

Composition and functions of the Risk Committee. Identification of the Risk Unit Director

Members and types of directorship

Mrs. Isabel Martín Castellá	Chairwoman (independent)
Mrs. María Teresa Sáez Ponte	Secretary (proprietary)
Mrs. Ana Bolado Valle	Member (independent)
Mr. Juan Fraile Cantón	Member (proprietary)
Mrs. María Luisa Arjonilla López	Member (independent)

Functions

- i. To advise the Board of Directors on the global risk appetite, current and future, of the Company and its strategy in this regard, and to assist the Board in overseeing the implementation of the mentioned strategy.
- ii. To ensure the good functioning of the risk control and management systems and, in particular, the adequate identification, management and quantification of all the important risks affecting the Company.
- iii. To arrange for the risk control and management systems to properly mitigate the risks within the framework of the policy defined by the Board of Directors.
- iv. To assess whether the prices for assets and liabilities offered to customers take full account of the business model and risk strategy of the Company. If the Committee notices that prices do not reflect risks properly in accordance with the business model and the risk strategy, it shall submit a correction plan to the Board of Directors.
- v. To determine, together with the Board of Directors, the nature, amount, format and frequency of the information on risks to be received by the Committee itself and by the Board of Directors.
- vi. To collaborate to establish rational remuneration policies and practices. For that purpose, the Risk Committee shall assess, without prejudice to the duties of the Remuneration Committee, whether the foreseen incentive policy takes account of risk, capital, liquidity, probability and timing of profits.
- vii. To participate actively in the preparation of the Company's policy for risk management, trying for it to identify at least:
 - (a) The different kinds of risks, financial and non-financial (such as operational, technological, legal, social, environmental, political and reputational risks) that the Company faces, including among the economic or financial risks contingent liabilities and other off-balance sheet risks.
 - (b) The setting of the risk level that the Company deems acceptable.

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- (c) The measures foreseen to mitigate the impact of the identified risks, should they materialize.
- (d) The internal information and control systems which will be used to control and manage the mentioned risks, including contingent liabilities or off-balance sheet risks.

Regulations of the Risk Committee

The matters which must be known by the Risk Committee and its rules of operation are specified in the Bylaws and in the Board Regulations, which complement and/or develop the regulatory provisions.

Identification of the Risk Unit Director

The General Directorate of Control, Strategy and Relations with Supervisors, headed by Mr. Isidro Rubiales Gil, includes the Corporate Directorate of Global Risk Control (*Chief Risk Officer*), headed by Mr. Cédric Blanchetière.