



## **BYLAWS OF UNICAJA BANCO, S.A.**

**Proposed amendment to the Bylaws of Unicaja Banco, S.A., approved by the Extraordinary General meeting of Shareholders held on 31 March 2021. The amendments to the bylaws are subject as condition precedent to the registration of the merger in the Trade Register, and will only take effect from that date. They are also subject to obtaining the corresponding administrative authorization.**

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## TITLE I

### **Name, term, corporate purpose and registered office**

#### **Article 1. Name and applicable regulations**

1. The Company is called UNICAJA BANCO, SOCIEDAD ANÓNIMA.
2. It was established exclusively by Monte de Piedad y Caja de Ahorros de Ronda, Cádiz, Almería, Málaga, Antequera y Jaén (Unicaja) as a means for the development of its indirect financial activity.
3. The Company is governed by these Bylaws and by the laws and provisions that may be applicable to it.

#### **Article 2. Term**

The Company has been established for an indefinite term and it commenced its operations – following the corresponding administrative authorizations– once it was registered in the Special Register of the Bank of Spain (Registro Especial del Banco de España).

#### **Article 3. Corporate Purpose**

1. The Company's purpose is to carry out all kind of activities, transactions, acts, contracts and services within the banking business, in general or directly or indirectly related to or complementary thereto, or that may be a development of it, provided that they are permitted or not prohibited by the current legislation.

The Company's corporate purpose includes the provision of investment services and ancillary services, as well as the performance of the activities of an insurance agency, either exclusively or in association, without the simultaneous exercise of both activities.

2. The activities which make up the corporate purpose may be carried out, totally or partially, in an indirect manner, in any of the ways permitted by law, especially through the holding of shares or holding of interests in companies or in other institutions whose purpose is identical, similar or complementary to those activities.
3. The activities to be developed by the Company will be inspired by the principles of corporate social responsibility which have been present in it since its origin.

#### **Article 4. Registered Office**

1. The Company's registered office is located in Málaga, Avenida de Andalucía, nº 10-12.
2. The Board of Directors has authority to resolve to change the registered office within the same municipal district.
3. The Board of Directors also has authority to decide on the establishment, transfer and close of branches, agencies, representation and other offices, both in Spain and abroad.

## TITLE II

### Share capital, shares and issue of other securities

#### Article 5. Share Capital

The share capital stands at ~~ONE THOUSAND FIVE HUNDRED SEVENTY-NINE MILLION, SEVEN HUNDRED SIXTY-ONE THOUSAND AND TWENTY-FOUR EUROS (1,579,761,024€)\*\* (\*\* €)~~<sup>1</sup>, divided into ~~ONE THOUSAND FIVE HUNDRED SEVENTY-NINE MILLION, SEVEN HUNDRED SIXTY-ONE THOUSAND AND TWENTY-FOUR (1,579,761,024)\*\* (\*\*)~~ nominative shares with a par value of ONE EURO (1.00€) each, fully subscribed and paid up, and all of the same class and series.

#### Article 6. Representation of shares

1. Shares will be represented by book entries and are constituted as such upon their registration in the corresponding accounting record. Given the nominal nature of the Bank's shares, the institution in charge of maintaining the accounting record of book entries, will notify the Company of transactions related to shares, to allow the Company to keep its own record with the identities of the shareholders.
2. Legitimation to exercise shareholder's rights, including transfer of shares, is obtained by the registration into the accounting record which presumes the lawful ownership and entitles the registered owner to request being re recognized as a shareholder by the Company. The said legitimation may be proved by exhibiting the corresponding certificates, issued by the institution in charge of maintaining the corresponding accounting record.
3. Should the Company make any compensation in favor of the holder as per the accounting record, it will be released from its corresponding obligation, even if the said holder is not the real holder of the share, provided that the Company has acted in good faith and without serious fault.
4. In the event that the person who appears legitimated in the entries of the accounting record has got the said legitimation under a fiduciary agreement or other similar title, the Company may demand that information is provided on the identity of the beneficial owners of the shares, as well as on any acts of transfer of and encumbrance thereof.

#### Article 7. Issue of debentures

1. The Company may issue debentures under the terms established by law.
2. The General Meeting may delegate to the Board of Directors the authority to issue ~~simple or convertible and/or exchangeable debentures, mortgage bonds or any other mortgage securities~~ debentures that are convertible and/or exchangeable for shares, or debentures that give holders a share in company earnings. The delegation may include the authority to exclude, if applicable, the preferential subscription right.

<sup>1</sup> It will depend on the capital increase owing to the merger.

The Board of Directors may use the said delegation in one or more occasion and over a maximum term of five years.

Also, the General Meeting may authorize the Board of Directors to determine the time when the resolved issue will be executed and to set the other conditions not established in the General Meeting resolution.

Without prejudice to the above, the Board of Directors will be competent to agree the issue and admission to trading of debentures not foreseen in paragraph 1 of this section, as well as to agree the granting of guarantees for the issue of debentures.

#### **Article 8. Issue of other securities**

1. The Company may issue promissory notes, preferred shares, subordinated debt, as well as other negotiable or non-negotiable securities that recognize or create debt different from those in the previous articles.
2. The General Meeting may delegate to the Board of Directors the authority to issue the said securities. The Board of Directors may use the said delegation in one or more occasion and over a maximum term of five years.
3. Also, the General Meeting may authorize the Board of Directors to determine the time when the resolved issue is to occur and to set the other conditions not established in the General Meeting resolution, under the terms provided by law.

### **TITLE III**

#### **Company's Bodies**

#### **CHAPTER I**

#### **The General Shareholders' Meeting**

#### **Article 9. The General Shareholders' Meeting**

1. The shareholders, in a duly called General Meeting, may decide, by the majority established by law, on the matters that fall within the competence of the General Meeting.
2. The General Meeting will be governed by the Spanish Companies Act (Ley de Sociedades de Capital), by the present Bylaws and by the Regulations of the General Shareholders' Meeting with regard to its call, attendance, constitution and development. The Board of Directors may agree to the holding and attendance to the General Meeting by remote and simultaneous means which duly guarantee the identity of those participating in the meeting and the cast of votes the General Meeting.
3. Without prejudice to the above, only holders of one thousand (1,000) shares or more whose ownership has been registered in the corresponding book-entry record at least five (5) days

before the day on which the Meeting is scheduled may attend the General Meeting. Each shareholder entitled to attend, as established above, will be given an attendance card which may only be replaced by a certificate of legitimacy showing that the attendance requirements are met.

Holders of fewer shares may group together until they make up, at least, that number, and shall appoint their representative.

4. The General Meeting's Chairman and Secretary will be those holding the said positions at the Board of Directors. In case of absence, they will be replaced by those replacing them in their functions, and if not available, by those chosen by the General Meeting for each meeting.

#### **Article 10. Types of General Meetings**

1. General Meetings may be annual or extraordinary.
2. An Annual General Meeting will have as its purpose to approve, if applicable, the company management and the financial statements for the previous financial year, and to resolve as to the allocation of profits, as well as to approve, if applicable, the consolidated accounts, notwithstanding with the possibility to resolve on any other items on the agenda, provided that the number of shareholders and the part of the share capital required by law or by the bylaws, in each case, are present.

The Annual General Meeting must be held within the first six months of each year to resolve on the previously mentioned matters. The Annual General Meeting will still be valid even if it is convened or held outside the mentioned time period.

3. Any General Meeting not provided for in the above section shall be deemed as an Extraordinary General Meeting.
4. All General Meetings, whether annual or extraordinary, are subject to the same rules of procedure and competence.

#### **Article 11. Duties of the General Meeting**

The General Meeting shall adopt decisions on the matters that fall within its competence pursuant to the law and to the present Bylaws; specifically, it has the following duties:

- a) to appoint and remove the Directors, as well as to assess and approve their performance without prejudice to the powers of appointment by co-option legally attributed to the Board of Directors;
- b) to appoint and remove the account auditors;
- c) to approve, if appropriate, the annual accounts and to resolve on the allocation of profits;

- d) to approve the distribution of dividends in cash or in kind without prejudice to the distribution of interim dividends legally attributed to the Board of Directors, on the terms set in Article 31 of the present Bylaws;
- e) to resolve to issue debentures and other negotiable securities;
- f) to resolve to increase or reduce the share capital and to issue securities convertible to or exchangeable by shares;
- g) to approve transactions of corporate restructuring (merger, splitoff, subsidiarizations, transformation, overall assignment of assets and liabilities and any other transaction similar to the previous);
- h) to approve, if appropriate, the Regulation on the Operation of the General Meeting;
- i) to approve any other amendment to the company bylaws without prejudice to the authority to change the registered office within the same municipal district legally attributed to the Board of Directors;
- j) to authorize the Board of Directors and to delegate to it powers related to the increase of share capital and issue of debentures or other negotiable securities, pursuant to that established in the applicable laws and in these Bylaws;
- k) to authorize the acquisition of own shares and transactions with them;
- l) to resolve on the admission to trading of the Company's shares in any organized secondary market;
- m) to resolve on the acquisition, disposal or contribution to other company of essential assets;
- n) to resolve on the Company's dissolution or liquidation, as well as on those transactions whose effect is equivalent to liquidation of the Company; and
- o) to decide on the matters that may be submitted by resolution of the Board of Directors;
- p) to deliberate and resolve on any other matters determined by the Laws on companies and the specific laws on credit institutions or the company bylaws.

#### **Article 12. Minutes of the General Meeting**

1. The Secretary of the General Meeting shall draw up the minutes of the meeting, which will be recorded in the corresponding minute book and which may be approved by the General Meeting at the end of the meeting or, alternatively, and within 15 days, by the Chairman of the General Meeting and two inspectors.
2. The corporate resolutions will be enforceable from the date of approval of the minutes on which they are recorded.

#### **CHAPTER II**

## **The Board of Directors**

### **Article 13. Management Body**

1. The Company will be managed by a Board of Directors which will be governed by the legal regulations that may be applicable and by the present Bylaws.
2. The Board of Directors will approve regulations containing its rules of operation and internal organization, the rules governing the Committees established in these Bylaws, in accordance with them, and other committees whose creation may be decided by the Board, as well as the code of conduct of their members. The Board Regulations will be inspired by the best practices of good corporate governance of the sector. The Board of Directors will inform about the contents of the Regulations and their amendments to the Annual General Meeting immediately after the resolution is passed.
3. The Board of Directors will define a system of corporate governance to ensure a sound and prudent management of the institution. This will include the appropriate division of duties in the organization and the prevention of conflicts of interest. The Board of Directors will oversee the implementation of the said system and will be responsible for it. For that purpose, it will control and assess its effectiveness regularly and will adopt the necessary measures to solve its deficiencies.

### **Article 14. Duties of the Board of Directors**

1. The Board of Directors will carry out its duties with unity of purpose and independence of judgment, giving the same treatment to all shareholders, driven by the interest of the Company and ensuring the respect to the rules, fulfillment of contracts, customs and good practices.
2. It is the competence of the Board of Directors to manage and represent the Company in the terms set out by the law and the Bylaws. The Board of Directors has the widest powers to manage and run the Company and, with the exception of the areas reserved to the competence of the General Meeting by the law or by the Bylaws, it is the highest decision-making body of the Company.
3. The Board shall exercise, without the possibility of delegation, those powers legally reserved to its direct knowledge, both by the laws on corporations and by laws specific to credit institutions, as well as such other powers which, required for a responsible performance of the general duty of supervision, may be set by the Board Regulations.

### **Article 15. Powers of representation**

1. The representation of the Company in court and out of court corresponds to the Board of Directors, which will act collectively. This representation will extend to all the acts within the corporate purpose.
2. The Chairman of the Board of Directors has the power to represent the Company.

3. The Secretary of the Board and, if applicable, the Vice-Secretary, have the necessary representative powers to convert into public instruments the resolutions adopted by the General Meeting and by the Board, and to apply for registration thereof.
4. The provisions of this article are without prejudice to any other powers of attorney, whether general or special, that may be granted.

#### **Article 16. Composition of the Board of Directors**

1. The Board of Directors shall be composed of a minimum of eight members and a maximum of fifteen members, and the General Meeting shall determine the exact number of components.
2. It is not required to be a shareholder in order to be appointed member of the Board.
3. The members of the Board of Directors shall have recognized commercial and professional repute, adequate knowledge and expertise to carry out their duties and be ready to ensure good governance of the Institution.
4. Anybody who is in any of the cases of prohibition or incompatibility established by the law will not be able to be appointed member of the Board of Directors.
5. The Board of Directors shall work to ensure that the procedures for the selection of its members guarantee diversity with respect to matters such as age, gender, disability or training and professional experience, do not suffer from implicit bias which may involve any kind of discrimination and, in particular, facilitate the selection of women directors in a number which allow to reach a balanced presence of women and men.

#### **Article 17. Term of office**

1. The Directors will be appointed by the General Meeting to hold office for a term of three years, and may be re-elected one or more times for periods of the same term. The appointment of Directors will end when, once the term of office has expired, an Annual General Meeting has been held and they have not been re-elected or the period to hold an Annual General Meeting to resolve on the approval of the previous year accounts has expired.
2. The appointment of Directors that the Board designates by co-option will be deemed to have been made and will be in force until the date of the next Annual General Meeting, included, without prejudice to the ratification or revocation power that the General Meeting has. If the vacancy occurs when the General Meeting has been convened and before it has been held, the Board of Directors may appoint a Director until the next General Meeting is held.

#### **Article 18. Meetings and resolutions of the Board of Directors**

1. The Board of Directors will meet in ordinary session with the frequency legally established and, additionally, as often as considered necessary by its Chairman, who has the power to call it, either on his own initiative or on request of, at least, one third of the Directors. In the latter case, the Chairman will call the extraordinary meeting within a maximum term of three working

days after the receipt of the request, for it to be held within the three following working days, including on the agenda the matters that make part of it.

2. The call to the meeting will be made by individual notice to all the Directors, detailing the agenda of the meeting, and it will be sent to them by any mean (fax, e-mail or letter) allowing to ensure its reception. The notice will be sent at least three days prior to the scheduled date of the meeting, except in those cases where, in the opinion of the Chairman, the urgency of the matters to consider requires not to delay the meeting. In that case, it will be called by the previous means and will be held sufficiently in advance to allow the Directors to fulfill their duty to attend.
3. Any person invited by the Chairman may attend the Board meetings.
4. For the Board of Directors to be validly constituted, it will be necessary the attendance, present or by proxy, of half plus one of its members. Also, the Board will be validly constituted without the need of a call if the holding of the meeting and its planned agenda are unanimously accepted by those present in person or by proxy.
5. Meetings of the Board of Directors may also be held by videoconference, multiple conference call or other similar means that may exist in the future, except if one third of the Directors state their opposition to their use. In those cases, the resolutions are deemed as adopted in the registered office.
6. The Board of Directors may also adopt resolutions in writing (including fax or e- mail sent in advance and the later remittance of the original), without the need to hold a meeting, if none of the Directors opposes to this procedure.
7. Resolutions will be adopted by absolute majority of the Directors present at the meeting in person or by proxy, except in those cases in which a greater majority is required by the law or the Bylaws. In the event of a tie, the Chairman will have a casting vote.
8. All the Directors may issue their votes and extend proxies to other Directors, although non-executive directors may only grant it to other non-executive directors. Proxies will be granted on a special basis for the meeting of the Board it makes reference to, and may be communicated by any of the ways established in section 2 of this Article.

#### **Article 19. Minutes of the Board of Directors**

1. All resolutions adopted by the Board of Directors will be recorded in the minutes, which will be drawn up and signed by the Secretary and, in his absence, by the Vice-Secretary; in absence thereof, it will be drawn up and signed by the Director appointed as secretary of the meeting. In any case, the approval of the person acting as Chairman will be registered in the minutes.
2. The Chairman, the Vice Chairman or Vice Chairmen, the Chief Executive Officer(s) and the Secretary or Vice Secretary of the board, will be permanently authorized, jointly and severally, to arrange for attestation as public documents of the resolutions of the board of directors, all

without prejudice to the express authorizations established in the applicable laws and regulations.

#### **Article 20. The Chairman of the Board of Directors**

1. The Board of Directors shall appoint from among its members a Chairman who will exercise the maximum representation of the Company. In addition to the powers delegated by the law or Bylaws, the Chairman shall have the following powers in the exercise of his position:
  - a) To chair the General Meeting, to direct the discussion and deliberations, to arrange the interventions and replies, establishing even their duration, as well as to close a discussion when he considers that the issue has been sufficiently debated.
  - b) To call and to chair the meetings of the Board of Directors and of the Executive Committee, as well as those of the Committees that the Board may establish and which he may have to chair.
  - c) To set the agenda of the Board and Executive Committee meetings, as well as that of the created committees which he may have to chair, and to direct the discussions and deliberations.
  - d) To implement the resolutions of the Board of Directors and the Committees. For that purpose, he will have the maximum representation powers, without prejudice to the delegations that the corresponding management body may grant to other members.
2. In addition to the duties referred to in section 1 of this article, the Board of Directors may ~~delegate grant~~ to the Chairman permanent executive powers, on the terms established in article 23 of these Bylaws.

#### **Article 21. Other positions on the Board of Directors**

1. The Board of Directors shall appoint from among its members one or more Vice- Chairmen, ~~which may be executive,~~ and shall determine, if applicable, their order of preference. In case of absence, vacancy or illness of the Chairman, his duties will be exercised by the Vice-Chairman, following the established order of preference; and in case of absence of all of them, by the eldest Director.
2. The Board of Directors shall appoint a Secretary and, if applicable, a Vice- Secretary, which may or not be Directors. In absence of the Secretary, his functions will be exercised by the Vice-Secretary and, in absence of both of them, by the Director appointed by the Board from among those present to the meeting in question.
3. If the Chairman has the condition of executive director, the Board of Directors, with the abstention of executive directors, shall appoint necessarily a Leading Director from among the independent directors. The Leading Director will be especially entitled to request the call of the Board of Directors or the inclusions or new items on the agenda of an already called meeting, to coordinate and meet the non-executive directors and to direct, if applicable, the regular assessment of the Chairman.

#### **Article 22. Re-election of positions on the Board of Directors**

The Chairman, the Vice-Chairman or Vice-Chairmen and, if applicable, the Secretary and/or Vice-Secretary of the Board which may be re-elected as Board members by resolution of the General Meeting, shall continue to hold the posts that they had on the Board of Directors without the need to be re-elected and without prejudice to the power to revoke that the management body has with regard to those positions. The previous rule will not be applicable to chief executive officers or to Committee members.

#### **Article 23. Delegation of powers by the Board of Directors. Board Committees**

1. The permanent delegation of powers by the Board of Directors to the Chairman, ~~the CEO and the Executive Committee, one or more Vice Chairman or one or more Chief Executive Officer,~~ and the appointment of the directors to hold those positions, shall require the favorable vote of two thirds of the Board members.
2. The Board may appoint ~~in any case a CEO from among its member one or more Chief Executive Officer(s),~~ providing him/her or them with the powers that it may consider appropriate, without delegating the powers reserved to the Board in full by the provisions of the laws, the Bylaws or the Board Regulations.
3. The Board may constitute an Executive Committee, with delegation of general decision-making powers.
4. The Board may constitute committees with supervision, information, advising and proposal-making duties in areas within its competence, and it must constitute an Audit and Regulatory Compliance Committee, a Risk Committee, an Appointments Committee and a Remuneration Committee.
5. The composition and operation of the Board Committees shall be governed, in those aspects not covered in the present Bylaws, by that established in the Board Regulations.

#### **Article 24. Executive Committee**

1. The Executive Committee will be composed of a minimum of 5 and a maximum of 7 Board members. The Chairman of the Board of Directors will be the Chairman of the Executive Committee, ~~and the CEO will also be member of the said Committee.-~~
2. The permanent delegation of powers to the Executive Committee and the resolutions to appoint its members will require the favorable vote of at least two thirds of the components of the Board of Directors.
3. The permanent delegation of powers by the Board of Directors to the executive Committee may comprise all the Board's powers, with the exception of those which cannot be delegated by law, by the provisions of the present Bylaws or the Board Regulations.
4. The Executive Committee shall meet as often as called by its chairman.

5. The Executive Committee will inform the Board of Directors of the matters and resolutions adopted in its meetings and will make available to the members of the Board a copy of the minutes of the meetings.

#### **Article 25. Audit and Regulatory Compliance Committee**

1. The Audit and Regulatory Compliance Committee will be composed of a minimum of three and a maximum of five members, all of them non-executive directors, appointed by the Board of Directors from among its members.

The majority of the Audit and Regulatory Compliance Committee members shall be independent directors and at least one of them will be appointed taking into account his/her knowledge and expertise in the areas of accounting, audit, and/or risk management.

2. The Chairman of the Audit and Regulatory Compliance Committee will be appointed from among the independent directors who compose it and will be replaced every four years, with the possibility to be re-elected one year after the end of his/her tenure.
3. The number of members, competences and rules of procedure of the Audit and Regulatory Compliance Committee will be those established in the Bylaws and in the Board of Directors Regulations, and will be construed in the most favorable way to its independent performance. The Committee will have, at least, the following competences:
  - a) To inform the General Meeting on the issues that may arise on matters that fall within its competence and, in particular, on the result of the audit, explaining how it has contributed to the integrity of the financial information and the functions carried out by the Committee in the process.
  - b) To oversee the effectiveness of the company's internal control, internal audit and risk management systems, as well as to discuss with the account auditors the relevant weaknesses of the internal control system detected in the course of the audit, all of that without damage to its independence. For those purpose, they may submit recommendations or proposals to the Board of Directors and the corresponding term for their monitoring.
  - c) To oversee the process of preparation and presentation of the regulated financial information and to submit recommendations or proposals to the Board of Directors, aimed at safeguarding its integrity.
  - d) To submit to the Board of Directors proposals for the selection, appointment, re-election and replacement of the account auditor, being responsible for the selection process, in accordance with the applicable regulations, as well as for the conditions of the hiring and for obtaining periodically from it information on the audit plan and its execution, in addition to preserving its independence in the performance of its functions.
  - e) To establish the appropriate relations with the account auditors in order to receive information, for examination by the Committee, on any matter that may entail a threat to the auditors' independence and on any other matters related to the development of the

account auditing, and, when necessary, the authorization of services different from those prohibited, in the terms established in the applicable regulations, as well as to receive any other communications provided for in audit legislation and standards. In any event, the Committee must receive on an annual basis from the account auditors a written statement of their independence with regard to the company or entities directly or indirectly related to it, as well as information on the additional services of any kind provided to those entities by the mentioned auditors, or by people or entities linked to the auditor in accordance with the regulations on the audit account activity.

- f) On an annual basis, prior to the issue of the account audit report, to issue a report expressing an opinion on whether the independence of the account auditors or audit firms is compromised. This report must assess, in any event, the provision of each and any of the additional services referred to in the previous paragraph.
  - g) To inform the Board of Directors in advance on all matters provided for in the law, Bylaws or Board Regulations, and specifically on the financial information that the Company must disclose periodically, on the creation or acquisition of shares in special-purpose entities or in entities domiciled in countries or territories considered tax havens, and on related-parties transactions.
4. The Audit and Regulatory Compliance Committee will meet, at least, four times a year, and as often as called by its Chairman, whenever he deems it is necessary or whenever required by resolution of the said Committee or requested by two of its members.
  5. Through its Chairman, the Audit and Regulatory Compliance Committee will inform the Board of Directors, at least, twice a year.
  6. The Board of Directors Regulations will develop and complete the rules above. In those aspects not covered by the law, Bylaws or the Board Regulations, the operation of the Committee will be additionally governed by the regulations related to the Board of Directors, as long as they are compatible with the nature of the Committee and with its independent performance.

#### **Article 26. Risk Committee**

1. The Risk Committee will be composed of a minimum of three and a maximum of five members, all of them without executive functions in the Institution, and having the adequate knowledge, capacity and expertise to fully understand and control the risk strategy and the Institution's risk appetite. At least one third of the Risk Committee members and, in any case, the Chairman, will be independent directors.
2. Without prejudice to the duties assigned by the law, the Bylaws or, in accordance with, the Board of Directors Regulations, the Risk Committee will have, among other, the following duties:
  - a) To advise the Board of Directors on the global risk appetite, current and future, of the Institution and its strategy in this regard, and to assist the Board in overseeing the implementation of the mentioned strategy.

- b) To assess whether the prices for assets and liabilities offered to customers take full account of the business model and risk strategy of the institution. If the Committee notices that prices do not reflect risks properly in accordance with the business model and the risk strategy, it shall submit a correction plan to the Board of Directors.
  - c) To determine, together with the Board of Directors, the nature, amount, format and frequency of the information on risks to be received by the Committee itself and by the Board of Directors.
  - d) To collaborate to establish rational remuneration policies and practices. For that purpose, the Risk Committee shall assess, without prejudice to the duties of the Remuneration Committee, whether the foreseen incentive policy takes account of risks, capital, liquidity, probability and timing of profits.
3. In those cases not provided for in the present Bylaws, the Board of Directors Regulations will govern the quantitative and qualitative composition of the Risk Committee, as well as its rules of operation, internal regime and the code of conduct of its members.

#### **Article 27. Appointments Committee**

1. The Appointments Committee will be composed of a minimum of three and a maximum of five members, all of them without executive functions in the Institution. At least two of them and, in any case, the Chairman, will be independent directors.
2. The members of the Appointments Committee shall be appointed by the Board of Directors taking into account the knowledge, expertise and skills required for the functions to be carried out.
3. Without prejudice to other functions assigned by the law, the Company Bylaws or, in accordance with them, the Board of Directors Regulations, the Appointments Committee shall have, among other, the following functions: the assessment of competencies, knowledge and expertise required in the Board, the definition of the functions and skills to be fulfilled by the candidates to cover each vacancy, and the assessment of the dedication for the good performance of their duties. The Committee shall also establish a target of representation for the less present gender in the Board of Directors and shall prepare guidelines on how to reach the said target.
4. The Board Regulations shall govern and develop the composition, the operation and the competences of the Appointments Committee.

#### **Article 27 bis. Remuneration Committee**

1. The Remuneration Committee will be composed of a minimum of three and a maximum of five members, all of them without executive functions in the Institution. At least two of them and, in any case, the Chairman, will be independent directors.

2. The members of the Remuneration Committee shall be appointed by the Board of Directors taking into account the knowledge, expertise and skills required for the functions to be carried out.
3. Without prejudice to other functions assigned by the law, the Company Bylaws or, in accordance with them, the Board of Directors Regulations, the Remuneration Committee shall have, among other, the following functions: to ensure observance of the remuneration policy established by the company, as well as to propose to the management body the remuneration policy for directors, senior managers, risk-taking employees, employees which exercise control functions or other similar categories, the individual remuneration of executive directors and other basic contractual conditions of senior managers, risk-taking employees, employees which exercise control functions or other similar categories, in accordance with the general laws for companies and with those specific for credit institutions. It will also prepare a specific report accompanying the proposal of the Board of Director's remuneration policy.
4. The Board of Directors Regulations will govern and develop the composition, operation and competences of the Remuneration Committee.

#### **Article 28. Liability of directors**

1. Directors shall be liable to the Company, to the shareholders, and to the Company's creditors for any damage they may cause by acts or omissions contrary to law or to the bylaws or by any acts or omissions contrary to the duties inherent in the exercise of their office.
2. Damage will be jointly and severally liable, except those members who can prove that, not having participated in the adoption and execution of such act or resolution, they were unaware of its existence, or, if aware of it, did everything that was appropriate to avoid the damage caused, or at least expressly opposed it.
3. Under no circumstances shall the fact that the act or resolution causing damage was approved, authorized or ratified by the General Meeting be considered grounds for a release from liability.

#### **Article 29. Remuneration of directors**

1. The position of director is remunerated. The remuneration policy for Board Members shall be subject to approval by the Annual General Meeting on the same terms as those established for listed companies.
2. The remuneration of directors due to their role as such shall be composed of a fixed remuneration and of attendance fees for the meetings of the Board of Directors and its Committees. The maximum annual aggregate remuneration amount that all Directors receive due to their role as such shall be approved by the General Meeting and shall remain unchanged until its modification is approved. The distribution of the remuneration among the different directors shall be responsibility, within the limits set in the policy for the remuneration of directors approved by the General Meeting, of the Board of Directors in the way that it determines, and it will take into account the duties and responsibilities allocated to each Director, their participation in Board Committees, the attendance to the meetings of the Board

of Directors and its Committees and other objective circumstances which may be deemed relevant.

3. Executive Directors shall be entitled, too, to receive remuneration composed of: (a) a fixed part, adapted to the services and responsibilities assumed; (b) a variable part, correlated to any indicator of the performance of the Director and the Company; (c) an assistance part, covering the appropriate welfare and insurance systems; and (d) compensation in case of separation or any other way of termination of the legal relationship with the Company and which shall not be due to non-compliance attributable to the Director; all of that in accordance with the terms and conditions established in the corresponding contract that the executive director signs with the Company, according to the regulations in force.

Determination of the amount of the remuneration items comprising the fixed part, the manner of configuring and indicators for calculation of the variable part, the assistance provisions, and the compensation or the criteria for calculation thereof, also corresponds to the Board of Directors, taking into account the remuneration policy.

4. Executive directors, as a part of the variable remuneration system determined by the Board of Directors in accordance with the remuneration policy applicable from time to time, shall be entitled to be remunerated by the delivery of shares or stock options, or by remuneration linked to the value of shares.

The application of any of these remuneration modalities shall be previously agreed by the General Meeting of Shareholders, which shall determine the maximum number of shares that may be granted in each financial year, the strike price or the system for calculation of the strike price of stock options, the value of shares which, if applicable, will be considered as reference, and the period of duration of the plan.

5. Additionally, the Board Members shall be entitled to the reimbursement of any reasonable expense duly justified and directly related to the exercise of their position of Directors.
6. The Company shall take out a liability insurance for its Directors in the usual conditions and proportional to the circumstances of the Company itself.
7. In any case, the remunerations of the members of the Company's governing bodies shall be adjusted to the provisions which, on that matter, are established in the company and banking regulations.

## **TITLE IV**

### **Other provisions**

#### **CHAPTER I**

#### **Financial year, annual accounts and dividends**

##### **Article 30. Financial year and annual accounts**

1. The financial year will correspond to the natural year, starting on 1 January and ending on 31 December of each year.
2. Within a maximum term of three months after the close of each financial year, the Board of Directors will prepare the annual accounts, the management report, the proposal for allocation of profits and, if applicable, the consolidated accounts and management report.
3. The Board of Directors will arrange for definitive preparation of the accounts, in a manner that will not result in exceptions by the account auditor. Nevertheless, when the Board considers that it must maintain its position, it will publicly explain, through the Chairman of the Audit and Regulatory Compliance Committee, the content and scope of the discrepancy and will try for the auditor to explain the maintenance of its exceptions.
4. The annual accounts and the management report of the Company must be reviewed by the account auditor, appointed by the General Meeting prior to the end of the financial year to be audited, for a specified term that may not be less than three or more than nine years after the beginning date of the first financial year to be audited. The auditor may be re-elected by the General Meeting according to the applicable regulations.

#### **Article 31. Approval and filing of the annual accounts**

1. The Company will prepare the annual accounts, which will include its own individual accounts and the Group's consolidated accounts.
2. The annual accounts will be submitted for approval by the Annual General Meeting.
3. Once the annual accounts have been approved, the General Meeting will resolve regarding the allocation of profits for the financial year.
4. If the General Meeting resolves to distribute dividends, it will determine the time and form of payment. It may also delegate this determination to the management body.

The General Meeting, or the Board of Directors in the case of interim dividends, may agree the distribution of dividends, or of the share premium, in kind, provided that the goods or securities to be distributed are homogeneous and liquid and subject, when applicable, to the prior authorization by the competent supervisor, in accordance with the applicable regulations. The liquidity requirements will be deemed to be met when the securities are admitted to trading on an official market in the moment of effectiveness of the distribution agreement, will be within the next year, or when the Company provides the appropriate liquidity guarantees. The regulation in this paragraph will also be applicable to the refund of contributions in cases of share capital reduction.

- 4.5. Within the month after approval of the annual accounts, the managers will present the said accounts for filing with the Companies Register of the registered office, in accordance with the regulations in force.

## **CHAPTER II**

## **Annual Corporate Governance Reports and Remuneration Report. Website**

### **Article 32. Annual Corporate Governance Report**

1. The Board of Directors will approve an annual corporate governance report, whose content will be adapted to the legal provisions and regulatory requirements on its development.
2. The annual corporate governance report will be included in the management report, in a separated section.
3. The annual corporate governance report will be made available to the shareholders at the Company's website not later than the publication date of the call for the Annual General Meeting to resolve on the previous year annual accounts the mentioned report makes reference to.

### **Article 33. Annual report on remunerations**

1. Together with the annual Corporate Governance report, the Board of Directors will prepare and make available to the shareholders an annual report on the remunerations of the Board members. This will include comprehensive, clear and easy to understand information on the company remuneration policy for the year and, if applicable, the expected remuneration policy for future years. It will also include a global summary on how the remuneration policy was applied during the financial year, as well as a breakdown of the individual remunerations received by each one of the Board Members.
2. This report will be disclosed in the same terms as the annual corporate governance report and will be subject to voting, with consultative nature, and as a separated item on the agenda, in the Annual General Shareholders' Meeting.

### **Article 34. Website**

The Company will have a corporate website, whose content will be determined by the Board of Directors, in accordance with the legal and regulatory provisions that may be applicable.

## **CHAPTER III**

### **Dissolution and liquidation**

#### **Article 35. Dissolution of the Company**

The Company will be dissolved in the cases and subject to the requirements contemplated in the applicable legislation.

#### **Article 36. Liquidation**

1. The Company having been dissolved, all members of the Board of Directors with appointments in force and registered in the Companies Register, will become liquidators by law, composing the Liquidation Commission, unless the General Meeting has appointed other liquidators in the dissolution resolution.

2. In the case of conversion foreseen in section 1 above, the Chairman of the Board of Directors will become the chairman of the Liquidation Commission.
3. If the number of directors is not odd, the youngest director will not become a liquidator.

**Article 37. Representation of the dissolved Company**

1. In case of dissolution of the Company, the representation power will be vested in the liquidation body, composed by the liquidators described in Article 36 above, which will act collectively.
2. The Chairman of the Liquidation Commission will have the power to represent the dissolved Company.

**Article 38. Payment of the liquidation share**

The liquidation share will be paid to the shareholders, in whole or in part, in assets or rights originally contributed by each shareholder, on the terms established by the General Meeting.

**Article 39. Remaining assets and liabilities**

If, the Company having been extinguished and its entries in the Companies Register having been cancelled, new corporate assets or liabilities appear, the provisions of applicable legislation will apply.

**CHAPTER IV**

**Other provisions**

**Article 40. Additional regulations**

Any other subject not covered by the present Bylaws will be subject to that established in the Spanish Companies Act (Ley de Sociedades de Capital) in force and in other supplementary regulations, especially in those regulating the banking activity, where applicable.

**Transitional Provision**

With regard to Article 17.1 of the present bylaws, the term of office of the members of the Board of Directors in force as at the approval by the General Meeting of the corresponding statutory amendment will maintain its term of four years, applying only the three-year term for re-elections approved after that date.