

Information on the procedures laid down to ensure the suitability of the staff referred to in the rule 30 of the Circular 2/2016, of 2 February, of the Bank of Spain, as well as on the mechanisms to comply with the rules on incompatibilities.

The Board of Director, prior favorable report by the Appointments Committee, approved in July 2018 a “Policy for the Assessment of the Suitability of the Members of the Board of Directors, General Directors and Similar Offices and other Key Staff in the Development of the Financial Activity of Unicaja Banco, S.A.” (hereinafter, the Suitability Policy). This document replaces and supersedes the policy approved in November 2016, which, in turn, replaced the one approved in July 2013.

REQUIREMENTS

The initial and the ongoing suitability assessment of the members of the “Subject Group” (*Colectivo Sujeto*: Members of the Board of Directors, General Directors and Similar Offices and other Key Staff in the development of the financial activity) is based on the criteria of commercial and professional good repute, honesty and integrity, as well as on the suitable knowledge, experience and competencies required to perform their duties. Additionally, the members of the Board of Directors must act, in particular, with independence of mind to assess and discuss effectively the decisions of the management body in its management functions and other relevant managerial decisions when necessary, as well as to supervise and oversee effectively the management decision-making. The Institution carries out its due diligence prior to the appointment and also on an ongoing basis, what involves that it provides the competent supervisory authorities with all the information necessary for the suitability assessment.

When assessing the suitability of an individual Board member, the Board’s collective suitability is also assessed and, when applicable, that of the collective composition of its specialized Committees. In particular, it will be assessed what knowledge, competencies and experience the candidate brings to the collective suitability of the Board.

The Institution informs without delay to the competent authorities of any significant shortcoming identified concerning any of the members of the Board of Directors and its collective composition.

The assessment for a specific post takes into account the assessment of the knowledge, competencies, experience and sufficient time commitment required for that specific post.

Commercial and professional repute. Honesty and integrity

All the members of the Institution’s Subject Group are persons of recognized commercial and professional repute.

Commercial and professional repute concurs in those persons who have shown a personal, commercial and professional conduct that casts no doubt on their ability to pursue sound and prudent management of the Institution.

In particular, the members of the Board of Directors are at all times of good repute and have honesty and integrity to ensure the sound and prudent management of the Institution. An appointee is of good repute if there is no evidence to suggest otherwise and no reason to have reasonable doubt about his or her good repute.

Knowledge, experience and competencies

The members of the Subject Group shall have the appropriate knowledge and experience, as well as the competencies and skills required to perform their duties.

It will be considered that they have the appropriate knowledge and experience to perform their duties in the Institution those persons who have received education of the appropriate level and profile, as well those who have gained professional experience from their previous positions and over sufficient periods of time, all of which must allow to understand the Institution's activities and main risks.

The members of the Subject Group must also have the personal and organizational competencies required to perform their duties.

Readiness to exercise good governance

The members of the Board of Directors must be ready to exercise good governance of the Institution and have the capacity to act with independent judgment and formal independence.

Within the framework of the Board of Directors' overall responsibility, the independent members must play a key role in enhancing the effectiveness of checks and balances within the Company, improving the oversight of management decision-making and ensuring that the interests of all stakeholders are appropriately taken into account in the discussions and decision making of the Board, that no individual or small group of members dominates decision-making, and that conflicts of interest are appropriately managed.

Overall composition of the Board of Directors

In addition to the individual assessment of each candidate or Director, the Appointments Committee analyzes periodically the overall composition of the Board of Directors to ensure that it collectively has sufficient knowledge, experience and competencies in the governance of credit institution to understand appropriately the Institution's activities, including its main risks, and to ensure the effective capacity of the Board of Directors to make independent and autonomous decisions to the benefit of the Company.

The collective assessment of the Board differentiates expressly the management functions from the oversight functions.

The collective assessment of the Board's suitability takes into account the result of individual assessments and vice-versa. However, the eventual shortcomings identified in the overall composition of the Board of Directors or its Committees do not necessarily conclude that a certain member is not suitable on an individual basis.

The Appointments Committee shall ensure that the procedures to select Board members promote diversity of experience and knowledge, facilitate the selection of Board members of the underrepresented gender and, in general, do not have implicit bias that may involve discrimination.

PROCEDURES

Assessment by the Institution

The assessment of the members of the Subject Group takes place upon new appointment or renewal of positions and whenever circumstances occur that, according to the regulations and to the provisions of the Suitability Policy, make it advisable to reassess the suitability of the current members.

The Institution will create a file for each member of the Subject Group, including the information used for his/her suitability assessment, as well as the outcome of the said assessment and updates. The previous documentation will be at the disposal of the competent supervisory authority.

Reassessment procedure

The Appointments Committee performs a periodic reassessment of the Board suitability at least annually, and it documents its outcome.

The reassessment due to a specific circumstance shall focus on the situation or circumstances that caused it, therefore those aspects which have not changed may be omitted in the assessment development. The competent authorities will be informed at least annually of any collective suitability reassessment, provided that reassessments have been made due to the existence of significant changes.

Individual reassessment and Collective reassessment of the Board of Directors:

The Institution shall start an individual reassessment procedure or, if applicable, of the Board of Directors as a whole, in those cases included in the Suitability Policy. For that purpose, the Appointments Committee shall consider the common criteria set forth in the said Policy.

Result and implications

If the result of the internal **assessment** of the candidate to Board member is **favourable** and, therefore, the candidate is considered suitable for the proposed post or position, it will be subject to the authorization by the competent supervisory authorities.

Incompatibilities

The Institution verifies that the incompatibilities regime provided for in the Spanish Law 10/2014, Royal Decree 84/2015 and Bank of Spain Circular 2/2018 is not breached.