



# **REGULATIONS OF THE BOARD OF DIRECTORS OF UNICAJA BANCO, S.A.**

Consolidated text of the Regulations of the Board of Directors of Unicaja Banco, S.A., whose last date of registration in the Companies Register of Malaga is 13 March 2024.

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## CHAPTER I - INTRODUCTION

### Article 1. Purpose

The purpose of these Regulations is to determine the principles of action of the Board of Directors of UNICAJA BANCO, Sociedad Anónima (hereinafter, the "**Company**"), the basic rules of its organization and operation and the rules of conduct of its members, in order to achieve the greatest efficiency and transparency in its management.

### Article 2. Scope of application

1. These Regulations are applicable to the members of the Board of Directors and, to the extent it may affect them, to the Senior Officers of the Company and of its subsidiaries and investees in which the Company controls the management.

For the purposes of these Regulations, the Company and the set of subsidiaries and investees in which the Company has management control shall be jointly referred to as the "**Group**".

2. The Directors and Senior Officers have the obligation to know, comply with and enforce compliance with the contents of these Regulations. The Secretary of the Board of Directors of the Company shall deliver a copy of these Regulations to each of them.

For the purposes of these Regulations, "**Senior Officers**" are considered to be all those who report directly to the Board, the Chairman of the Board, the Executive Committee or the Chief Executive Officer of the Company, those responsible for internal control functions and, to the extent to which they may be affected, other key positions for the day-to-day development of the Group's activity.

3. The Board of Directors shall take the appropriate measures to ensure that these Regulations are widely disseminated among the shareholders and the investing public in general, in accordance with the regulations in force from time to time. For such purposes, these Regulations shall be notified to the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores, CNMV*), and once this notification has been made, they shall be filed for registration with the Companies Register (*Registro Mercantil*) in accordance with the general rules, and shall also appear on the Company's website.

### Article 3. Interpretation

These Regulations supplement the provisions established for the Board of Directors in the corporate laws currently in force, in the laws applicable to credit institutions and in the Company's Bylaws, and must be interpreted in accordance with the general criteria for the interpretation of legal rules, considering mainly their intention and purpose. The Board of Directors may clarify their contents.

## **Article 4. Amendment**

1. The Board of Directors may amend these Regulations in accordance with the requirements set forth in this article.
2. The Chairman, the Chief Executive Officer, one third of the members of the Board or the Audit and Regulatory Compliance Committee may request the amendment of these Regulations when, in their opinion, circumstances occur that make it appropriate or necessary. The amendment proposal shall be accompanied by an explanatory report justifying the causes and scope of the proposed amendment.
3. The proposed amendments must be reported on by the Audit and Regulatory Compliance Committee.
4. The text of the proposal, the explanatory report and the report of the Audit and Regulatory Compliance Committee shall be attached to the call for the Board meeting that is to deliberate on the proposal.

The call for the meeting shall be made with the advance notice and other formalities set forth in the Bylaws and in these Regulations.

In order to be valid, the amendment of the Regulations shall require the approval of at least an absolute majority of the members of the Board.

## **CHAPTER II - COMPOSITION, COMPETENCE AND FUNCTIONS OF THE BOARD OF DIRECTORS**

### **Article 5. Quantitative composition**

1. In accordance with the Company's Bylaws, the Board of Directors shall be comprised of a minimum of eight members and a maximum of fifteen members, and the General Meeting shall determine the specific number of directors.
2. The Board of Directors shall propose to the General Meeting the amendment of the Bylaws to set the number of Directors that, in accordance with the changing circumstances of the Company, is most appropriate to ensure due representativeness and an efficient and participative operation of the body.

### **Article 6. Qualitative composition**

1. The persons appointed as Directors shall be persons of recognized commercial and professional good repute and must have adequate knowledge and experience to perform their functions and be in a position to exercise good governance in the institution. Likewise, in addition to the conditions required by Law and the Bylaws, they must also meet the conditions set forth in these Regulations, formally committing themselves when taking office to comply with the obligations and duties set forth herein. It is not necessary to be a shareholder in order to be appointed as a member of the Board,

2. When exercising its powers to propose appointments to the General Meeting and co-opt for the appointment of Directors, the Board of Directors shall endeavor to ensure:
  - a) That non-executive Directors constitute a broad majority of the Board, and that the number of executive Directors will be the minimum required to cover the corresponding functions for the best performance of the Company. Likewise, it shall try that the percentage of proprietary Directors with regard to the total number of non-executive Directors is not higher than the ratio existing between the Company's capital represented by such Directors and the rest of the capital.
  - b) That an appropriate number of independent Directors will be integrated in the Board of Directors to comply with the corporate purposes, representing at least one third of the Directors.
  - c) That the overall composition of the Board of Directors ensures that it meets as a whole the knowledge, experience and competencies required to guarantee the effective capacity of the Board to make independent and autonomous decisions for the benefit of the Institution.
  - d) That the procedures for the selection of its members ensure diversity, with respect to issues such as age, gender, disability or professional training and experience, and do not suffer from implicit biases that could imply any discrimination and, in particular, that they facilitate the selection of female Directors in a number that allows for a balanced presence of women and men.
3. For the purposes of the provisions of these Regulations, the definition of the categories of Directors set forth in the applicable regulations and, in particular, the restated text of the Spanish Corporate Enterprises Act (texto refundido de la Ley de Sociedades de Capital), approved by Royal Legislative Decree 1/2010, of 2 July 2010, or the regulation replacing it, in its version in force at any given time, shall apply.
4. The Board of Directors shall arrange to disclose the following information regarding directors on the Company's website:
  - (a) Professional and biographical profile.
  - (b) Other boards of directors they may belong to, whether or not they are listed companies, as well as other remunerated activities they carry out, whatever their nature may be.
  - (c) Indication of the directorship category they belong to. In the case of proprietary directors, the shareholder that they represent or with which they are related must be indicated.
  - (d) Date of their first appointment as a director of the Company, as well as of their subsequent re-elections, if any.
  - (e) Shares of the Company, and options thereon, that they hold.

## **Article 7. Competences of the Board of Directors – List of matters which cannot be delegated**

1. The Board of Directors must establish appropriate operating rules and procedures to ensure that all its members can at all times comply with their obligations and assume the responsibilities corresponding to them in accordance with the regulations governing the regulation, supervision, solvency and discipline of credit institutions, the Corporate Entreprises Act and other applicable provisions.
2. The Board must assume the powers of supervision, management, control and representation of the Company, assigned by the corporate laws and specific legislation governing credit institutions, as well as the Bylaws and, in accordance with them, these Regulations.
3. At the core of its mission is the approval of the Company's strategy and the organization required for its implementation, as well as the supervision and control of compliance with the objectives by the management, and respect for the corporate purpose and interest.
4. The Board shall perform its duties with unity of purpose and independence of judgment, shall treat all shareholders equally and shall be guided by the best interests of the Company. It shall also ensure that the Company respects the laws and regulations; fulfills its obligations and contracts in good faith; respects the customs and good practices of the sectors and territories where it operates; and observes any additional principles of social responsibility that it has voluntarily accepted.
5. In any case, the Board of Directors shall be responsible, through the adoption of resolutions to be approved in each case, as provided by Law or the Bylaws, for the treatment of the following matters, which are established as a formal list of matters reserved to its exclusive competence:
  - (a) in relation to shareholders and the General Meeting of Shareholders:
    - i. the call to the General Meeting;
    - ii. the preparation of the annual accounts and the management report, which shall include the mandatory statement of non-financial information;
    - iii. to propose to the General Meeting of Shareholders amendments to the Bylaws and to the Regulations of the General Meeting of Shareholders;
    - iv. the approval of the Annual Report on Corporate Governance and the Annual Report on Remuneration of Directors;
    - v. in general, to submit to the General Meeting of Shareholders all those matters that fall within its competence in accordance with the legislation in force;
  - (b) in relation to the policies and strategies of the Company and its Group, the approval and oversight of the implementation of the Company's general policies and strategies, including, in particular:
    - i. the strategic or business plan, as well as the annual management objectives and budget;

- ii. the investment and financing policy;
- iii. the dividend policy, as well as the treasury share policy;
- iv. the capital and liquidity strategy and policy;
- v. the tax strategy;
- vi. the policy for the approval of new products, activities and services;
- vii. the corporate governance and internal policy of the Company and its Group, including the definition of its organization structure, which shall favour the sound and prudent management of the Company;
- viii. the definition of the Group's structure, of which the Company is the controlling entity;
- ix. the policy for the outsourcing services or activities;
- x. the planning of crisis management and resolution of the Company;
- xi. the risk control and management policy, including tax risks;

In connection with the exercise of its responsibility for risk management, the Board of Directors shall:

(1) devote sufficient time to the consideration of risk-related issues. In particular, it shall actively participate in the management of all substantial risks covered by the solvency regulations, ensure that adequate resources are allocated to risk management, and be involved in the valuation of assets, the use of external credit ratings and internal models relating to these risks; and

(2) approve and periodically review the strategies and policies for the assumption, management, supervision and reduction of the risks to which the Company is or may be exposed, including those arising from the macroeconomic situation in which it operates in relation to the phase of the economic cycle.

- xii. the remuneration policies for the Company's personnel and its Group;
- xiii. the Sustainability Policy including the strategy and policies regarding responsible business and sustainability and, in particular, regarding environmental and social matters;
- xiv. the regulatory compliance policy, including the approval of codes of conduct, the conflict-of-interest policy, the policy for the prevention of money laundering and terrorism financing, as well as the adoption and implementation of organizational and management models that include surveillance and control measures suitable for preventing crimes or significantly reducing the risk of their commission (criminal risk prevention policy). The Board shall also be responsible for the implementation of an internal information system that allows reporting conduct that violates the rules identified in the applicable legislation on whistleblower protection, including the approval of the policy governing its



operation, the procedure for managing reported information and the designation of the person responsible for it; and

- xv. the approval of the policy for communication and contact with shareholders, institutional investors and proxy advisors, in the terms set forth in Article 9 of these Regulations;

(c) in relation to the organization and operation of the Board of Directors:

- i. the design and oversight of the policy for the selection of directors, as well as the diversity policy and objectives, the suitability policy, and the succession plan for directors (including those of the Chairperson and CEO) and other members of senior management;
- ii. the implementation of measures to ensure that suitability assessments of the Board of Directors, both individually for each of its members and as a whole, are carried out effectively, as well as to ensure that the composition and succession planning of the Board of Directors are appropriate;
- iii. the appointment and renewal of the members of the Board of Directors' and its Committees;
- iv. the delegation of powers to any of its members, as well as the revocation of such powers under the terms established in the Law, the Bylaws and these Regulations;
- v. the annual assessment of the performance of the Board itself and of its Committees;
- vi. the surveillance, control and periodic assessment of the effectiveness of the corporate governance system, as well as the adoption of the appropriate measures to remedy any deficiencies, as the case may be;
- vii. the approval and modification of these Regulations, as well as, as the case may be, that of the Committees that may be constituted within it;

(d) in relation to Directors and Senior Officers:

- i. the appointment of Directors by co-option and the submission of proposals to the General Meeting of Shareholders regarding the appointment, ratification, re-election or removal of Directors, as well as the acknowledgement of the resignation of Directors, all in accordance with the provisions of the Bylaws and these Regulations;
- ii. the distribution among the Directors of the remuneration corresponding to them in their capacity as such, taking into account the functions and responsibilities attributed to each Director, the membership of Committees and any other objective circumstances it deems relevant, all in accordance with the Bylaws and the remuneration policy approved by the General Meeting;
- iii. the prior approval of the contracts to be entered into between the Company and the Directors to whom executive functions are attributed, which include the

items for which remuneration may be obtained for the performance of such functions, and the setting of the remuneration to be received under such contracts, always in accordance with the provisions of the Law, the Bylaws and the remuneration policy approved by the General Meeting;

- iv. the approval, delegation or submission to the approval of the General Meeting, as appropriate in accordance with the provisions of the Law, of the transactions that the Company or companies of its Group carry out with Directors, Senior Officers, significant shareholders or shareholders represented on the Board of Directors of the Company or of other companies in its Group, or with any other person who must be considered as related parties in accordance with the applicable regulations ("**related-party transactions**"), subject to a favorable report from the Audit and Regulatory Compliance Committee.
  - v. the authorization or waiver of the obligations arising from the duty of loyalty provided for by law (except when the decision on such authorization or waiver corresponds legally to the General Meeting);
  - vi. the appointment, supervision and removal of Senior Officers, as well as the establishment of the basic conditions of their contracts, including their remuneration;
- (e) in relation to the information to be provided by the Company:
- i. the approval of financial and non-financial information to be made public by the Company, as well as supervising the information disclosure process and communications relating to the Company;
  - ii. ensuring the integrity of accounting and financial information systems, including financial and operational control and compliance with the applicable legislation; as well as non-financial information;
- (f) other competencies:
- i. the approval of investments or transactions of any kind which, due to their high amount or special characteristics, are of a strategic nature or have a special tax risk, unless such approval corresponds to the General Meeting;
  - ii. the authorization for the creation or acquisition of shares in special purpose vehicles or entities domiciled in countries or territories considered tax havens, as well as any other transactions or operations of a similar nature which, due to their complexity, could undermine the Group's transparency;
  - iii. the decision on any takeover bid made for securities issued by the Company;
  - iv. the preparation of any kind of report required by law to the Board of Directors, provided that the matter to which the report refers cannot be delegated;
  - v. the powers that the General Meeting of Shareholders has delegated to the Board of Directors, unless it has been expressly authorized by them to sub-delegate them;

- vi. any other non-delegable powers of the Board provided for in the corporate laws, in specific legislation for credit institutions, in the Bylaws and in these Regulations.

## **Article 8. Specific functions related to the Securities Market**

The Board shall also perform the following specific functions in relation to the securities market, without prejudice to any other functions that may correspond to it in accordance with the applicable regulations:

- (a) the performance of such acts and the adoption of such measures as may be necessary to ensure the Company's transparency in the financial markets;
- (b) the performance of such acts and the adoption of such measures as may be necessary to promote the correct price setting of the Company's shares, avoiding, in particular, manipulation and abuse of privileged information; and
- (c) the approval and updating of the Internal Rules of Conduct in matters related to the securities markets.

# **CHAPTER III - RELATIONS OF THE BOARD OF DIRECTORS**

## **Article 9. Relations with shareholders**

1. The Board of Directors shall enhance the Company's communication with its shareholders and shall adopt such measures as may be appropriate to enable the General Meeting of Shareholders to effectively exercise its functions in accordance with the Law and the Company's Bylaws.
2. In particular, the Board of Directors shall adopt the following measures:
  - (a) It shall make available to the shareholders, prior to the Meeting, all legally required information and all information which, even if not legally required, may be of interest and reasonably provided.
  - (b) It shall respond, with the utmost diligence, to the requests for information or clarifications, as well as to questions posed by shareholders on the occasion of the Meeting.
  - (c) It shall define a policy regarding communication and contacts with shareholders and institutional investors in the framework of its involvement with the company, as well as with proxy advisors, and shall publish it on its website.
  - (d) It shall maintain at the disposal of shareholders an updated web page of the Company, in accordance with current legislation, and on which the information required by law, the bylaws and regulations shall be accessible.

3. Public requests for proxy voting made by the Board or by any of its members must state the direction in which the proxy will vote in the event that the shareholder does not give instructions. The proxy may also include those items which, although not included in the agenda of the notice of meeting, may be dealt with, as permitted by law, at the General Meeting, and may also provide for the substitution of the proxy Director by any member of the Meeting panel or another shareholder attending the General Meeting when the proxy Director is in a conflict of interest situation that prevents him/her from casting the proxy vote.

By exception, the proxy may vote differently when circumstances arise that were not known at the time the instructions were sent and there is a risk of causing a prejudice to the interests of the represented party. In the case of a vote cast differently from the instructions, the proxy shall immediately inform the represented party by means of a written document explaining the reasons for the vote.

4. The Company, through some of its Directors and/or Senior Officers, may organize informative meetings on the progress of the Company and its group, for shareholders residing in the most relevant financial centers in Spain and other countries, provided that no favorable treatment is given to shareholders and provided that such informative presentation is simultaneously provided to the National Securities Market Commission and published on the Company's website.
5. The Board shall also establish appropriate mechanisms for the regular exchange of information with the institutional investors that form part of the Company's shareholding structure. Under no circumstances may relations between the Board and the institutional shareholders result in the delivery to the latter of any information that could give them a privileged situation or an advantage over the other shareholders.
6. The Board of Directors shall also ensure that no shareholder receives privileged treatment with respect to the other shareholders, by giving equal treatment to all shareholders who are in identical conditions (in particular, with respect to information, participation and the exercise of voting rights at the General Meeting).

## **Article 10. Relations with the markets**

1. The Board of Directors shall adopt such provisions as may be necessary to inform the public, as soon as possible, by means of the submission to the National Securities Market Commission and simultaneous publication on the Company's website, of:
  - (a) any inside information capable of having a sensitive influence on the price setting of the Company's share market price, as well as any other relevant information in accordance with the terms established in the regulations in force;
  - (b) changes that significantly affect the Company's shareholding structure;
  - (c) substantial amendments to the Company's rules of governance, currently consisting of the Bylaws, the Regulations of the General Meeting Regulations and the Board Regulations.
  - (d) treasury shares transactions that must be reported.

2. The Board of Directors shall adopt, with the prior report of the Audit and Compliance Committee, the necessary measures to ensure that the periodic financial information, the non-financial information, as well as any other information made available to the markets, are prepared in accordance with the same principles, criteria and professional practices with which the annual accounts are prepared and enjoy the same reliability as the latter.

## **Article 11. Relations with auditors**

1. The Board's relations with the Company's external auditors shall be channeled through the Audit and Regulatory Compliance Committee.
2. The Board of Directors shall refrain from proposing the hiring of those auditing firms in which the fees expected to be paid by the Company and the Group companies, for all concepts, are higher than the percentage foreseen in the applicable regulations.
3. Services other than auditing services shall not be contracted with the auditing firm when such services could jeopardize the independence of said firm.
4. The Board of Directors shall endeavor to definitively prepare the accounts in such a way that there is no room for qualifications or reservations on the part of the auditor. However, when the Board considers that it should maintain its criterion, the Chairperson of the Audit and Regulatory Compliance Committee shall explain to the General Meeting the opinion of the Audit and Compliance Committee on the content and scope of the qualification, and a summary of said opinion shall be made available to the shareholders at the time of publication of the call to the General Meeting, together with the rest of the proposals and reports of the Board of Directors.

# **CHAPTER IV - APPOINTMENT AND REMOVAL OF DIRECTORS**

## **Article 12. Appointment of Directors**

1. The Board of Directors shall submit to the consideration of the General Meeting the proposals for the appointment of Directors and the appointment decisions adopted by said body under the co-option powers legally attributed to it.
2. The proposals for appointment shall fall on persons of recognized commercial and professional repute, who possess adequate knowledge and experience to perform their duties and are in a position to exercise good governance in the entity and must be submitted, in any case, to the assessment by the Competent Authority under the terms provided for in banking legislation.
3. The proposal for the appointment or re-election of the members of the Board of Directors corresponds to the Appointments Committee, Appointments, in the case of independent directors, and to the Board itself, prior report of the said Committee, in all other cases. The proposal shall be accompanied in all cases by a report from the Board assessing the competence, experience and merits of the proposed candidate, which shall be attached to the minutes of the General Meeting or of the Board itself, as the case may be. The aforementioned

reports shall be made public upon the call to the General Meeting of shareholders to which the ratification, appointment or re-election of each Director is submitted.

### **Article 13. Term of office**

1. The Directors shall hold office for a term of three years, and may be re-elected indefinitely for terms of the same duration, prior report from the Appointments Committee, which shall assess the quality of the work and dedication to the position of the Directors during the previous term of office.
2. The Directors appointed by co-option shall hold office until the date of the first General Meeting to be held. This period shall not be computed for the purposes of the provisions of the preceding paragraph. In the event that the corresponding vacancy arises after the General Meeting has been called and before it is held, the Board may appoint a director until the next General Shareholders' Meeting is held.
3. The appointment of the directors shall expire when, once the term has expired, the next General Meeting has been held without being re-elected or when the legal term for holding the Meeting that must resolve on the approval of the previous year's accounts has elapsed.

### **Article 14. Removal of Directors**

1. The Directors shall leave office when the term for which they were appointed has expired or when so decided by the General Meeting in use of the powers legally and statutorily conferred upon it.
2. The Directors must put their position at the disposal of the Board of Directors and formalize, if the Board deems it appropriate, their resignation in the following cases:
  - (a) when they cease to hold the positions, offices or functions to which their appointment as Directors was associated;
  - (b) when they are involved in any of the cases of incompatibility or prohibition provided for by law;
  - (c) when the Board itself so requests by a majority of at least two thirds of its members:
    - (i) if, due to a breach of their obligations as Directors, they are seriously admonished by the Board, following a proposal or report from the Appointments Committee; or
    - (ii) when their permanence on the Board may jeopardize the interests of the Company;
  - (d) at the request of the Bank of Spain, the European Central Bank or any other authority with competence in the matter;
  - (e) when the Board, prior report from the Appointments Committee, deems it appropriate in those cases that may damage the credit and reputation of the Company due to situations that affect them, whether or not related to their performance in the

Company itself, or when the Director has ceased to meet the legal requirements of honorability, experience and good governance established in the applicable banking regulation regulations, or, in particular, when the Director is under investigation for any criminal case.

For this purpose, the Board of Directors shall examine the case as soon as possible and, in view of the specific circumstances, shall decide, prior report from the Appointments Committee, whether or not to adopt any measure, such as opening an internal investigation, requesting the resignation of the director or proposing his or her removal. The Board of Directors shall give a reasoned account of all the foregoing in the Annual Corporate Governance Report and, if appropriate, to the Bank of Spain, the European Central Bank or the competent authority.

3. Likewise, proprietary directors must tender their resignation in such number as it is applicable, when the shareholder they represent transfers or reduces its shareholding.
4. When, either by resignation or by resolution of the General Meeting, a Director leaves office before the end of his term of office, he/she shall sufficiently explain the reasons for his/her resignation or, in the case of a non-executive Director, his/her opinion on the reasons for the removal by the Meeting, in a letter to be sent to all the members of the Board. Without prejudice to the disclosure in the Annual Corporate Governance Report, to the extent that it is relevant to investors, the Company shall publish, as soon as possible, the resignation, including sufficient reference to the reasons or circumstances provided by the Director.
5. The Board of Directors may not propose the separation of any independent Director before the expiration of the statutory term for which he/she was appointed, except when there is a fair cause, as determined by the Board itself prior report from the Appointments Committee. In particular, it will be understood that there is a fair cause when the Director takes on new positions or undertakes new obligations that prevent him/her from devoting the necessary time to the performance of the functions inherent to the position of Director, fails to comply with the duties inherent to his/her position or incurs in any of the circumstances that cause him/her to lose his/her independent status, in accordance with the provisions of the applicable legislation.

The removal of independent directors may also be proposed as a result of takeover bids, mergers or other similar corporate transactions involving a change in the capital structure of the company, when such changes in the structure of the Board of Directors are prompted by the qualitative composition criteria set forth in these Regulations.

## **CHAPTER V - DUTIES OF DIRECTORS**

### **Article 15. General obligations of Directors**

1. The Directors shall comply with the duties imposed by the Law, the Bylaws and the Regulations of the Company with loyalty to the corporate interest.

The function of the Director is to guide and control the management of the Company in order to maximize, in a sustained manner, the economic value of the Company.



2. In the performance of their duties, the Directors shall act with the diligence of an organized businessperson and the loyalty of a faithful representative, acting in good faith and in the best interest of the Company and subordinating, in all cases, their private interest to the interest of the Company. In particular, Directors must:

- (a) Gather information and adequately prepare for the meetings of the Board, the Committees and other corporate bodies to which they belong; for such purposes, they have the duty to demand and the right to obtain the appropriate and necessary information that may be useful for the fulfillment of their obligations.
- (b) Attend the meetings of the bodies they are member of and actively participate in the deliberations so that their criterion effectively contributes to decision-making.

In the indispensable event that they are unable to attend the meetings they have been called to, they shall instruct the Director to whom, if applicable, they have conferred their representation. Non-attendances shall be quantified in the Annual Corporate Governance Report. Non-executive Directors may only confer their representation to other non-executive Board Members.

- (c) Attend the General Meetings.
- (d) Perform any specific task entrusted by the Board of Directors and reasonably included within their commitment of dedication.
- (e) Not exercise their powers for purposes other than those for which they have been granted.
- (f) Perform their functions under the principle of personal responsibility with freedom of criterion or judgment and independence with respect to third-party instructions and relations.
- (g) Make the appropriate statements, recorded in the corresponding minutes, when the Board of Directors or the Committees they belong to adopt significant or reiterated decisions about which the Director may have expressed serious reservations and, if he/she chooses to resign, to explain the reasons in a letter to be sent to all the Directors.
- (h) Adopt the necessary measures to avoid incurring in situations in which their interests, whether on their own behalf or on behalf of others, may conflict with the corporate interest and with their duties to the Company.
- (i) Report to the Board of Directors, in accordance with the established procedure, any situation of conflict, whether specific or permanent, potential or real, direct or indirect, that they or a person related to them may have with the interests of the Company.
- (j) Have the appropriate dedication and adopt the necessary measures for the proper management and control of the Company. In particular, the Directors must report to the Appointments Committee their other professional obligations, in case they may interfere with the dedication inherent to their position.

3. The Directors may not sit on more boards of directors than those allowed under the applicable regulations at any time.



## **Article 16. Duty of confidentiality of the Directors**

The Directors shall keep in secret the deliberations of the Board of Directors and of the bodies they belong to, as well as the information, data, reports or background information to which they have had access in the performance of their duties, even after they have left office, except in the cases provided for by law.

## **Article 17. Conflicts of interest and related-party transactions**

The Directors must abstain from:

- a) Carrying out transactions with the Company, except in the case of ordinary transactions, made under standard conditions for customers and of little relevance, understanding as such those whose information is not necessary to express a true and fair view of the net worth, financial position and results of the institution.
- b) Carrying out activities for their own or third-party account that involve an effective competition, current or potential, with the Company or that, in any other way, place them in permanent conflict with the interests of the Company.
- c) Attending and participating in deliberations and voting on resolutions or decisions where they or persons related to them have a direct or indirect conflict of interest. Excluded from this obligation to abstain will be those resolutions or decisions that affect them in their capacity as directors, such as their appointment or revocation for positions on the Board or others of similar significance, and when expressly permitted by current legislation.

For the purposes of conflicts of interest, persons related to the Directors shall be considered to be those established in Article 231 of the Corporate Enterprises Act, and for the purposes of related party transactions, those determined by Article 529 vices of the same law, as well as those others that, if applicable, are established by the Company in its internal regulations.

## **Article 18. Use of the Company's information**

Directors will not make use of the Company's confidential information for private purposes.

## **Article 19. Powers of information and inspection**

- 1. The Directors are vested with the broadest powers to get information on any aspect of the Company, to examine its books, records, documents and other backgrounds of company transactions and to inspect all of its facilities.
- 2. In order not to disturb the ordinary management of the Company, the exercise of the powers of information shall be channeled through the Chairperson or the Secretary of the Board of Directors, who shall respond to the requests of the Directors by directly providing them with the information, offering them the appropriate contact persons at the appropriate level of the organization or arranging the measures so that they can carry out the desired examination and inspection procedures on site.

3. The Company shall establish the appropriate channels so that the Directors may obtain the necessary advice for the fulfillment of their duties, including, if so required by the circumstances, external advice at the Company's expense. In particular, the Company shall also offer Directors programs to update their knowledge when circumstances so recommend it.
4. The Directors shall be regularly informed of movements in the shareholding and of the opinion that significant shareholders, investors and rating agencies have on the Company and the Group.

## **Article 20. Business opportunities. Use of company assets**

The Directors and persons related to them will not:

- (a) use for their own benefit any business opportunity of the Company;
- (b) use the Group's assets for private purposes;
- (c) use their position in the Company to obtain an economic advantage;
- (d) get advantages or remuneration from third parties other than the Company and its Group associated with the performance of their positions, except in the case of mere courtesy actions.

## **Article 21. Information duties of Directors**

The Directors must inform the Company of all the positions they hold and the activities they perform in other companies or entities, and, in general, of any fact or situation that may be relevant to their performance as directors of the Company.

Likewise, they must inform, as soon as possible, of the existence of cases, whether or not related to their performance in the Company itself, which may damage the assets, credit or reputation of the Company and, in particular, of any criminal proceedings in which they are under investigation, as well as the progress of the proceedings.

# **CHAPTER VI – REMUNERATION OF DIRECTORS**

## **Article 22. Content of remuneration**

1. The position of director is remunerated. The remuneration to which the directors are entitled shall be in accordance with the remuneration system set forth in the bylaws and the directors' remuneration policy and shall be determined, with respect to each director, in accordance with the provisions of this article.
2. The remuneration of the Directors in their capacity as such shall consist of a fixed annual remuneration and attending fees for attending the meetings of the Board of Directors and its Committees. The maximum amount of the annual remuneration of all the Board Members in their capacity as such must be approved by the General Meeting of Shareholders and shall remain in force until its amendment is approved. The Board of Directors shall be responsible for

setting the individual remuneration and the method of payment thereof with respect to each Director in his/her capacity as such, within the framework of the Bylaws and the remuneration policy, and prior report from the Remuneration Committee. For this purpose, the functions and responsibilities attributed to each Director, membership of Board Committees, attendance at meetings of the Board of Directors and its Committees and any other objective circumstances that the Board considers relevant shall be taken into account.

3. Executive Directors shall also be entitled to receive remuneration comprising (a) a fixed part, appropriate to the services and responsibilities assumed; (b) a variable part, correlated to some indicator of the performance of the Director or of the Company or the Group; (c) an assistance part, which shall include the appropriate welfare and insurance systems; and (d) compensation in the case of separation or any other form of termination of the legal relationship with the Company not due to non-compliance attributable to the Director; all of the above in accordance with the terms and conditions established in the corresponding contract that the executive director signs with the Company, in accordance with current legislation.

The determination of the amount of the remuneration items composing the fixed part, the way to configure and the indicators for calculation of the variable part, the assistance provisions and the compensation or criteria for calculation thereof, also corresponds to the Board of Directors, within the framework of the remuneration policy and in accordance with the provisions of his/her contract, prior report from the Remuneration Committee.

4. Executive Directors, as part of the variable compensation system determined by the Board of Directors in accordance with the remuneration policy applicable at any time, shall be entitled to be remunerated through the delivery of shares or stock options, or through compensation indexed to the value of the shares.

The application of any of these compensation methods must be previously agreed by the General Meeting, which will determine the maximum number of shares that may be assigned in each year, the exercise price or the system for calculating the exercise price of the stock options, the value of the shares, if any, to be taken as a reference, and the term of the plan.

5. The remuneration policy for the members of the Board of Directors shall be submitted to the General Meeting of shareholders for approval, under the same terms as those established for listed companies in the commercial area.

Such policy shall contain, at least:

- (a) with regard to the remuneration of the Directors in their capacity as such, the maximum amount of the annual remuneration of all the Directors and the criteria for its distribution according to the functions and responsibilities attributed to each one of them; and
- (b) with regard to the remuneration of Directors for the performance of executive functions, the description of the different components of fixed and variable remuneration, including the amount of annual fixed remuneration, the rules for granting and accrual of variable remuneration and the relative proportion between fixed and variable remuneration.

The remuneration policy shall incorporate the necessary limits and technical precautions to ensure that variable remuneration is related to the professional performance of the Directors and not only to the general evolution of the markets or the sector.

6. All items for which the executive Directors may obtain remuneration for the performance of executive functions must be included in a contract. The contract shall be approved by the Board of Directors with the favorable vote of two thirds of its members. The affected Director must abstain from attending the deliberation and from participating in the vote in which the corresponding resolution is adopted. The approved contract shall be annexed to the minutes of the meeting. The contract shall include a clause allowing the Company to claim reimbursement of the variable components of the remuneration when the payment has not been adjusted to the performance conditions or when it has been paid on the basis of data whose inaccuracy is subsequently proven. Termination payments shall not exceed an established amount equivalent to two years of the total annual remuneration and shall not be paid until the Company has been able to verify that the Director has complied with the previously established performance criteria.
7. The members of the Board of Directors shall also be entitled to reimbursement of any reasonable and duly justified expenses directly related to the performance of their position of Directors. Likewise, directors may receive remuneration for the rendering of services or the performance of work other than that inherent to their condition as directors.
8. The Company shall take out a civil liability insurance for its Directors under the usual conditions and proportional to the circumstances of the Company itself.
9. In any case, the remuneration of the members of the Company's governing bodies shall be adjusted to the provisions which, on that matter, are established in the corporate regulations and in the regulations applicable to credit institutions.

## **Article 23. Annual Report on Directors' Remuneration**

1. Together with the Annual Corporate Governance Report, the Board of Directors shall prepare and make available to the shareholders the Annual Report on Directors' Remuneration, the content of which shall conform to that required by the regulations in force at any time.
2. This report shall be disclosed as relevant information by the Company simultaneously with the Annual Corporate Governance Report and shall be accessible on the corporate website for a minimum period of ten years. In addition, it shall be submitted to a vote, on a consultative basis and as a separate item on the agenda, at the Annual General Meeting of shareholders.

## **Article 24. Remuneration transparency**

The Company shall comply with the remuneration disclosure obligations set forth in the applicable regulations. The Board of Directors shall be responsible for keeping such information updated.

## CHAPTER VII - STRUCTURE AND OPERATION OF THE BOARD OF DIRECTORS

### Article 25. Chair. Functions

1. The Chair of the Board of Directors shall be elected, prior a report from the Appointments Committee, by the Board of Directors from among its members, and shall have the powers provided for in the Company's Bylaws and in these Regulations. In the event that the position of Chair of the Board of Directors is held by an executive Director, the appointment of the Chair shall require the favorable vote of at least two thirds of the members of the Board of Directors.
2. The Chair has the ordinary power to convene the Board of Directors, to draw up the agenda for its meetings and to direct the debates. The Chair, however, will have to convene the Board of Directors and include items on the agenda when so requested by one third of its members.
3. The Chair shall arrange for Directors to receive sufficient information prior to the meetings to deliberate on the items on the agenda. Likewise, he/she shall try to stimulate debate and the active participation of the Directors during the meetings, safeguarding their freedom in the decision making.
4. Additionally, the Chair shall prepare and submit to the Board of Directors a schedule of dates and items to be discussed; organize and coordinate the regular assessment of the Board, as well as that of the Chief Executive Officer of the Company; be responsible for directing of the Board and for the effectiveness of its functioning; ensure that sufficient discussion time is devoted to strategic topics; and agree upon and review knowledge updating programs for each Director, when circumstances so advise.

### Article 26. Vice-Chairs. Chief Executive Officer. Lead Director

1. The Board may appoint, prior report from the Appointments Committee, one or more Vice-Chairs, determining, where appropriate, the order of preference, who shall replace the Chair in the event of illness or absence, in accordance with the provisions of the Bylaws.
2. The Board of Directors, with the favorable vote of at least two thirds of its members, shall in all cases appoint a Chief Executive Officer (*Consejero Delegado*), granting him/her the corresponding powers, without any powers reserved to the Board by law, the Bylaws or these Regulations being delegated.
3. Likewise, when so required by current legislation or the Company's Bylaws, or when the Board of Directors deems it necessary, the Board of Directors, with the abstention of the executive Directors and at the proposal of the Appointments Committee, must necessarily appoint a lead Director (*Consejero coordinador*) from among the independent Directors. The lead Director shall be especially empowered to request the call of the Board of Directors or the inclusion of new items on the agenda of a Board meeting already convened; to chair the Board of Directors in the absence of the Chair and the Vice-Chairs; to coordinate and meet with the non-executive Directors and to be aware of their concerns; to direct, where appropriate, the periodic assessment of the Chair of the Board of Directors; to coordinate the Chair's succession plan;

and to keep contact with investors and shareholders to know their views in order to have an opinion on their concerns, particularly in relation to the Company's corporate governance.

## **Article 27. Secretary of the Board. Functions. Vice-Secretary of the Board**

1. The Secretary of the Board of Directors may or may not be a Director.
2. The Secretary shall assist the Chair and shall provide for the proper functioning of the Board, duly reflecting in the minutes the development of the meetings and the content of the deliberations, as well as certifying the resolutions of the body.

In addition, the Secretary shall:

- a) keep the documentation of the Board of Directors, record the proceedings of the meetings in the minutes books and certify their content and the resolutions adopted;
  - b) arrange for the actions of the Board of Directors to comply with the applicable regulations and to be adapted to the Bylaws and other internal regulations; and
  - c) assist the Chair to ensure that the Directors receive the relevant information for the exercise of their duties sufficiently in advance and in the appropriate format.
3. The Secretary shall especially endeavor to ensure that in its actions and decisions the Board of Directors takes into account the recommendations on good governance applicable to the Company.
  4. The appointment and removal of the Secretary shall be, at the proposal of the Chair, previously reported by the Appointments Committee and approved by the Board in plenary session.
  5. When the Board of Directors adopts significant or reiterated decisions about which the Secretary has expressed serious reservations, he/she shall make the appropriate statements and record them in the minutes (and, if he/she chooses to resign, he/she shall explain the reasons in a letter to be sent to all the Directors).
  6. The Board of Directors may appoint, prior report from the Appointments Committee, a Vice-Secretary, who may or may not be a Director, to assist the Secretary of the Board of Directors or to replace him/her in the event of absence in the performance of his/her functions. In the absence of the Secretary and Vice-Secretary, the Board shall appoint one of the Directors present at the meeting to perform the functions of the Secretary only at such meeting.

## **Article 28. Meetings of the Board of Directors**

1. The Board of Directors shall meet in ordinary session with the frequency established in the Bylaws. The Board shall approve a schedule of dates and items at the beginning of the year, which may be modified by resolution of the Board itself or by decision of the Chair.

Likewise, the Board shall meet whenever deemed appropriate by its Chair, who is empowered to call a meeting, at his/her own initiative or at the request of at least one third of the Directors. In the latter case, the Chair shall call the extraordinary meeting within a maximum period of

three working days from the receipt of the request, to be held within the following three working days, including the agenda of the meeting.

2. The call to meetings shall be sent individually to all the Directors by e-mail, letter, fax or any other means that ensures its receipt by all of them, and shall be authorized by the signature of the Chair, or that of the Secretary or Vice-Secretary by order of the Chair.

The call to the meeting shall be made no less than three (3) days in advance. The call to each meeting shall always include the agenda of the meeting and the pertinent documentation so that the members of the Board may form their opinion and, if appropriate, cast their vote in relation to the items submitted for their consideration.

In the event that, in the Chair's opinion, the urgency of the matters to be discussed makes it necessary not to delay the meeting, the meeting shall be called by the above means, without the need to comply with the deadline indicated in the preceding paragraph, and shall be held sufficiently in advance to allow the Directors to comply with their duty to attend.

3. The Chair shall establish the agenda for the meeting. The Directors may request the Chair to include items on the agenda, and the Chair shall be obliged to include such items when the request is made by at least three Directors, or by any of the Board Committees, no less than three (3) days prior to the date set for the meeting to be held.
4. When, exceptionally, for reasons of urgency, the Chair wishes to submit decisions or resolutions not appearing on the agenda to the approval of the Board of Directors, the prior express consent of the majority of the Directors present shall be required, which shall be duly recorded in the minutes.
5. The constitution, the order in which the meetings are held and the system for adopting resolutions by the Board shall be in accordance with the provisions of the Law and the Company's Bylaws. The Directors shall make every effort to attend the meetings of the Board and, when they are unable to do so in person, they shall endeavor to grant their proxy and vote in favor of another member of the Board. The proxy shall be granted specifically for the Board meeting to which it refers and, when possible, with voting instructions, and may be communicated by any means that, in the Chair's opinion, ensures the certainty of the proxy. Non-executive directors may only delegate their representation to another non-executive director. The Chair shall decide, in case of doubt, on the validity of proxies granted by Directors who do not attend the meeting.
6. When the Directors or the Secretary express concerns about any proposal or, in the case of Directors, about the Company's evolution, and such concerns are not resolved at the Board, that fact shall be recorded in the minutes at the request of the person who may have expressed so.
7. Meetings of the Board of Directors may also be held by videoconference, multiple conference call and other similar means that may exist in the future, unless one third of the Directors express their opposition to the use of these means, which in any case must enable direct and simultaneous communication between all those attending. In such cases, the resolutions shall be deemed to have been adopted at the registered office. The Secretary shall recognize the identity of the attendees.



## **Article 29. Committees of the Board of Directors**

1. In any case, the Board shall constitute the following Committees:
  - (a) Audit and Regulatory Compliance Committee.
  - (b) Appointments Committee.
  - (c) Remuneration Committee.
  - (d) Risk Committee.
2. In addition, and without prejudice to the Board's statutory capacity to establish other Committees, the Board may constitute the following specialized committees:
  - (a) Sustainability Committee.
  - (b) Digital Transformation, Innovation and Technology Committee.
3. The rules governing the calling of meetings, quorums, adoption of resolutions and other matters relating to the operation of the Committees, in all matters not expressly provided for in the Bylaws and in these Regulations and, if applicable, the specific regulations of each Committee, shall be those established for the Board of Directors insofar as applicable.

## **Article 30. Executive Committee**

1. The Board, with the favorable vote of two thirds of its members, may permanently delegate to the Executive Committee all the corresponding to the Board of Directors, except for those powers reserved to the Board by law, the Company's Bylaws or these Regulations.
2. When there are reasons of urgency, the Executive Committee may assume all the powers of the Board of Directors, which must be submitted for subsequent ratification by the Board.
3. The Board of Directors shall designate the Directors who are to comprise the Executive Committee.
4. The Executive Committee shall consist of a minimum of five and a maximum of seven members, of which at least two shall be non-executive directors and at least one of them shall be independent. The Chair of the Board of Directors shall be the Chair of the Executive Committee, and the Chief Executive Officer shall also be part of the Committee. The Secretary of the Board shall also be the Secretary of the Committee.
5. The members of the Executive Committee shall terminate their office when they cease to be Directors or when so resolved by the Board.
6. The Executive Committee shall meet as often as called by its Chair, who, unless there is justified urgency, shall do so with no less than twenty-four hours' notice.
7. The call to meetings shall be communicated by the Secretary of the Committee to each of its members by letter, fax, e-mail or any other written means that ensures its receipt by all of them,



and shall be authorized by the signature of the Chair, or that of the Secretary by order of the Chair.

8. The Executive Committee shall be validly constituted when at least one half plus one of its members are present or represented at the meeting.
9. The Chair of the Executive Committee shall report at the first plenary meeting of the Board of Directors following the meeting of the Committee on the matters and decisions adopted at its meetings and shall make available to the members of the Board copies of the minutes of such meetings.
10. The Executive Committee may seek external advice when it deems necessary for the performance of its duties.

## **Article 31. Audit and Regulatory Compliance Committee**

1. The Company shall have an Audit and Regulatory Compliance Committee that shall perform all the functions provided for the said body in the laws in force at any time, supporting the Board of Directors in its oversight duties by periodically reviewing the process of preparing the economic-financial and non-financial information, the internal control and risk management systems as a whole, the internal audit and regulatory compliance functions, and the independence of the external auditor.
2. The Audit and Regulatory Compliance Committee shall supervise internal audit, regulatory compliance and internal control. The persons responsible for the internal audit, regulatory compliance and internal control functions shall submit their annual work plan to the Audit and Regulatory Compliance Committee; they shall report directly to it on its implementation, including any possible incidences and limitations to the scope that may arise in its development; and shall submit an activity report at the end of each fiscal year. Likewise, through its Chair, the Audit and Regulatory Compliance Committee shall report to the Board of Directors at least twice a year.
3. The Audit and Regulatory Compliance Committee shall be composed of a minimum of three and a maximum of five Directors, appointed by the Board of Directors for a period not exceeding their term of office as Directors and without prejudice to the possibility of being re-elected indefinitely, as long as they are also re-elected as Directors.

All the members of the Audit and Regulatory Compliance Committee shall be Directors who do not perform executive functions in the Company, and the majority of them, and in all cases the Chair, shall be independent Directors. The members of the Audit and Regulatory Compliance Committee as a whole, and especially its Chair, shall be appointed taking into account their knowledge and experience in the areas of accounting, auditing, financial and non-financial risk management, and technology.

4. The Board of Directors shall appoint, for a period not exceeding four years, a Chair of the Audit and Regulatory Compliance Committee from among the independent Directors belonging to the same. The members who have held the office of Chair may not occupy such office again until at least one year has elapsed since the end of their term of office.
5. The Board of Directors shall also appoint a Secretary of the Audit and Regulatory Compliance Committee, who may not be a member thereof, who shall assist the Chair and shall provide for

the proper functioning of the Committee, duly reflecting the development of the meetings in the minutes, which shall be made available to all the Directors.

6. The Audit and Regulatory Compliance Committee shall meet at least quarterly and, in addition, whenever convened by its Chair, at his/her own initiative or at the request of two of its members. The call to the meetings shall be communicated at least two working days prior to the date set for the meeting. The Committee shall prepare an annual action plan for the year, which shall be reported to the Board of Directors.
7. The Audit and Regulatory Compliance Committee may seek external advice when it deems it necessary for the performance of its duties.
8. In addition to the functions set forth in the law and in the Company's Bylaws, the Audit and Regulatory Compliance Committee is responsible for the following functions:
  - (a) In relation to information and internal control systems:
    - (i) To supervise and assess the preparation process and the integrity of the financial and non-financial information, as well as of the control and management systems for financial and non-financial risks relating to the Company and the Group -including operational, technological, legal, social, environmental, political, reputational and corruption-related risks-, reviewing compliance with regulatory requirements, the appropriate delimitation of the scope of consolidation and the correct application of accounting criteria, as well as reporting on proposals for the modification of accounting principles and criteria suggested by the management. In particular, to review, analyze and comment on the financial statements and any other relevant financial and non-financial information with the senior management, internal and external auditors, ensuring in particular the clarity and integrity of the same and that accounting criteria consistent with the previous year-end have been followed.
    - (ii) To arrange for the independence of the unit that assumes the internal audit function; to propose the selection, appointment and removal of the head of the internal audit service; to propose the budget for this service; to approve its approach and its work plans, ensuring that its activity is mainly focused on relevant risks (including reputational risks); to receive periodic information on its activities; and to verify that the Senior Officers take into account the conclusions and recommendations of its reports.
    - (iii) To establish and supervise a mechanism that allows employees and other persons related to the Company, such as directors, shareholders, customers, suppliers, contractors or subcontractors, to report any irregularities of potential importance, including financial and accounting irregularities, or any other irregularities related to the Company that they may notice within the Company or its Group. This mechanism, which shall comply with the applicable legislation on whistle-blower protection, shall guarantee confidentiality and, in any case, shall provide for cases in which the communications may be made anonymously, respecting the rights of the whistle-blower and the reported party.
    - (iv) To ensure in general that the policies and systems established in the area of internal control are effectively applied in practice.

- (b) In relation to the external auditor:
  - (i) In the event of resignation of the external auditor, to examine the circumstances leading to such resignation.
  - (ii) To ensure that the external auditor's remuneration for its work does not compromise its quality or independence.
  - (iii) To supervise that the Company notifies the market through the CNMV of the change of auditor and that it attaches a statement on the possible existence of disagreements with the leaving auditor and, if any, their content.
  - (iv) To ensure that the external auditor holds an annual meeting with the full Board of Directors to report to it on the work performed and on the evolution of the Company's accounting and risk situation.
  - (v) To ensure that the Company and the external auditor respect the current regulations on the provision of services other than audit, limits on the concentration of the auditor's business and, in general, all the other regulations on auditors' independence.
- (c) In relation to compliance with corporate governance rules:
  - (i) The supervision of compliance with the Company's internal codes of conduct and corporate governance rules, also ensuring that the corporate culture is aligned with its purpose and values.
  - (ii) The supervision of the application of the general policy regarding the communication of economic-financial, non-financial and corporate information, as well as that regarding the communication strategy and relations with shareholders and investors, proxy advisors and other stakeholders, including the monitoring of the way in which the Company communicates and relates to small and medium-sized shareholders.
  - (iii) The periodic assessment and review of the adequacy of the Company's corporate governance system, so that it fulfills its mission of promoting the corporate interest and takes into account, as appropriate, the legitimate interests of the remaining stakeholders.
  - (iv) The supervision of the reporting process of non-financial and diversity information, in accordance with applicable regulations and international reference standards.
  - (v) The supervision of the effectiveness of the functioning of the risk control and management system as a whole, in coordination, as necessary, with the Risk Committee and the Sustainability Committee.
  - (vi) To report on related-party transactions to be approved by the General Meeting of Shareholders or by the Board of Directors and to supervise the internal procedure established by the Company for those whose approval has been delegated.

- (d) In relation to regulatory compliance:
- (i) To arrange for compliance with the applicable national or international regulations in matters related to the prevention of money laundering, conduct in securities markets, data protection and prevention of criminal risk, among others; monitoring the main legal risks applicable to the Company in those matters under its remit;
  - (ii) To know of the degree of regulatory compliance by the different units and departments of the Company, as well as the corrective measures recommended by the internal audit in previous actions, reporting to the Board on those cases that may pose a significant risk to the Company;
  - (iii) To examine the draft codes of ethics and conduct and their respective amendments, which have been prepared, and to issue an opinion prior to submitting the proposals to the Board of Directors, arranging for their compliance;
  - (iv) To supervise compliance with the Internal Code of Conduct in the Securities Market and the development of the functions attributed to the Regulatory Compliance Unit and to be aware of the reports and proposals submitted to the Committee by the said Unit;
  - (v) To approve the annual work plan of the regulatory compliance function, and the annual report or annual report of activities, to receive periodic information on its activities, to respond to requests for information and to verify that the senior management takes into account the conclusions and recommendations of its reports.
9. The Audit and Regulatory Compliance Committee is empowered to call any employee or officer of the Company, and may even arrange for them to declare without the presence of any other officer.
10. The Audit and Regulatory Compliance Committee shall be informed of the structural and corporate modification transactions that the Company plans to carry out for its analysis and prior report to the Board of Directors on their economic conditions and their accounting impact and especially, if applicable, on the proposed exchange ratio.
11. The Audit and Regulatory Compliance Committee shall regulate its own operation in all matters not provided for in the Bylaws, in these Regulations and in the Regulations of the Committee, being applicable, on a supplementary basis and to the extent that its nature and functions make it possible, the provisions of the Bylaws and regulations relating to the operation of the Board of Directors.
12. The Chair of the Committee shall report on the decisions adopted by the Committee at the first plenary meeting of the Board following the meeting of the Commission.
13. The Committee shall submit to the Board of Directors, on an annual basis, a report on its performance.

## Article 32. Appointments Committee

1. The Company shall have an Appointments Committee, which shall assume the functions attributed at any time by the laws in force and applicable to the Company, supporting the Board of Directors in its tasks of selection, assessment, proposals to appoint and remove Directors, appointments of Senior Officers, preparation of succession plans, assessment of the functioning of the Board of Directors and its Committees and in other corporate governance matters, preparing the corresponding reports or proposals.
2. The Appointments Committee shall be composed of a minimum of three and a maximum of five Directors who do not perform executive functions in the Company. The majority of them and, in any case, the Chair, must be independent Directors. The members of the Appointments Committee shall be appointed by the Board of Directors taking into account the knowledge, experience and skills required for the functions to be performed.
3. The Directors appointed by the Board of Directors as members of the Committee shall hold office for a period not exceeding their term of office as Directors and without prejudice to their re-election, as long as they are also re-elected as Directors.
4. The Board of Directors shall appoint a Chair from among the independent Directors who are members of the Appointments Committee. It shall also appoint a Secretary, who may not be a member of the Committee, who shall assist the Chair and shall provide for the proper functioning of the Committee, duly reflecting the development of the meetings in the minutes, which shall be made available to all the Directors.
5. Without prejudice to the other functions attributed to it by law, the Bylaws or, in accordance therewith, these Regulations, the Appointments Committee shall have the following functions:
  - (a) To assess the balance of knowledge, competences, capacity, diversity and experience necessary and existing in the Board of Directors, preparing the corresponding competence matrix. Based on this exercise, it shall define the functions and skills required of the candidates to fill each vacancy on the Board of Directors and shall evaluate the dedication required for the proper performance of their duties.
  - (b) To identify and recommend, by means of the corresponding report, in the case of executive Directors and proprietary Directors, or proposal, in the case of independent Directors, candidates to fill vacancies on the Board, with a view to their approval by the Board of Directors or by the General Meeting of Shareholders.
  - (c) To assess regularly, and at least once a year, the structure, size, composition and performance of the Board of Directors, making recommendations to it regarding possible changes.
  - (d) To assess regularly, and at least once a year, the suitability of the different members of the Board of Directors and of the Board as a whole, and report to the Board accordingly.
  - (e) To ensure that the Directors have sufficient time available for the proper performance of their functions.
  - (f) To report on proposals for the appointment and separation of Senior Officers, as well as on the basic conditions of their contracts.

- (g) To implement and supervise the succession plan approved by the Board of Directors, in coordination with the Chair of the Board or, with respect to the latter, with the Lead Director, if such figure exists. In particular, to examine and organize the succession of the Chair and Chief Executive Officer, making proposals to the Board, if necessary, so that the succession takes place in an orderly and planned manner.
  - (h) To propose, review and periodically verify the application of and compliance with the policy for the selection of directors, the policy for the selection of Senior Officers, the diversity policy and targets, the suitability policy and the succession policy approved by the Board, making recommendations as appropriate.
  - (i) To periodically design and organize training, development and refresher programs for Directors in accordance with the training policy approved by the Board, at the proposal of the Appointments Committee.
  - (j) To ensure that the Company complies with the objective of having a balanced presence of women and men on the board of directors, reporting on the same under the terms provided for in the applicable regulations.
  - (k) To report on the appointment and removal of the Vice Chairs of the Board, the Lead Director and the Chairs of the Committees.
  - (l) To report on the appointment and removal of the Secretary and Vice-Secretary of the Board of Directors.
  - (m) To annually verify the classification of each director (as executive, proprietary, independent or other external) for the purpose of confirmation or review at the ordinary General Meeting and in the Annual Corporate Governance Report.
6. The Committee shall meet at least quarterly and, in addition, whenever convened by its Chair, on his/her own initiative or when requested by two of its members. Annually, the Committee shall prepare an action plan for the year, which shall be reported to the Board.
7. The Appointments Committee must consult with the Chair of the Board of Directors, and be consulted by the latter, especially in matters relating to executive Directors and Senior Officers. Likewise, any Director may request the Appointments Committee to take into consideration, in case it they are deemed suitable as per its opinion, potential candidates to fill vacancies on the Board of Directors.
8. In performing its duties, the Appointments Committee shall, as far as possible and on an ongoing basis, take into account the need to ensure that the decision-making of the Board of Directors is not dominated by one individual or a small group of individuals in a manner that the interests of the Company as a whole are negatively affected.
9. The Appointments Committee may seek external advice when it deems it necessary for the performance of its functions.
10. The Appointments Committee shall regulate its own operation in all matters not provided for in the Bylaws, in these Regulations and, if applicable, in the specific Regulations of this Committee, being applicable, on a supplementary basis and to the extent that its nature and

functions make it possible, the provisions of the Bylaws and the regulations governing the operation of the Board of Directors.

11. The Chair of the Committee shall report on the decisions adopted by the Committee at the first plenary meeting of the Board following the Committee meeting.
12. The Committee shall submit to the Board of Directors, on an annual basis, a report on its operation.

## **Article 33. Remuneration Committee**

1. The Company shall have a Remuneration Committee, which shall assume the functions attributed at any time by the laws in force and applicable to the Company, supporting the Board of Directors in its duties regarding remuneration, in particular that of Directors, Senior Officers and those employees whose professional activities have a significant impact on the Group's risk profile (the "identified group" -colectivo identificado-).
2. The Remuneration Committee shall be composed of a minimum of three and a maximum of five Directors, who do not perform executive functions in the Institution. The majority of them and, in any case, the Chair, must be independent Directors. The members of the Remuneration Committee shall be appointed by the Board of Directors taking into account the knowledge, experience and skills required for the functions to be performed.
3. The Directors appointed by the Board of Directors as members of the Committee shall hold office for a period not exceeding their term of office as Directors and without prejudice to their re-election as far as they are also re-elected as Directors.
4. The Board of Directors shall appoint a Chair from among the independent Directors who are members of the Remuneration Committee. It shall also appoint a Secretary, who may not be a member of the Committee, who shall assist the Chair and shall provide for the proper functioning of the same, duly reflecting in the minutes the development of the meetings, which shall be made available to all the Directors.
5. Without prejudice to the other functions attributed to it by law, the Bylaws or, in accordance with them, these Regulations, the Remuneration Committee shall have the following functions:
  - (a) To prepare decisions regarding remuneration, including those with implications for the Company's risk and risk management, to be taken by the Board of Directors, in particular with respect to the compensation of Directors, Senior Officers and other identified groups, including, in particular, the preparation of the following proposals or reports:
    - (i) The policy on the remuneration of Directors, also preparing the reasoned report on said remuneration policy.
    - (ii) The individual remuneration of executive and non-executive Directors and the contract conditions of executive Directors.
    - (iii) The remuneration policy for Senior Officers and other members of the identified group.
    - (iv) The basic conditions of the contracts and remuneration of Senior Officers.



- (b) To arrange for the observance of the remuneration policies established by the Company and to assist the Board in its function of supervising compliance therewith.
  - (c) To periodically review and assess the Company's compensation policies and their application and to propose the necessary changes, including, in particular, the following functions:
    - (i) To support and advise the Board to ensure that the remuneration policy is gender neutral and supports equal treatment of gender diverse staff.
    - (ii) To assess the mechanisms and systems adopted to ensure that the remuneration system takes due account of all types of risks, liquidity and capital levels, sustainability and that remuneration policies promote and are consistent with an appropriate and effective risk management and are in line with the Company's business strategy, objectives, corporate culture and values, risk culture and long-term interests.
    - (iii) To assess the achievement of performance targets and the need for ex post adjustments to risk, including, where appropriate, the application of remuneration reduction or clawback clauses.
  - (d) To arrange for the eventual conflicts of interest not to impair the independence of the external advice provided to the Committee.
  - (e) To arrange for the transparency of remuneration and to ensure the adequacy of the information provided to shareholders on remuneration policies and practices and, to this end, to verify the information on remuneration of Directors, Senior Officers and other qualified personnel contained in the different corporate documents, including the annual report, the Annual Report on Directors' Remuneration and the Pillar III Disclosure.
6. The Remuneration Committee shall regulate its own operation in all matters not provided for in the Bylaws, these Regulations and, if applicable, the specific Regulations of this Committee, being applicable, on a supplementary basis and to the extent that its nature and functions make it possible, the provisions of the Bylaws and regulations relating to the operation of the Board of Directors.
7. The Committee shall meet at least quarterly and, in addition, whenever called by its Chair, on his/her own initiative or when requested by two of its members. Annually, the Committee shall prepare an action plan for the year, which shall be reported to the Board.
8. The Remuneration Committee shall consult with the Chair of the Board, and shall be consulted by the latter, especially on matters relating to Executive Directors and Senior Officers.
9. In preparing its decisions, the Remuneration Committee shall take into account the long-term interests of shareholders, investors and other stakeholders in the Company, as well as the interest of the public.
10. The Remuneration Committee may seek external advice when it deems it necessary for the performance of its functions.



11. The Chair of the Committee shall report on the decisions adopted by the Committee at the first plenary meeting of the Board following the meeting of the Committee.
12. The Committee shall submit to the Board of Directors, on an annual basis, a report on its operation.

## **Article 34. Risk Committee**

1. The Company shall have a Risk Committee which shall assume the risk management function.
2. Without prejudice to the other functions attributed to it by law, the Bylaws or, in accordance with them, these Regulations, the Risk Committee shall have the following functions:
  - (a) To advise and support the Board in relation to the overall current and future risk appetite of the Company and the monitoring of its risk strategy and to assist the Board in monitoring the implementation of that strategy, taking into account all types of risks, to ensure that they are in line with the Company's business strategy, objectives, corporate culture and values.
  - (b) To actively participate in the development of the Company's risk strategy and risk management policy, as well as in major risk management decisions, and to seek to ensure that the risk management policy identifies or determines at least:
    - (i) The different types of financial and non-financial risks (including operational, technological, legal, social, environmental, political and reputational risks, including those related to corruption) faced by the Company, including financial or economic risks, contingent liabilities and other off-balance sheet risks.
    - (ii) A risk control and management model that the Company considers acceptable.
    - (iii) The level of risk that the Company considers acceptable.
    - (iv) The measures foreseen to mitigate the impact of the risks identified, should they materialize.
    - (v) The internal information and control systems to be used to control and manage the aforementioned risks, including contingent liabilities or off-balance sheet risks.
  - (c) To ensure the proper functioning of the risk control and management systems and, in particular, the proper identification, management and quantification of all significant risks affecting the Company.
  - (d) To arrange for the risk control and management systems to adequately mitigate risks within the framework of the policy defined by the Board of Directors.

To this end, the Committee will monitor the implementation of the capital and liquidity management strategies, as well as of all other relevant risks, to assess their adequacy with the approved risk strategy and risk appetite.

- (e) To monitor consistency between all major financial products and services offered to customers and the Company's business model and risk strategy.

To this end, the Risk Committee is responsible for assessing the risks associated with the financial products and services offered and for examining whether the prices of assets and liabilities fully take into account the Company's business model and risk strategy. If the Committee finds that the prices do not adequately reflect the risks in accordance with the business model and risk strategy, it shall submit to the Board of Directors a plan to correct this deficiency.

- (f) To analyze a range of possible scenarios, including stress scenarios, to assess how the Company's risk profile would react to external and internal events.
  - (g) To recommend to the Board any adjustments to the risk strategy deemed necessary as a result of, among others, changes in the Company's business model, market developments or recommendations made by the risk management function.
  - (h) To determine, together with the Board of Directors, the nature, quantity, format and frequency of the information on risks to be received by the Committee itself and by the Board.
  - (i) To collaborate in the establishment of rational compensation policies and practices. To this end, the Risk Committee shall examine, without prejudice to the functions of the Remuneration Committee, whether the planned incentive policy takes into consideration risk, capital, liquidity, probability and timeliness of benefits.
3. The Risk Committee shall be composed of a minimum of three and a maximum of five Directors, who do not perform executive functions. The majority of them and, in any case, the Chair must be independent Directors. The members of the Risk Committee shall be appointed by the Board of Directors taking into account the knowledge, skills and experience to fully understand and control the Company's risk strategy and risk appetite.
  4. The Directors appointed by the Board of Directors as members of the Committee shall hold office for a period not exceeding their term of office as Directors and without prejudice to their re-election as long as they are also re-elected as Directors.
  5. The Board of Directors shall appoint a Chair from among the independent Directors who are members of the Risk Committee. It shall also appoint a Secretary, who may not be a member of the aforementioned Committee, who shall assist the Chair and shall provide for the proper functioning of the Committee, duly reflecting in the minutes the development of the meetings, which shall be made available to all the Directors.
  6. The Risk Committee shall regulate its own operation in all matters not provided for in the Bylaws, these Regulations and, if applicable, the specific Regulations of this Committee, with the statutory and regulatory provisions relating to the operation of the Board of Directors being applicable on a supplementary basis and insofar as its nature and functions make it possible.
  7. The Committee shall meet at least quarterly and, in addition, whenever called by its Chair, on his/her own initiative or when requested by two of its members.

8. The Committee shall prepare an annual action plan for the year, which shall be reported to the Board of Directors.
9. The Risk Committee may seek external advice when it deems it necessary for the performance of its duties.
10. The Chair of the Committee shall report on the decisions adopted by the Committee at the first plenary meeting of the Board following the meeting of the Committee.
11. The Committee shall submit to the Board of Directors, on an annual basis, a report on its operation.

## **Article 34 bis. Sustainability Committee**

1. The Company shall have a Sustainability Committee, which shall assume specific functions related to sustainability in the areas of environment -including climate change-, social and governance.
2. Without prejudice to the other functions attributed to it, as the case may be, by the specific Regulations of this Committee, the Sustainability Committee shall have the following functions:
  - (a) To oversee that the Company's practices related to sustainability are in line with the strategy, the policies established, and the commitments acquired.
  - (b) To report on the sustainability Policies to be submitted to the Board of Directors for approval.
  - (c) To assess and periodically review the Company's sustainability Policies, in order to promote the inclusion of the corporate culture and fulfill the mission of promoting social interest, taking into account the different stakeholders.
  - (d) To support the Audit and Regulatory Compliance Committee in its mission of ensuring the integrity of the contents of sustainability reports, as well as compliance with applicable regulations and international reference standards. With respect to the non-financial information contained in the annual management report, to assess its content prior to its review and report by the Audit and Regulatory Compliance Committee, for its subsequent formulation by the Board of Directors.
  - (e) To monitor the processes of identification, assessment, control and management of risks in the area of sustainability.
  - (f) To assess the periodic sustainability reports submitted by the corresponding areas of the Company.
  - (g) To be aware of the documents, reports or communications from supervisory bodies related to sustainability and to issue the corresponding reports and/or proposals, as the case may be.
  - (h) To advise the Board of Directors in making decisions on sustainability matters, as well as to provide such assistance as may be required, within the framework of their respective competencies, by the Audit and Regulatory Compliance Committee, the

Risk Committee and the Remuneration Committee, and to act in coordination with these Committees.

- (i) To make proposals to the Board of Directors in matters of sustainability.
- 3. The Sustainability Committee shall be composed of a minimum of three and a maximum of five Directors, who do not perform executive functions. The majority of them and, in any case, the Chair must be independent Directors. The members of the Sustainability Committee shall be appointed by the Board of Directors taking into account the knowledge, skills and experience required for the functions to be performed.
- 4. The Directors appointed by the Board of Directors as members of the Committee shall hold office for a period not exceeding their term of office as Directors and without prejudice to their re-election as long as they are also re-elected as Directors.
- 5. The Board of Directors shall appoint a Chair from among the independent Directors who are members of the Sustainability Committee. It shall also appoint a Secretary, who may not be a member of the aforementioned Committee, who shall assist the Chair and shall provide for the proper functioning of the same, duly reflecting in the minutes the development of the meetings, which shall be made available to all the Board Members.
- 6. The Sustainability Committee shall regulate its own operation in all matters not provided for in these Regulations and, as the case may be, in the specific Regulations of this Committee, being applicable, on a supplementary basis and to the extent that its nature and functions make it possible, the provisions of the Bylaws and regulations relating to the operation of the Board of Directors.
- 7. The Committee shall meet at least quarterly and whenever called by its Chair, on his/her own initiative or when requested by two of its members.
- 8. Annually, the Committee shall prepare an action plan for the year, which shall be reported to the Board of Directors.
- 9. The Sustainability Committee may seek external advice when it deems it necessary for the performance of its functions.
- 10. The Chair of the Committee shall report on the decisions adopted by the Committee at the first plenary meeting of the Board following the meeting of the Committee.
- 11. The Committee shall submit to the Board of Directors, on an annual basis, a report on its operation.

## **Article 34 ter. Digital Transformation, Innovation and Technology Committee**

- 1. The Company shall have a Digital Transformation, Innovation and Technology Committee which shall assume the specific functions related to technology, the technological transformation process, technological risk and innovation.

2. Without prejudice to the other functions attributed to it, as the case may be, by the specific Regulations of this Committee, the Digital Transformation, Innovation and Technology Committee shall have the following functions:
  - (a) To assist the Board of Directors in making decisions that affect technology, information and data management and the Company's telecommunications structures, reporting on strategic plans and actions, and submitting the appropriate proposals.
  - (b) To oversee the optimization of technological support for information processing and the development of systems and applications, ensuring their proper functioning and data security.
  - (c) To monitor the process of technological transformation and digitalization of the Company, with particular focus on its impact on the business model and its impact on improving efficiency, competitiveness and value creation.
  - (d) To oversee the potential ways for innovation existing in the Company, as well as to supervise and monitor innovation initiatives that have an impact on the business model.
  - (e) To monitor technological risk in general.
  - (f) To support in the exercise of its advisory functions to the Risk Committee, when it deems it appropriate, in the performance of the functions attributed to the Risk Committee in relation to the supervision of technological risks and aspects related to cybersecurity.
  - (g) To provide such assistance as may be required, within the framework of their respective competencies, by the Audit and Regulatory Compliance Committee and by the Risk Committee, and to act in coordination with both Committees to the extent necessary for the exercise of their own competencies.
3. The Digital Transformation, Innovation and Technology Committee shall be composed of a minimum of three and a maximum of five Directors, who do not perform executive functions. The majority of them and, in any case, the Chair must be independent Directors. The members of the Digital Transformation, Innovation and Technology Committee shall be appointed by the Board of Directors, taking into account the knowledge, skills and experience required for the functions to be performed.
4. The Directors appointed by the Board of Directors as members of the Committee shall hold office for a period not exceeding their term of office as Board Members and without prejudice to their re-election as long as they are also re-elected as Board Members.
5. The Board of Directors shall appoint a Chair from among the independent Directors who are members of the Digital Transformation, Innovation and Technology Committee. It shall also appoint a Secretary, who may not be a member of the aforementioned Committee, who shall assist the Chair and shall provide for the proper functioning of the Committee, duly reflecting in the minutes the development of the meetings, which shall be made available to all the Board Members.
6. The Digital Transformation, Innovation and Technology Committee shall regulate its own operation in all matters not provided for in these Regulations and, if applicable, the specific

Regulations of this Committee, being applicable, on a supplementary basis and to the extent that its nature and functions make it possible, the statutory and regulatory provisions relating to the operation of the Board of Directors.

7. The Committee shall meet at least quarterly and, as often as determined by the Committee itself and whenever called by its Chair, at his/her own initiative or when requested by two of its members.
8. Annually, the Committee shall prepare an action plan for the year, which shall be reported to the Board of Directors.
9. The Digital Transformation, Innovation and Technology Committee may seek external advice when it deems it necessary for the performance of its functions.
10. The Chair of the Committee shall report on the decisions adopted by the Committee at the first plenary meeting of the Board following the meeting of the Committee.
11. The Committee shall submit to the Board of Directors, on an annual basis, a report on its operation.

## **Article 35. Assessment of the Board of Directors, its members, Committees and positions**

1. The full Board of Directors shall assess once a year and adopt, if necessary, an action plan to correct the deficiencies detected with regard to:
  - (a) The quality and efficiency of the operation of the Board of Directors;
  - (b) the performance of the Chair of the Board of Directors and the Chief Executive Officer of the Company;
  - (c) the size, composition and diversity of the Board and its Committees;
  - (d) the performance and contribution of each Director, paying special attention to the Lead Director, the Secretary of the Board and the chairs and secretaries of the different Committees of the Board of Directors;
  - (e) the frequency and duration of the meetings;
  - (f) the content of the agenda and the sufficiency of the time allocated to deal with the different items in relation to their importance (taking into account specific examples or cases);
  - (g) the quality of the information received;
  - (h) the breadth and openness of discussions, avoiding groupthink;
  - (i) if the decision-making process within the Board is dominated or strongly influenced by one member or a small group of members.

2. The Appointments Committee, under the coordination of the Chair of the Board, shall lead the annual assessment of the functioning of the Board of Directors and its Committees and its positions, submitting to the Board the results of its assessment together with a proposal for an action plan or recommendations to correct any deficiencies detected or to improve the functioning of the Board or its Committees. In order to carry out the assessment of all the Committees, the Appointments Committee shall start from the report that these send to the Appointments Committee, to be submitted to the Board of Directors, and for the assessment of the Board of Directors, from the report prepared by the Appointments Committee itself. The assessment of the Chair of the Board, when the latter is an executive director, shall be conducted by the Lead Director.
3. At least every three years, the Board of Directors shall be assisted in the assessment by an external consultant, whose independence shall be verified by the Appointments Committee. The business relationships that such consultant or any company in its group maintains with the Company or any Group company shall be disclosed in the Annual Corporate Governance Report.
4. The process and the areas assessed will be described in the Annual Corporate Governance Report.

## **Article 36. Sustainability**

1. The Board of Directors, pursuant to the Company's responsibility, shall draw up a Sustainability Policy on environmental and social matters that identifies and includes at least:
  - (a) The principles, commitments, objectives and strategy regarding shareholders, employees, customers, suppliers, social and environmental issues, diversity, fiscal responsibility, respect for human rights and prevention of corruption and other illegal conduct.
  - (b) The methods or systems for monitoring compliance with the policies, associated risks and their management.
  - (c) The mechanisms to monitor sustainability risk, including that related to ethical and business conduct issues.
  - (d) The channels for communication, participation and dialogue with stakeholders.
  - (e) Responsible communication practices that avoid manipulation of information and protect integrity and honor.