its organization and operation in accordance with the provisions of Laws, by-laws and rules of conduct of its members, except In matters related to the Securities Markets, which will govern the Internal Code of Conduct approved by the Board of Directors.

### **Article 2.- Scope of application.**

This Regulation shall apply to both, the members of the Board of Directors and to those of its delegated bodies, if any, and in any case to its Delegated Commissions, and who are therefore obliged to know the content of this Regulation, to comply with and enforce it.

### **Article 3.- Amendment.**

These Regulations may only be amended at the request of the Chairman or by the majority of the Directors in office.

The amendment proposal shall be notified by the Nomination and Remuneration Committee and shall require an agreement adopted by the absolute majority of the members of the Board of Directors for its validity.

### **Article 4. Dissemination.**

The Directors are obliged to know, comply with and enforce this Regulation, and, for this purpose, the Secretary of the Board shall provide a copy of it to all concerned. In addition, this Regulation shall be published on the Company's website.

### **Article 5. Functions of the Board of Directors.**

Except in matters reserved for the competence of the General Meeting, the Board of Directors is the Company's highest decision-making body

The Board shall perform its functions with unity of purpose and independence of judgement, treating all shareholders equally and guided by the Company's interests. It will also ensure that, in its relations with stakeholders, the Company respects the laws and regulations; fulfils in good faith its obligations and contracts; Respects the uses and good practices of the sectors and territories in which it operates; and observes the additional principles of social responsibility that it would have voluntarily accepted.



The Board of Directors is competent to adopt agreements on all kinds of matters that are not attributed by Law or by-laws to the General Meeting and specifically reserves the competence of:

- a) Review, report and approve the Strategic Plans and the Annual Budgets, monitoring their implementation and compliance.
- b) Define the corporate governance system, controlling and evaluating its effectiveness periodically and adopting the appropriate measures to solve its deficiencies. The corporate governance system includes the organizational structure, the internal control standards, the Remuneration Policy and the Risk Management Policies.
- c) Appoint the Chief Executive Officer and/or the General Manager.
- d) Appoint the members of the Steering Committee and oversee its performance.
- e) Appoint the Internal Audit Director.
- f) On a proposal by the Chief Executive Officer and/or the General Manager, decide, in all matters relating to the management of the business, which, due to its special importance, should be submitted for approval, including:
  - (i) Corporate operations (incorporation of companies, participation in existing companies, mergers, etc.);
  - (ii) Opening and closing of subsidiaries outside the national territory;
- g) Approve the remunerations of the members of the Management Committee and other managers included in the group subject to the Remuneration Policy.
- h) Any other function attributed by the applicable regulations.

#### **Article 6. Maximising the economic value of the Company.**

The criterion is that the presiding Board of Directors should act at all times to maximise the value of the Company on a sustained basis. In accordance with this criterion, the Board will determine and review the Company's business and financial strategies, for which purpose it shall take the necessary measures to ensure:

- a) That the management of the Company pursues the maximisation of value for shareholders and has the right incentives to do so.
- b) That the management of the Company is under the effective supervision of the Board.
- c) That no shareholder receives a treatment of privilege compared with the other shareholders.

The maximisation of the value of the Company in the shareholders' interest necessarily should be developed by the Board of Directors, honouring the requirements imposed by Law, fulfilling in good faith the explicit and implicit contracts with the workers, suppliers, financiers and clients and, In general, observing those ethical duties that reasonably imposes the Company's responsible conduct.



## Chapter II. COMPOSITION AND STRUCTURE OF THE BOARD

### **Article 7. Number of Directors.**

The Board of Directors shall be composed by a number of Directors, who will be appointed or ratified by the General Shareholders' Meeting in accordance with the limits established in the Law and By-laws. The Board will propose to the General Meeting the number that, according to the changing circumstances of the Company, is better suited to ensure proper representation and effective functioning of the body.

The Board of Directors shall ensure that, in the composition of the body, independent or non-executive Directors represent a majority over Executive Directors. The nature of each Director shall be explained to the General Meeting of Shareholders that should make or ratify the appointment, after verification by the Nomination and Remuneration Committee.

### **Article 8. Incompatibilities.**

The following individuals will not be able to be members of the Board of Directors:

- (i) Those that are involved in cases concerning incompatibility or prohibition regulated in general provisions, or that have interests opposing to those of the Company or its Group.
- (ii) Directors, managers or senior managers of entities competing with the Company.

### **Article 9. Structure.**

The Board of Directors shall appoint from among its members a Chairman who, without prejudice to the powers provided by Law or in the By-laws, he or she shall assume the chairmanship of the General Meeting of Shareholders and of the Board of Directors, without having powers delegated by the Board. The Chairman of the Board of Directors may not simultaneously exercise the functions of Managing Director, unless justified and authorised by the Bank of Spain.

The Board of Directors may appoint a Vice-Chairman, who will replace the Chairman in case of impossibility or absence, regarding the convening and functioning of the Board of Directors. In the event of absence of the Chairman and Vice-Chairman, in this case, the duties shall be performed by the Coordinating Director and in the absence of him, the Director appointed for that purpose by the Board for each meeting.

The Board of Directors shall appoint a Secretary, in which the status of Lawyer must concur, who does not need to be Director. The Board may also appoint a Deputy Secretary of the Board of Directors, who will replace the Secretary in case of impossibility or absence. The appointment and removal of the Secretary and Deputy Secretary of the Board of Directors shall be notified by the Appointments and Remuneration Committee and approved by the full Board of Directors. In case of absence of the Secretary and Deputy Secretary, the Director appointed for this purpose by the Board shall perform its functions for each meeting, in which the status of Lawyer should concur. The Secretary shall assist the President in his work and provide for the proper performance of the Board, particularly in order to provide Directors with the necessary advice and information, to custody the company's documentation, to duly reflect in the minutes the development



of the sessions and attest the agreements of the body. The Secretary of the Board shall ensure that the Board's actions comply with the Articles of Association and the Regulations of the Board of Directors and its committees, in all cases honouring the principles of good corporate governance and the legal provisions applicable to the company.

Furthermore, the Board of Directors may appoint a Managing Director, with the proper attributions for managing the Company, corresponding to the effective management of the Company's business, always in accordance with the decisions and criteria set by the General Shareholders' Meeting and the Board of Directors. Upon his appointment, the powers attributed to the Managing Director and the manner in which they are exercised will be established.

A Director General may also be appointed by the Board of Directors, granting him, at the time of his appointment, whichever powers it deemed necessary for the effective performance of his managerial functions and a Management Committee composed by individuals of recognised commercial and professional trajectory, with the composition, powers and operating rules determined by the Board of Directors.

The Board of Directors shall appoint, following a report from the Appointments and Remuneration Committee and with the abstention of the executive Directors, a Coordinating Director from among the independent Directors. The resolution shall be adopted by a 2/3 majority. If there is no agreement, the longest-serving Director shall be appointed Coordinating Director. Without prejudice to any other powers that may be entrusted to him by the Board of Directors, the Lead Director shall be empowered to:

- a) request the calling of a meeting of the Board of Directors or the inclusion of new items on the agenda of a Board meeting already called;
- b) coordinate and bring together the independent directors and;
- c) chair the board of directors in the absence of the chairman and vice-chairman, if any.

The term of office of Coordinating Director shall be two (2) years, and he may be re-elected for periods of the same duration, without prejudice, moreover, to his appointment for the remaining years of the term for which he was appointed Director. In addition to the expiry of the term for which he was appointed, he shall cease to hold office when he ceases to be a Director, when he ceases to be an independent Director, when he resigns from the position of Lead Director, when proposed by the majority of the Independent Directors and when so resolved by the Board of Directors, following a report from the Appointments and Remuneration Committee.

### Chapter III. APPOINTMENT AND REMOVAL OF DIRECTORS

#### **Article 10. Appointment of Directors.**

Directors shall be appointed by the General Meeting or, on a provisional basis, by the Board of Directors in accordance with the provisions contained in the Capital Companies Act, the Articles of Association and these Regulations. Proposals for the appointment or re-election of Directors submitted by the Board to the General Shareholders' Meeting, as well as their provisional appointment by co-optation, shall be approved by the Board:

- a) On the proposal of the Appointments and Remuneration Committee, in the case of independent Directors.



- b) Prior report of the Appointments and Remuneration Committee, in the case of the other Directors.

To be a member of the Board of Directors, membership is not required. However, it will be necessary not to be subject to any incapacity, incompatibility or prohibition established in the current legal provisions, as well as being individuals of recognised commercial and professional honourability, having the appropriate knowledge and experience to perform his duties, in accordance with specific legislation applicable to Credit institutions.

The Company shall publish, via its website, and maintain updated, the following information concerning its Directors:

- a) Professional and biographical profile.
- b) Date of first appointment as Director of the company, as well as other prior appointments.
- c) Indication of the category of Director to which he or she belongs.
- d) Indication of other boards of directors of listed companies to which he or she belongs.

#### **Article 11. Term of office**

The Directors shall hold office for a term of five (5) years and may be re-elected indefinitely for periods of the same duration, except in the case of Independent Directors, who may only be re-elected twice.

The Directors appointed provisionally by co-optation shall hold office until the date of the meeting of the first General Meeting, without prejudice to its ratification by the latter.

Notwithstanding the foregoing, the position of Director shall be revocable at the sole discretion of the General Meeting and may be waived at the request of the Director himself at any time.

#### **Article 12. Removal of Directors.**

The Directors shall cease to hold office when the period for which they were appointed has elapsed or when the General Meeting decides to use the powers conferred by law or by the By-laws.

The Directors must place their position at the disposal of the Board of Directors and formalise, if deemed appropriate, the corresponding resignation in the following cases:

- a) When they no longer meet the qualification requirements legally required for the exercise of their position.
- b) When any of the reasons for which he or she was appointed disappears and, in particular, when an Independent Director or a Proprietary Director loses his respective status.

Once the Board of Directors elects the proprietary and independent directors, the Board of Directors will not propose that they be dismissed before the statutory period for which they were appointed, except for due course by the Board of Directors, following a report from the Appointments and Remunerations Committee.





Independent Directors may not hold office for more than twelve years, unless they lose their independent status.

Directors must notify the Board of criminal cases in which they are involved, as well as of their subsequent procedural vicissitudes.

When a Director leaves office before the end of his term, either by resignation or for another reason, he or she will explain the reasons in a letter that he or she will send either to all members of the Board, or to the Chairman of the Board of Directors who in turn shall proceed to notify all its Directors.

### **Article 13. Objectivity and secret voting.**

Directors affected by proposals for appointment, re-election, separation or termination or conflict of interests shall refrain from intervening in the deliberations and votes of the respective agreements.

Any member of the Board of Directors may request from the Board itself that the votes relating to the aforementioned resolutions be secret, without prejudice to the right of every Director to record in the act the meaning of his vote.

## **Chapter IV. COUNSELOR'S REGIME**

### **Article 14. Remuneration of the Director**

The position of director shall be remunerated.

The remuneration of directors for this condition shall consist of a fixed annual allocation, which shall be distributed by the Board of Directors in the manner it determines, taking into account the status of each director, the functions and responsibilities attributed to them by the Board and their membership of the different Committees, which may give rise to different remunerations for each of them; the Board shall also be responsible for determining the periodicity and method of payment of the allocation.

The Company shall take out civil liability insurance for its directors and executives under the usual conditions proportionate to the circumstances of the Company itself.

Directors who perform executive functions shall be entitled to receive, in addition, the remunerations (salaries, incentives, bonuses, pensions, insurance, severance pay) provided for in the contract entered into for this purpose between the director and the Company, including, where applicable, any compensation for early termination of such functions and the amounts to be paid by the Company in respect of insurance premiums or contributions to savings systems. Directors may not receive any remuneration for the performance of executive functions whose amounts or concepts are not provided for in the contract.



Directors' remuneration shall be in accordance with the directors' remuneration policy approved by the General Meeting, which shall include the maximum annual amount of the remuneration that the Company will allocate to the Board of Directors. The directors' remuneration policy shall remain in force until the General Meeting resolves to modify it.

The Board of Directors shall take all measures within its reach to ensure that the amount of remuneration for the Independent Directors is calculated in such a way as to provide incentives for its dedication but does not constitute an obstacle to its independence.

The remuneration of the Directors shall be transparent. The Company shall publish both legally enforceable information and such information as the Board deems appropriate on the remuneration received by the members of the Board of Directors.

Regardless of the foregoing, those Directors who exercise executive functions, shall be entitled to receive the remuneration that, prior to the proposal of the Appointments and Remuneration Committee, the Board of Directors agrees for the performance of their duties. Such remuneration shall be reflected in the contract for the provision of services related to employment or other, which the Company and the director subscribe.

#### **Article 15. General Duties of the Director.**

In accordance with the provisions of these Regulations and the By-laws, the role of the Director is to guide and control the management of the Company in order to maximise its value for the shareholders' benefit. In the performance of his duties, the Director shall act with the diligence and good work of an orderly businessman and a loyal representative, being obliged, in particular, to:

##### **1.- Duty of loyalty:**

The following obligations are considered as derived from it:

- The Directors may not use the name of the company or invoke its condition for the execution of operations for their own account or for persons related to them.
- The Directors may not carry out, for their own benefit or for persons related to them, investments or any transactions related to the Company's assets, of which they were aware of during the exercise of the position when the investment or operation was offered to the Company or the Company has an interest therein, provided that the Company has not dismissed such investment or transaction without the influence of the administrator.
- The managers must notify the positions or functions they exercise and the significant participation they have in the capital of a company with the same, analogous or complementary type of activity to which the corporate purpose constitutes, as well as the realization, on their own account or for others, of the same, analogous or complementary type of activity of which the corporate purpose constitutes.
- Not hold positions in companies competing with the company or its group.
- Not use, for private purposes, non-public company information.



- Not misuse assets of the Company nor to use its position in the latter to obtain, without adequate consideration, an asset advantage. In any case, the economic or commercial relations between the Director and the Company must be known by the Board of Directors.
- Refrain from intervening in the deliberations and voting on proposals for appointment, re-election or dismissal when they affect them, as well as on any other issue in which they have a particular interest.
- Notify the Company of significant changes in their professional situation, those affecting the character or condition by virtue of which they have been designated as Directors, or those that may involve a conflict of interest.
- Inform the company of all judicial, administrative or other claims that due to their importance, could seriously affect the reputation of the company.

The limitations to carry out certain operations, as a consequence of the obligations of the duty of loyalty, may exceptionally be waived on a case-by-case basis, by means of a well-founded agreement of the Board of Directors.

## 2.- Duty of care:

The following obligations are considered as derived from it:

- Continually dedicate the time and effort necessary to regularly follow the issues raised by the Company's management, gathering the information and assistance it deems appropriate.
- Participate actively in the administrative body and its assigned Committees or assignments, informing themselves, expressing their opinion, and urging other Directors to attend to the decision that is most favourable for the defence of the corporate interest. If unable to attend, for justified reasons, the sessions to which he or she has been summoned shall endeavour to instruct the Director who, if appropriate, will represent him or her.
- Oppose agreements that are contrary to the Law, the By-laws or the social interest, and request the record of their position, when considered most convenient for the protection of the social interest.
- To urge the convening of Board meetings when deemed appropriate, in accordance with the Law and with the By-laws.
- To inquire diligently about the Company's progress by requesting the information it deems necessary to supplement the information provided, so that it can exercise an objective and independent judgement on the general performance of Company management.

## 3.- Duty of loyalty:

Administrators must fulfil the duties imposed by the laws, statutes and this Regulation with fidelity to the corporate interests, understood as the interest of the Company.

## 4.- Duty of secrecy:



Administrators, even after they cease to hold office, must keep secret information confidential, being obliged to keep a reserve of the information, data, reports or background that they know as a consequence of the exercise of their position, without them being able to communicate it to third parties or disclose the same when it could have harmful consequences to the company. The exceptions to the duty referred to in the previous paragraph are those in which the laws permit their communication or disclosure to a third party or that, where appropriate, are required or must be sent to the respective supervisory authorities, in which case the assignment of Information shall be in accordance with the provisions of the laws. When the administrator is a legal person, the duty of secrecy will fall on the representative of the latter, without prejudice to comply with their obligation to inform the latter.

#### **Article 16. Board Evaluation.**

The Board of Directors will carry out an annual evaluation of its operation and that of its Commissions and, if appropriate, propose, based on its results, an action plan correcting the detected deficiencies.

The result of the evaluation shall be recorded in the minutes of the session or incorporated to the same as an annex.

### **Chapter V. OPERATION OF THE BOARD**

#### **Article 17. Meeting of the Board of Directors.**

The Board of Directors shall meet on a monthly basis, at least ten times a year, and as many times as the Chairman deems appropriate for the proper performance of the Company, as well as at the request of at least two Directors.

Before the end of the year, the Board of Directors, on the proposal from the Secretary, shall adopt a calendar of dates for its meetings in the following year, which may be modified by resolution of the Board of Directors or by decision of its Chairman, with at least five (5) days prior to the initial date scheduled for the holding of the meeting or, if applicable, the new date agreed upon in substitution.

The meetings shall be convened by the Secretary, with the authorisation of the President, and shall be effected by electronic mail, fax or by registered letter. The notice shall be sent at least with five (5) days' notice to the address or address designated by each Director and shall include the agenda of the meeting.

When the Board must be called at the request of the Directors, said call shall be made within fifteen (15) days following its request and shall contain at least those items on the agenda proposed by the Directors.

The Board meeting shall be admitted without the need for a call when all the Directors are present and all of them agree to constitute a Board of Directors to hold the meeting. The adoption of resolutions of the Board in writing and without session shall only be admitted when no Director opposes this procedure.

#### **Article 18. Venue.**



The meetings of the Board of Directors shall be held at the registered office or, failing that, at the place indicated in the notice

The Board of Directors may be held in several rooms simultaneously, provided that interactivity and intercommunication between them in real time is ensured by telephone and, therefore, the unity of the proceedings. In this case, resolutions shall be deemed to be adopted at the place where the majority of the members are located and, in the event of equality, at the registered office.

#### **Article 19. Development of meetings.**

The Board shall be validly constituted when at least half plus one of the Directors who compose it are present or represented. In the event that one of the Directors is unable to attend the meeting previously convened for this purpose, he or she shall endeavour to confer a written representation letter in favour of another Director, addressed to the Chairman and with a special character for each Board, which shall allow the representative, acting on behalf of the represented, to appear and vote in the Board of Directors.

The Chairman shall organize the debate by seeking and promoting the equal participation of all Directors in the deliberations of the body and shall submit the matters to the vote when considered sufficiently discussed.

Except in cases where the law requires an enhanced majority, the resolutions shall be adopted by an absolute majority of the concurrent Directors present or represented, with the possible votes being decided by the casting vote of the Chairman or by whom acts in his place. Each Director present or duly represented shall have one vote.

The Directors must express and clearly state their opposition when they consider that any proposal for a decision submitted to the Board of Directors may be contrary to the corporate interest. When the Directors or the Secretary express concerns about any proposal or, in the case of the Directors, on the progress of the Company, and such concerns are not resolved within the Board, whoever expressed them may request that they be recorded in the minutes.

The Secretary shall record the resolutions, interventions and oppositions of the Directors, as well as any other information that would have been relevant during the meeting, in the minutes, that shall be approved for that purpose, at the end of the session or in the immediately subsequent session. Copy of the minutes of the meetings shall be sent to all Board members.

### **Chapter VI. JOINT AUDIT AND RISK COMMITTEE**

#### **Article 20. Composition.**

The Joint Audit and Risk Committee shall consist of a minimum of three and a maximum of five members, one of whom shall act as Chairman, and may also designate a Vice-Chairman to replace the Chairman in case of absence. All members of the Committee shall be Directors who do not perform executive functions, of which the majority shall be independent, and at least one shall be appointed taking into account their knowledge and experience in matters of accounting and auditing. The members of the Committee shall have appropriate knowledge, capacity and experience to fully understand and monitor the risk strategy and risk



appetite of the Company. The Chairman of the Committee should be conducted by an independent Director. The person acting as Secretary who is on the Board of Directors, shall not be a member of the Committee.

The Audit and Risk Committee, the Internal Audit Officer, the Regulatory Compliance Officer and the Director of the Risk Management Unit shall also attend meetings, not forming part of the Joint Audit and Risk Committee.

It is also possible for those Directors or similar persons whose participation is necessary at the discretion of the members of the Committee to attend their meetings, without forming part of the Joint Audit and Risk Committee.

#### **Article 21. Appointment and removal.**

Members of the Committee shall be appointed by the Board of Directors of the Company from among the Directors that integrate the same. Similarly, it appoints among them those who should be elected as President and Vice President.

The term of office shall be for the period remaining until the end of the mandate as director, being able to be reappointed for the same.

#### **Article 22. Competencies.**

The Joint Audit and Risk Committee has the following powers:

- a) Informing the General Meeting of Shareholders on issues raised by shareholders on matters within its competence, in particular on the outcome of the Company audit, its contribution to the integrity of financial reporting and the role that the committee has performed in that process.
- b) Monitor the effectiveness of internal control of the Company, internal audit systems and risk management, including tax, and discuss with the external auditors any significant weaknesses in the internal control system detected during the audit, having realised the appropriate proposals or recommendations to the board.
- c) Supervising the preparation and submission of the required financial and non-financial information, making proposals and recommendations to the board.
- d) Submit to the Board of Directors, for submission to the General Shareholders Meeting, the proposals of the selection, appointment, reappointment and removal of the external auditor, as well as the conditions of recruitment and regularly gather information on the audit plan and its execution while preserving its independence in the exercise of its functions.
- e) Establish appropriate relationships with external account auditors to receive information of those issues that may jeopardize the independence thereof, for the consideration of the Committee, and any others related to the development process of the audit accounts, as well as other communications provided for in the audit account legislation and technical auditing standards; should, in any case, receive annually from the external audit accounts written confirmation of their independence from the entity or entities related to it directly or indirectly, as well as information on additional services of any kind provided to these entities, and the corresponding fees received, by the external auditors



above mentioned or by persons or entities related thereto in accordance with the provisions in the legislation concerning account audits.

- f) Annually issue, prior to the audit report issuance, a report expressing the opinion of the Committee on whether the independence of external auditors is compromised, the report should pronounce itself, in any case, about the additional services referred to in the previous letter.
- g) Report, prior to the board on all matters referred to in the Capital Company Law, the By-laws and the Regulations of the Board and in particular on the financial information that the Company should periodically make public, creation or acquisition of shares in special purpose entities or domiciled in countries or territories considered tax havens and transactions with related parties.
- h) Advise the Board of Directors on the current and future global risk appetite of the entity and its strategy in this area and assist in monitoring the implementation of that strategy.
- i) Ensure that the assets and liabilities pricing policy offered to the clients, take full account of the entity's business model and risk strategy, if not, submitting to the Board of Directors a remedy plan.
- j) To determine, along with the Board of Directors, the nature, quantity, format and frequency of risk information that the Commission and the Board of Directors should receive.
- k) Collaborate for the establishment of rational remuneration policies and practices, therefore, and without prejudice to the Appointments and Remuneration Committee functions, it will examine whether the incentive policy contemplated in the remuneration system takes into account risk, capital, liquidity, and likelihood and profit opportunity.
- l) Monitor the risk management systems effectiveness.
- m) Any others that may be attributed to it by law or by the Board of Directors.

### **Article 23. Operation.**

The Joint Audit and Risk Committee shall determine the schedule of its regular meetings with the necessary frequency to properly deal with matters concerning their responsibility. In addition, the Committee shall meet whenever its Chairman requires or any of its members, or on behalf of the Board of Directors with a specific agenda.

The call from the Committee shall be communicated at least three days in advance by the Secretary of the Committee to each one of its members by letter, fax or email, and shall include the agenda previously approved by the Chairman of the Committee. For purposes of urgency the Committee may be convened without the provided minimum period, in which case the urgency must be assessed unanimously by all participants at the beginning of the meeting. It shall be set up by the Committee without prior call if all members are present and unanimously agree to hold a session.

The sessions of the Committee shall normally take place at the registered office but may be held at any other determined and stated by the Chairman in the call. The adoption of agreements of the Committee in writing and without a session shall be admissible only when no member of the Committee objects to this procedure.

The Committee may be held in several rooms simultaneously, provided that interactivity and intercommunication between them in real time is ensured by telephone and, therefore, the unity of the



proceedings. In this case, resolutions shall be deemed to be adopted at the place where the majority of the members are located and, in the event of equality, at the registered office.

The validity of the Committee requires that the majority of its members attend the meeting, present or represented. Each member of the Committee may appoint in writing his representation of another member. The resolutions are adopted by the majority of the members, present or represented. In case of a tie, the President shall have the casting vote.

The Secretary of the Committee shall keep minutes of each of the sessions held, which shall be adopted at the same meeting or the immediately following one. Copy of the minutes of the meetings shall be sent to all members of the Board.

## Chapter VII. APPOINTMENT AND REMUNERATION COMMITTEE

### **Article 24. Composition.**

The Appointment and Remuneration Committee shall consist of a minimum of three and a maximum of five Directors, one of whom shall act as Chairman, and may also designate a Vice-Chairman to replace the Chairman in cases of absence. None of the members of the Committee may realise executive functions in the Company, and at least one third of them, and in any case the Chairman, shall be independent Directors. The person acting as Secretary who is on the Board of Directors, shall not be a member of the Committee.

Attendance at meetings of the Appointments and Remuneration Committee may also be attended by those Directors or similar persons whose participation is necessary at the discretion of the members of the Committee.

### **Article 25. Appointment and removal.**

Members of the Committee shall be appointed by the Board of Directors of the Company from among the Directors that integrate the same. The Council also appoints among them those who should be elected as Chairman and Vice Chairman.

The term of office shall be for the period remaining until the end of the mandate as director, he may be reappointed for the same.

### **Article 26. Operation.**

The Appointment and Remuneration Committee shall determine the schedule of its regular meetings as often as necessary to properly deal with matters of its responsibility. In addition, the Committee shall meet whenever its Chairman requires or any of its members, or on behalf of the Board of Directors with a specific agenda.





The call from the Committee shall be communicated with at least three days' notice by the Secretary of the Committee to each one of its members by letter, fax or email, and shall include the agenda previously approved by the Chairman of the Committee. For purposes of urgency, the Committee may be convened without the provided minimum period, in which case the urgency must be assessed unanimously by all participants at the beginning of the meeting. It shall be set up by the Committee without prior call if all members are present and unanimously agree to hold a session.

The sessions of the Committee shall normally take place at the registered office but may be held at any other determined and stated by the Chairman in the call. The adoption of agreements of the Committee in writing and without a session shall be admissible only when no member of the Committee objects to this procedure.

The Committee may be held in several rooms simultaneously, provided that interactivity and intercommunication between them in real time is ensured by telephone and, therefore, the unity of the proceedings. In this case, resolutions shall be deemed to be adopted at the place where the majority of the members are located and, in the event of equality, at the registered office.

The validity of the Committee requires that the majority of its members attend the meeting, present or represented. Each member of the Committee may delegate in writing to another member his or her representation. The resolutions are adopted by the majority of the members, present or represented. In case of a tie, the President shall have the casting vote.

The Secretary of the Committee shall keep minutes of each of the sessions held, which shall be adopted at the same meeting or the immediately following one. A copy of the minutes of the meetings will be sent to all members of the Board.

## **Article 27. Competencies.**

The Appointment and Remuneration Committee has the following powers:

- a) Identify and recommend, with a view to approval by the Board of Directors or the General Meeting, candidates for filling vacancies of the Board.
- b) Evaluate the balance of knowledge, skills, diversity and experience of the Board of Directors and prepare a description of the roles and capabilities required for a particular appointment, evaluating the time commitment expected for job performance.
- c) Evaluate periodically, and at least once a year, structure, size, composition and performance of the Board of Directors, making recommendations thereon, regarding possible changes.
- d) Evaluate periodically, and at least once a year, the suitability of several members of the Board of Directors and the latter as a whole and inform the Board accordingly.
- e) Periodically review the policy of the Board of Directors in the selection and appointment of senior management members and may formulate recommendations.
- f) Set a goal of representation for the gender less represented by the Board of Directors and develop guidance on how to increase the number of persons of the under-represented gender in order to achieve that objective.



- g) Preparation of decisions regarding remuneration, including those that have implications for risk and risk management of the entity, to be adopted by the Board of Directors, and in particular to inform the general policy of remuneration of the Board members and managing directors or similar, as well as individual remuneration and other contractual conditions of the members of the Board of Directors who perform executive functions, to ensure their compliance. In preparing the decisions, the Committee shall take into account the long-term interests of shareholders, investors and other stakeholders in the Entity as well as public interest.
- h) Contribute to the attraction and retention of talent.
- i) To analyze and propose to the Board the appointment of the Chief Executive Officer and to study and report on the appointment of the members of the Management Committee proposed by the Chief Executive Officer.
- j) To study and report on the plans and actions related to the cultural transformation carried out by the Company.
- k) Any others that may be attributed by law or by the Board of Directors.

## Chapter VIII. TRANSFORMATION COMMITTEE

### **Article 28.- Composition.**

The Transformation Committee shall consist of a minimum of three and a maximum of five Directors and at least one third of them shall be Independent Directors. A Chairman shall be appointed from among the members, and a Vice-Chairman may also be appointed to replace the Chairman in the latter's absence. None of the members of the Committee may realise executive functions in the Company. The person acting as Secretary who is on the Board of Directors, shall not be a member of the Committee.

Meetings of the Committee may also be attended by those Directors or similar persons whose participation is necessary at the discretion of the members of the Committee.

### **Article 29.- Appointment and removal.**

Members of the Committee shall be appointed by the Board of Directors of the Company from among the Directors that integrate the same. The Council also appoints among them those who should be elected as Chairman and Vice Chairman.

The term of office shall be for the period remaining until the end of the mandate as director, he may be reappointed for the same.

### **Article 30.- Operation.**

The Transformation Committee shall determine the schedule of its regular meetings as often as necessary to properly deal with matters of its responsibility. In addition, the Committee shall meet whenever its Chairman requires or any of its members, or on behalf of the Board of Directors with a specific agenda.

The call from the Committee shall be communicated with at least three (3) days' notice by the Secretary of the Committee to each one of its members by letter, fax or email, and shall include the agenda previously



approved by the Chairman of the Committee. For purposes of urgency, the Committee may be convened without the provided minimum period, in which case the urgency must be assessed unanimously by all participants at the beginning of the meeting. It shall be set up by the Committee without prior call if all members are present and unanimously agree to hold a session.

The sessions of the Committee shall normally take place at the registered office but may be held at any other determined and stated by the Chairman in the call. The adoption of agreements of the Committee in writing and without a session shall be admissible only when no member of the Committee objects to this procedure.

The Committee may be held in several rooms simultaneously, provided that interactivity and intercommunication between them in real time is ensured by telephone and, therefore, the unity of the proceedings. In this case, resolutions shall be deemed to be adopted at the place where the majority of the members are located and, in the event of equality, at the registered office.

The validity of the Committee requires that the majority of its members attend the meeting, present or represented. Each member of the Committee may delegate in writing to another member his or her representation. The resolutions are adopted by the majority of the members, present or represented. In case of a tie, the President shall have the casting vote.

The Secretary of the Committee shall keep minutes of each of the sessions held, which shall be adopted at the same meeting or the immediately following one. A copy of the minutes of the meetings will be sent to all members of the Board.

#### **Article 31.- Competencies.**

The purpose of the Committee is to assist the Board of Directors in fulfilling its oversight responsibilities with respect to matters related to technology in the Company's activities and to advise the Board of Directors on matters related to transformation plans, as well as the adaptation of the Company's capabilities and processes to ensure excellence, leadership and competitiveness.

The Transformation Committee has the following competencies:

- a) To study and report on the plans and actions related to technological transformation and innovation carried out by the Company.
- b) To study and report on the plans and procedures adopted by the executive area to monitor technological transformation.
- c) Receive information, as often as required, from the Chief Technology Officer on the activities carried out by the same in relation to technological transformation, as well as on any incidents that may arise, and from other executives responsible for areas impacted by technological transformation.
- d) Receive information, as appropriate, on the metrics established by the Company for the management and control in the area of technological transformation; including the evolution of the developments and investments that the Company carries out in this area, as well as their impact on the business.



- e) Study and report, as appropriate, on innovation and technological trends that may affect the Company's transformation plans and even the Company's own business model, including the monitoring of general trends in the sector.
- f) To receive information, as appropriate, on issues related to new technologies, applications, information systems and best practices that affect the Company's strategy or technological plans.
- g) To promote a framework for reflection that facilitates the Board of Directors to identify new business opportunities arising from technological developments within the framework of technological transformation, as well as possible threats.
- h) Assist the Board of Directors in analyzing the impact of the digital transformation on the provision of services to clients and their behavior.
- i) Assisting the Board in ensuring that the Company's transformation plans derived from the technological transformation are implemented in line with the latter.
- j) Any others that may be attributed to it by law or by the Board of Directors.