

RULES AND REGULATIONS OF THE BOARD OF DIRECTORS OF BANCO SANTANDER, S.A.

CHAPTER I.	INTRODUCTION.....	3
ARTICLE 1.	PURPOSE	3
ARTICLE 2.	INTERPRETATION	3
CHAPTER II.	MISSION OF THE BOARD OF DIRECTORS	3
ARTICLE 3.	MANAGEMENT AND SUPERVISORY POWERS	3
ARTICLE 4.	POWERS OF REPRESENTATION	7
ARTICLE 5.	CREATION OF VALUE AND RESPONSIBLE BANKING	7
CHAPTER III.	COMPOSITION OF THE BOARD OF DIRECTORS	7
ARTICLE 6.	QUALITATIVE COMPOSITION	7
ARTICLE 7.	QUANTITATIVE COMPOSITION	9
CHAPTER IV.	STRUCTURE OF THE BOARD OF DIRECTORS.....	10
ARTICLE 8.	CHAIRMAN OF THE BOARD OF DIRECTORS	10
ARTICLE 9.	VICE CHAIRMAN OF THE BOARD	10
ARTICLE 10.	REPLACEMENT OF THE CHAIRMAN IN THE EVENT OF ABSENCE	10
ARTICLE 11.	CHIEF EXECUTIVE OFFICER	11
ARTICLE 12.	SECRETARY OF THE BOARD.....	11
ARTICLE 13.	VICE SECRETARY OF THE BOARD	11
ARTICLE 14.	THE LEAD DIRECTOR	12
CHAPTER V.	COMMITTEES.....	12
ARTICLE 15.	COMMITTEES OF THE BOARD OF DIRECTORS	12
ARTICLE 16.	EXECUTIVE COMMITTEE	13
ARTICLE 17.	AUDIT COMMITTEE.....	14
ARTICLE 18.	APPOINTMENTS COMMITTEE	19
ARTICLE 19.	REMUNERATION COMMITTEE	23
ARTICLE 20.	RISK SUPERVISION, REGULATION AND COMPLIANCE COMMITTEE.....	25
ARTICLE 21.	RESPONSIBLE BANKING, SUSTAINABILITY AND CULTURE COMMITTEE.....	29
ARTICLE 22.	INNOVATION AND TECHNOLOGY COMMITTEE.....	31
ARTICLE 23.	INTERNATIONAL ADVISORY BOARD	33
CHAPTER VI.	OPERATION OF THE BOARD OF DIRECTORS	33
ARTICLE 24.	MEETINGS OF THE BOARD OF DIRECTORS	33
ARTICLE 25.	CONDUCT OF THE MEETINGS.....	34
CHAPTER VII.	DESIGNATION, RE-ELECTION, RATIFICATION AND CESSATION OF DIRECTORS	35
ARTICLE 26.	APPOINTMENT, RE-ELECTION AND RATIFICATION OF DIRECTORS. DESIGNATION OF MEMBERS OF THE COMMITTEES OF THE BOARD. APPOINTMENT TO POSITIONS ON THE BOARD OF DIRECTORS AND ITS COMMITTEES	35
ARTICLE 27.	TERM OF OFFICE.....	36
ARTICLE 28.	CESSATION IN OFFICE OF DIRECTORS	36
ARTICLE 29.	SUCCESSION PLAN FOR MEMBERS OF THE BOARD AND OTHER SIGNIFICANT POSITIONS	37
ARTICLE 30.	RESOLUTIONS RELATING TO DIRECTORS	38
CHAPTER VIII.	INFORMATION TO DIRECTORS.....	38
ARTICLE 31.	POWERS OF INFORMATION AND INSPECTION.....	38
ARTICLE 32.	EXPERT ASSISTANCE TO DIRECTORS.....	38
CHAPTER IX.	DIRECTOR REMUNERATION.....	39
ARTICLE 33.	DIRECTOR REMUNERATION	39
ARTICLE 34.	APPROVAL OF THE DIRECTOR REMUNERATION POLICY	40

ARTICLE 35.	INFORMATION ON DIRECTOR REMUNERATION.....	41
CHAPTER X.	DUTIES OF A DIRECTOR	42
ARTICLE 36.	DUTIES OF A DIRECTOR	42
CHAPTER XI.	RELATIONS ESTABLISHED BY THE BOARD OF DIRECTORS	45
ARTICLE 37.	RELATIONS WITH THE SHAREHOLDERS	45
ARTICLE 38.	RELATIONS WITH INSTITUTIONAL INVESTORS AND PROXY ADVISERS.....	46
ARTICLE 39.	RELATIONS WITH SUPERVISORY AUTHORITIES	46
ARTICLE 40.	RELATED-PARTY TRANSACTIONS.....	46
ARTICLE 41.	RELATIONS WITH THE MARKETS	47
ARTICLE 42.	RELATIONS WITH THE EXTERNAL AUDITOR	47

Chapter I. INTRODUCTION

Article 1. Purpose

The purpose of these rules and regulations is to establish the rules of operation and internal organisation of the board of directors by way of further development of the applicable legal and bylaw provisions, setting forth the principles that are to govern all action taken by the board and the rules of behaviour to be observed by its members.

Article 2. Interpretation

The board of directors shall interpret these rules and regulations pursuant to the provisions of law and the Bylaws and the good governance principles and recommendations that apply at any time.

Chapter II. MISSION OF THE BOARD OF DIRECTORS

Article 3. Management and supervisory powers

1. Except as regards matters that fall within the exclusive purview of the shareholders acting at a general shareholders' meeting, the board of directors is the highest decision-making body of the Company.
2. Without prejudice to the foregoing, the policy adopted by the board consists of delegating the day-to-day management of the Company and the implementation of its strategy to the executive bodies and the management team and focusing its activity on the general supervisory function, assuming and discharging per se, without the power of delegation, the responsibilities entailed in this function as provided by law, the Bylaws, and these rules and regulations, and particularly those set forth below:
 - (a) Approval of the general policies and strategies of the Company, and the supervision of their application, including, without limitation:
 - (i) strategic or business plans, management objectives and annual budget;
 - (ii) investment and financing policy;
 - (iii) capital and liquidity strategy and policy;
 - (iv) tax strategy;
 - (v) dividend and treasury stock policy;
 - (vi) policy for approving new products, business activities and services;
 - (vii) policy on corporate governance and internal governance of the Company and its Group, including the definition of its organisational structure, which should favour the effective and prudent management of the Company and its Group and the effective supervision and management of all risks and ensure that the internal control functions (risk, compliance and internal audit) are independent of the business lines and can effectively perform their role;

In addition, and in relation to defining and overseeing the structure of the Group of companies of which the Company is the controlling entity, the board will ensure that it is in line with the business strategy and the risk appetite and strategy, and will establish mechanisms to ensure that all entities that make up the Group know their place within these strategies and have governance rules, policies and procedures in place which are in line with those established by the board of directors for the whole Group.

- (viii) policy on outsourcing of services or activities;
- (ix) policy on control and management of risks, including tax risks;

In relation to exercising its responsibility for risk management, the board of directors shall:

- (1) spend sufficient time considering risk related issues. In particular, it will actively participate in the management of all substantial risks laid down in solvency laws, it will ensure that appropriate resources are assigned for risk management, and it will be involved in asset valuation, the use of external credit ratings and the internal models regarding such risks; and
- (2) approve and periodically review risk culture and the framework of risk appetite of the Company and its Group, including the corresponding strategies and policies on risk assumption, management, supervision and reduction of the risks that the entity is or could be exposed to, even those arising in the macroeconomic situation in which it operates in relation to the phase of the economic cycle, ensuring that said culture, strategies and policies are aligned with the corporate governance and internal governance systems, strategic, capital and financing plans and with remuneration policies and are communicated and known by the employees.

To that end, the board of directors will determine, along with the risk supervision, regulation and compliance committee, the nature, the quantity, the format and the frequency of the information on risks that they should receive and it will be able to access any risk-related information, including information about non-compliance with the established risk limits and about recommendations and proposed measures for its redress;

- (x) remuneration policies for the personnel of the Company and its Group;
- (xi) corporate culture and values, including strategy on responsible business and sustainability;
- (xii) regulatory compliance policy, including the approval of codes of conduct, the conflict of interest policy, as well as the adoption and implementation of organisational and management models that include appropriate measures for oversight and control in order to prevent crimes or significantly reduce the risk of commission thereof (criminal risk prevention model). The board shall also ensure that these policies and codes are duly communicated to and known by staff.

- (b) Approval of policies for the provision of information to and for communication with shareholders, markets and public opinion, and supervision of the process of dissemination of information and communications relating to the Company. The board assumes the duty to promptly provide the markets with accurate and reliable information, especially in connection with the shareholding structure, any substantial amendments to the rules of governance, related-party transactions of particular importance and treasury stock.
- (c) Approval of the financial information that the Company must make public on a periodic basis based on its status as a listed company.
- (d) Preparation of the annual accounts and presentation to the general shareholders' meeting.
- (e) Supervision and assurance of the integrity of the internal information and control systems and of the accounting and financial information systems, including operational and financial control and compliance with applicable law.
- (f) Upon a proposal from the audit committee, approval of the proposal of direction and the annual work programme for internal audit, ensuring that internal audit activities are primarily focused on the Company's significant risks, and supervision of the implementation of this annual programme, after the prior involvement of the audit committee and the risk supervision, regulation and compliance committee.
- (g) Calling the general shareholders' meeting and preparing the agenda and proposed resolutions.
- (h) Approval of investments or transactions of any kind that, due to their elevated amount or special features, are strategic in nature or entail a significant tax risk, unless such approval must be given by the shareholders at a general shareholders' meeting, pursuant to the provisions of article 20 of the Bylaws.
- (i) Authorisation for the creation or acquisition of interests in special purpose entities or entities registered in countries or territories considered to be tax havens, and any other transactions or operations of a similar nature that, due to the complexity thereof, might impair the transparency of the Company and its Group.
- (j) Determination of its organisation and operation and, specifically, approval and amendment of these rules and regulations.
- (k) Oversight, control and periodic evaluation of the effectiveness of the corporate governance and internal governance system and of the regulatory compliance policies, as well as adoption of appropriate measures to remedy any deficiencies thereof.
- (l) Design and supervision of the director selection policy, which shall include the diversity policy and objectives and the suitability policy, and of the succession plan for the directors (including those applicable to the chairman and to the chief executive officer) and for the other members of senior management, pursuant to the provisions of article 29 of these rules and regulations.

- (m) Selection, appointment on an interim basis (co-option) and continued evaluation of directors.
- (n) Selection, appointment and, if applicable, removal of the other members of senior management and heads of the internal control functions and other key positions at the Company, as well as effective supervision thereof through oversight of the management activity and continued evaluation of such officers.
- (o) Approval of the remuneration to which each director is entitled, within the framework of the provisions of the Bylaws and of the director remuneration policy approved by the shareholders at the general shareholders' meeting.
- (p) Approval of the contracts governing the performance by directors of duties other than those inherent in their capacity as such and the remuneration to which they are entitled for the performance of additional duties other than the duties of supervision and collective decision-making that they discharge in their capacity as mere members of the board.
- (q) Definition of the basic conditions of senior management contracts, as well as approval of the remuneration of the latter and the key elements of the remuneration of those other officers or employees who, although not part of senior management, assume risks or are assigned to the Company's control functions (i.e., internal audit, risk or compliance) or receive a global remuneration that takes them on the same remuneration bracket as senior managers and risk takers and whose professional activities have a material impact on the Group's risk profile (all of whom comprise, together with senior management and the Company's board of directors, the "**Identified Staff**", which will be defined at any given time in accordance with applicable regulations).
- (r) Approval of related-party transactions in accordance with the provisions of article 40 of these rules and regulations, except in cases in which such power is legally vested in the shareholders acting at a general meeting.
- (s) Authorisation or waiver of the obligations arising from the duty of loyalty provided for in article 36 of these rules and regulations, except in cases in which such power is legally vested in the shareholders acting at a general meeting.
- (t) Preparation of any kind of report required of the board of directors by law, as long as the transaction covered by the report may not be delegated.
- (u) Exercise of such powers as the shareholders acting at a general meeting have delegated to the board of directors, unless the shareholders have expressly authorised the board to delegate them in turn.
- (v) And those specifically provided for in these rules and regulations.

The powers set out in points (a)(vii) second paragraph (only where related to transactions that do not need a report from the audit committee pursuant to article 17.4.(h) below), (c), (h), (i), (j) and (r) above may be exercised by the executive committee whenever advisable for reasons of urgency, with a subsequent report thereof to the board for ratification, at the first meeting thereafter held by it.

Article 4. Powers of representation

1. The power to represent the Company, in court and out of court, is vested in the board of directors acting collectively.
2. The chairman of the board also has the power to represent the Company.
3. The secretary of the board and the vice secretary, if any, have the necessary representative powers to convert shareholder and board resolutions into public instruments and to apply for registration thereof.
4. The provisions of the preceding paragraphs are without prejudice to any other powers of attorney, whether general or special, that may be granted.

Article 5. Creation of value and responsible banking

The board of directors and its representative bodies shall exercise their powers and, in general, perform their duties of office in furtherance of the corporate interest, understood as the achievement of a business that is profitable and sustainable over the long term and that promotes the continuity thereof and the maximisation of the Company's value.

The board of directors shall also ensure that the Company faithfully complies with applicable law, respects the uses and good practices of the industries or countries where it carries out its activities and observes the principles of sustainability and the responsible business practices that it has voluntarily accepted, taking into consideration the legitimate interests of the shareholders, employees, clients and society as a whole, to the extent applicable.

Chapter III. COMPOSITION OF THE BOARD OF DIRECTORS

Article 6. Qualitative composition

1. In exercising its powers to make proposals at the general shareholders' meeting and to designate directors by interim appointment to fill vacancies (co-option), the board of directors shall endeavour to ensure that the external or non-executive directors represent a wide majority over the executive directors and that the former include a reasonable number of independent directors. In addition, the board of directors shall aim at the number of independent directors representing at least half of all directors.

The board of directors shall ensure that the procedures for selection of its members provide for individual and collective suitability and skills of the directors, favour diversity of gender, experiences and expertise, are free from any implied bias entailing any kind of discrimination and, in particular, that they favour the selection of female directors.

2. For purposes of the provisions of the Bylaws and of these rules and regulations:
 - (a) Those who perform management duties within the Company or the Group, whatever their legal relationship therewith, shall be considered executive directors. For clarification purposes, the following directors shall be included in this category: the chairman, the chief executive officer, and all other directors who perform management or decision-making duties in connection with any part of the business of the Company or the Group other than the duties of supervision and collective

decision-making falling upon the directors, either through the delegation of powers, stable proxy-granting, or a contractual, employment or services relationship.

If a director performs management duties and, at the same time, is or represents a significant shareholder or one that is represented on the board of directors, the director shall be considered an executive director.

- (b) External or non-executive directors who hold or represent shareholdings equal to or greater than that legally considered as significant, or those who have been appointed due to their status as shareholders despite their shareholdings not reaching the threshold to be considered significant, as well as those who represent any of such shareholders, shall be considered proprietary directors (*consejeros dominicales*).
- (c) External or non-executive directors who have been appointed based on their personal or professional status and who perform duties not conditioned by relationships with the Company or its Group or with the significant shareholders or management thereof shall be considered independent directors.

In no event may directors be classified as independent directors if they:

- (i) Have been employees or executive directors of companies within the Group, except after the passage of 3 or 5 years, respectively, since the end of such relationship.
- (ii) Receive from the Company or from another Group company any amount or benefit other than as director remuneration, unless it is immaterial for the director.

For purposes of the provisions of this subsection, neither dividends nor pension supplements that a director receives by reason of the director's prior professional or employment relationship shall be taken into account, provided that such supplements are unconditional and therefore, the company paying them may not discretionarily suspend, modify or revoke the accrual thereof without breaching its obligations.

- (iii) Are, or have been during the preceding 3 years, a partner of the external auditor or the party responsible for auditing the Company or any other Group company during such period.
- (iv) Are executive directors or senior officers of another company in which an executive director or senior officer of the Company is an external director.
- (v) Maintain, or have maintained during the last year, a significant business relationship with the Company or with any Group company, whether in their own name or as a significant shareholder, director or senior officer of an entity that maintains or has maintained such relationship.

Business relationships shall be considered the relationship of a provider of goods or services, including financial services, and that of an adviser or consultant.

- (vi) Are significant shareholders, executive directors or senior officers of an entity that receives, or has received during the preceding 3 years, donations from the Company or the Group.

Those who are merely members of the board of a foundation that receives donations shall not be considered included in this item.

- (vii) Are spouses, persons connected by a similar relationship of affection, or relatives to the second degree of an executive director or senior officer of the Company.
- (viii) Have not been proposed, whether for appointment or for renewal, by the appointments committee.
- (ix) Have been directors for a continuous period that exceeds 12 years.
- (x) Are, as regards a significant shareholder or shareholder represented on the board, in one of the circumstances set forth in items (i), (v), (vi) or (vii) of this subsection 2(c). In the event of a kinship relationship as set forth in item (vii), the limitation shall apply not only with respect to the shareholder, but also with respect to the proprietary directors thereof in the affiliated company.

Proprietary directors who lose such status as a result of the sale of its shareholding by the shareholder they represent may only be re-elected as independent directors if the shareholder they have represented until then has sold all its shares in the Company.

A director who owns an equity interest in the Company may have the status of independent director provided that the director meets all the conditions set out in this paragraph 2 (c) and, in addition, the shareholding thereof is not significant.

3. The board shall specify the status of each director at the general shareholders' meeting wherein the appointment thereof is to be made or ratified, which shall be so reflected in the minutes prepared for appropriate legal purposes. Furthermore, such status shall be reviewed on an annual basis by the board of directors, following verification by the appointments committee, and disclosed in the annual corporate governance report.

Article 7. Quantitative composition

1. The board of directors shall be composed of such number of directors as the shareholders acting at a general shareholders' meeting may determine within the limits established in the Bylaws, whether directly, or indirectly by the resolutions adopted at a general shareholders' meeting whereby directors are appointed or their appointment is revoked.
2. The board shall submit a proposal at the general shareholders' meeting setting forth the number of directors that, in view of the changing circumstances affecting the Company, is deemed to be most appropriate to ensure a proper degree of representation and the effective operation of the board.

Chapter IV. STRUCTURE OF THE BOARD OF DIRECTORS

Article 8. Chairman of the board of directors

1. The chairman of the board of directors shall be chosen from among the members of this management decision-making body, upon a prior reasoned proposal of the appointments committee.
2. The chairman shall have the duties established in article 43.2 of the Bylaws, among such other duties as may be set forth in the Bylaws or in these rules and regulations, and shall be responsible for management of the board and the efficient operation thereof.
3. The chairman shall endeavour to ensure that the directors receive sufficient information prior to the meetings and shall direct debate at the meetings of the board. In addition, he shall prepare and submit to the board of directors a schedule with dates and matters to be dealt with, shall ensure that sufficient time is devoted to the discussion of strategic issues, and shall revise the update training programmes for each director when the circumstances so advise.
4. The chairman shall organise and coordinate a periodic evaluation of the board with the chairman of the appointments committee, except when it comes to the chairman's own evaluation, which shall be organised by the lead director.
5. The chairman shall have the status of executive chairman of the Bank and shall be the highest-ranking officer of the Company. Accordingly, there shall be delegated thereto all such powers as may be delegated pursuant to the provisions of law, the Bylaws and these rules and regulations, and he shall be responsible for the duties set forth in article 48.1 of the Bylaws. The chairman may not at the same time hold the position of chief executive officer provided for in article 11 of these rules and regulations.
6. The chairman's appointment shall require the favourable vote of not less than two-thirds of the members of the board of directors.

Article 9. Vice chairman of the board

The board, upon a prior reasoned proposal of the appointments committee, shall designate one or more vice chairmen from among its members. If more than one vice chairman is appointed, at least one of them shall be external or non-executive.

The re-election of a director who holds the position of vice chairman shall entail his continuity in office as such without the need for a new appointment and without prejudice to the power of revocation held by the board of directors with respect to such position.

Article 10. Replacement of the chairman in the event of absence

In the event of absence, inability or illness of the chairman, the chairman shall be replaced by the vice chairman or vice chairmen according to their length of service on the board. However, if the lead director is one of the vice chairmen, such lead director shall be the first choice among all possible substitutes.

If there are no vice chairmen, the chairman shall be replaced by the other directors according to the numerical sequence established by the board, and the lead director shall come first in such sequence if the lead director does not hold the position of vice chairman.

If the position of chairman falls vacant, the provisions of article 29 of these rules and regulations shall apply.

Article 11. Chief executive officer

1. The board of directors shall appoint from its members a chief executive officer (*consejero delegado*), who shall be entrusted with the day-to-day management of the business, with the highest executive functions.
2. The board of directors shall delegate all its powers to the chief executive officer, except for those that may not be delegated pursuant to the provisions of law, the Bylaws or these rules and regulations.
3. The appointment of the chief executive officer shall require the favourable vote of two-thirds of the members of the board.
4. The board of directors may appoint more than one director to hold office as chief executive officer, with such powers as the board may determine.

Article 12. Secretary of the board

1. The board of directors, upon a prior report of the appointments committee, shall appoint a secretary. The secretary of the board shall always be the general secretary of the Company, without needing to be a director in order to hold such position.
2. The secretary shall assist the chairman in the duties thereof, shall see to the proper operation of the board, and shall discharge the following duties in addition to those assigned thereto by law, the Bylaws and these rules and regulations:
 - (a) Keep custody of the documentation of the board of directors, record the proceedings of meetings in minute books and attest to the content thereof and to the resolutions adopted.
 - (b) Ensure that all activities carried out by the board of directors comply with applicable law as well as with the Bylaws and other internal regulations of the Company.
 - (c) Assist the chairman in order to ensure that the directors receive all information relevant to the discharge of their duties sufficiently in advance and in the appropriate format.
 - (d) Ensure that the board of directors carries out its activities and adopts its decisions being mindful of the good governance recommendations applicable to the Company.
 - (e) Ensure observance and periodic review of the procedures and rules of governance.
3. The general secretary shall also serve as secretary of all the committees of the board.

Article 13. Vice secretary of the board

1. The board of directors, upon a prior report of the appointments committee, may appoint a vice secretary, who need not be a director, to assist the secretary of the board of directors and replace the secretary in the performance of the duties thereof in the event of absence, inability or

illness. The vice secretary so appointed will also be the vice secretary of all the committees of the board.

2. Unless otherwise resolved by the board of directors, the vice secretary may attend the meetings of the board and of the committees thereof in order to assist the secretary in the performance of the secretary's duties and the drafting of the minutes of the meeting.
3. In the event of absence or inability, the secretary and the vice secretary of the board may be replaced by a director appointed by the board itself from among the directors present at the meeting in question. The board may also resolve that any employee of the Company act as such interim replacement.

Article 14. The lead director

1. The board of directors shall appoint from among the independent directors a lead director (*consejero coordinador*), who shall be especially authorised to:
 - (a) request that a meeting of the board of directors be called or that new items be added to the agenda for a meeting of the board of directors that has already been called;
 - (b) coordinate and organise meetings of non-executive directors and reflect their concerns;
 - (c) direct the periodic evaluation of the chairman of the board of directors and coordinate the plan for succession thereof;
 - (d) maintain contact with investors and shareholders as provided by article 37 of these rules and regulations; and
 - (e) replace the chairman in the event of absence thereof as provided by article 10 of these rules and regulations.
2. The appointment of the lead director shall be made for an indefinite period, with executive directors abstaining. The position of lead director shall be compatible with the position of vice chairman if the latter has the status of independent director.

Chapter V. COMMITTEES

Article 15. Committees of the board of directors

1. Without prejudice to such powers as may be delegated individually to the chairman, the chief executive officer or any other director, or to the power of the board of directors to establish committees for specific areas of business, the board of directors may create an executive committee, to which general decision-making powers shall be delegated. If created, it shall be governed by the provisions of the Bylaws and by article 16 below.
2. In addition, an appointments committee, a remuneration committee, a risk supervision, regulation and compliance committee and an audit committee shall be established, all with supervisory, reporting, advisory and proposal-making powers in connection with such matters as are specified in the articles below and, with regard to the audit committee, with decision-making powers for the purposes of subsection 4(c)(iii) of article 17 below. The advantage of the composition of these committees not being entirely the same will be evaluated.

3. A responsible banking, sustainability and culture committee and an innovation and technology committee may also be established, with reporting, advisory and proposal-making powers in connection with matters within its scope of action. If created, they shall be governed by articles 21 and 22 below.

Article 16. Executive committee

1. The executive committee shall consist of a minimum of five and a maximum of twelve directors. The chairman of the board of directors shall also be the chairman of the executive committee.
2. The board of directors shall endeavour to ensure that the size and qualitative composition of the executive committee conform to standards of efficiency and reflect the guidelines for determining the composition of the board.
3. Any permanent delegation of powers to the executive committee and all resolutions adopted for the appointment of its members shall require the favourable vote of not less than two-thirds of the members of the board of directors.
4. The permanent delegation of powers by the board of directors to the executive committee shall include all of the powers of the board, except for those that may not be delegated under the law or which may not be delegated pursuant to the provisions of the Bylaws or of these rules and regulations.
5. The executive committee shall meet as many times as it is called to meeting by its chairman or by the vice chairman replacing him. As a general rule, the executive committee shall meet on a weekly basis, in accordance with the schedule of monthly meetings approved by the committee every year. The relevant documentation for each meeting (draft agenda, presentations, reports, past meeting minutes and other supporting documentation) shall be provided to the committee members, by mechanisms established for this purpose that ensure the confidentiality of information, 3 days in advance of the date on which the meeting is to be held, unless such deadline cannot be met due to reasons of urgency, in which case the information shall be delivered to the directors as promptly as possible.
6. Any one or more members of the management team or of the Company's personnel shall attend the meetings of the executive committee, provide the committee with their cooperation and make available thereto such information as they may have in their possession when so required, upon invitation from the chairman and under such terms as may be established thereby. Upon invitation from the chairman and under such terms as may be established thereby, any person deemed appropriate from outside the Company may also attend.
7. Meetings of the executive committee shall be validly held when more than one-half of its members are present in person or by proxy. The committee shall adopt its resolutions upon a majority vote of those present in person or by proxy. In the event of a tie, the chairman of the committee shall have the tie-breaking vote. The committee members may grant a proxy to another member, although non-executive directors may only represent another non-executive director. The resolutions of the executive committee shall be recorded in a minute book, and each set of minutes shall be signed by the chairman and the secretary.
8. All members of the board who are not also members of the executive committee may attend the meetings of such executive committee at least twice a year, for which purpose they shall be called by the chairman.

9. The executive committee, through its chairman, shall report to the board of directors on the affairs discussed and the decisions made in the course of its meetings and shall provide a copy of the minutes of such meetings to the members of the board. The supporting documentation that has been provided to the executive committee shall also be made available to all directors.

Article 17. Audit committee

1. The audit committee shall consist of a minimum of three and a maximum of nine directors, all of whom shall be independent.
2. The board of directors shall appoint the members of the audit committee taking into account their knowledge, qualifications and experience in the areas of finance, accounting, auditing, internal control, information technology, business or risk management, such that, as a whole, the audit committee has the appropriate technical knowledge regarding the Company's sector of activity.
3. The audit committee shall in any case be presided over by an independent director who is a financial expert and is therefore knowledgeable about and experienced in matters of accounting, auditing or risk management. The chairman of the audit committee shall be replaced every four years, and may be re-elected after the passage of one year from the end of his preceding term.
4. The audit committee shall have the following functions and any others provided for by applicable law:
 - (a) Have its chairman and/or secretary report to the shareholders at the general shareholders' meeting with respect to matters raised therein by shareholders regarding its powers and, specifically, regarding the results of the audit, explaining how such audit has contributed to the integrity of the financial information and the role that the committee has played in such process.
 - (b) Review the accounts of the Company and the Group, monitor compliance with legal requirements and the proper application of generally accepted accounting principles, and report on the proposals for alterations to the accounting principles and standards suggested by management.
 - (c) In connection with the Company's external auditor:
 - (i) With respect to the appointment thereof, the audit committee shall have the following powers:
 - (1) Submit to the board of directors the proposals for selection, appointment, re-election and replacement of the external auditor, assuming responsibility for the selection procedure established by applicable law, as well as the terms of the contract therewith. The committee shall favour the Group's external auditor also assuming responsibility for auditing the companies making up the Group.
 - (2) Ensure that the Company gives public notice of the change of external auditor in the form of a material fact (*hecho relevante*), attaching to such notice a statement regarding the possible existence of disagreements with the outgoing external auditor and, if any have

existed, regarding the content thereof, and in the event of resignation of the external auditor, examine the circumstances giving rise thereto.

- (ii) With respect to the conduct of the audit, the audit committee shall:
- (1) Establish appropriate relationships with the external auditor in order to receive information regarding matters that might entail a threat to its independence, for examination by the committee, as well as any other information related to the development of the auditing procedure and such other communications as are provided for in the laws on auditing of accounts and in audit regulations; serve as a channel of communication between the board and the external auditor, assessing the results of each audit and the response of the management team to its recommendations, and acting as a mediator in the event of disagreement between the board and the external auditor regarding the principles and standards to be applied in the preparation of the financial statements. Specifically, it shall endeavour to ensure that the accounts ultimately drawn up by the board are submitted to the shareholders at the general shareholders' meeting without any qualifications, pursuant to the provisions of article 42.5 below.
 - (2) Regularly gather information from the external auditor regarding the audit plan and the implementation thereof.
 - (3) Periodically evaluate the scope of the audit and the frequency with which the consolidated financial statements of the Group are subject to external audit.
 - (4) Supervise the fulfilment of the audit contract, endeavouring to ensure that the opinion on the annual accounts and the main contents of the auditor's report are set forth in a clear and accurate fashion.
 - (5) Ensure that the external auditor attends the meetings of the board of directors provided for in article 42.1 *in fine* of these rules and regulations.
 - (6) Ensure that the external auditor issues a report with respect to the internal control over financial reporting system.
 - (7) Verify that senior management and the board take into account the conclusions and recommendations of its reports.
 - (8) Perform a final evaluation of the actions of the auditor and how it has contributed to the integrity of the financial information, including, among other parameters, its knowledge of the business; the frequency and quality of its communications; the opinion that key persons in the Company's management have of them, especially in the internal audit area; the public results of the auditor's quality controls; and the transparency reports; and, if applicable, report to the board of directors on any significant aspects of said evaluation.

- (iii) And with respect to the independence of the auditor and the provision of services other than audit work, the audit committee shall ensure that the Company and the external auditor comply with applicable regulations regarding the provision of such services, the limits on concentration of the external auditor's business and, in general, all other regulations governing the external auditor's independence, collecting for this purpose the information needed to assess the independence thereof from sources inside or outside of the Company and approving internal policies of the Company regarding personal situations and prohibiting the provision of certain services by the auditor, the approval of the provision of non-audit services, and regarding compliance with prohibitions after the audit work has been completed. For purposes of ensuring the independence of the external auditor, the audit committee shall take note of those circumstances or issues that might risk such independence and any others related to the development of the auditing procedure. And, specifically, it shall ensure that the remuneration of the external auditor for its work does not compromise the quality or independence thereof, shall establish an indicative limit on the fees to be received by the external auditor for non-audit services, and shall verify the percentage that the fees paid for any and all reasons represent out of the total income of the audit firm, as well as the seniority of the partner who leads the audit team in the provision of such services to the Company.

In addition, the approval of the audit committee shall be needed prior to any decision to contract services other than audit work that are not forbidden by applicable regulations, following an appropriate evaluation of any threats to the independence and of the safeguards applied as provided by such regulations.

In any event, the audit committee should annually receive from the external auditor written confirmation of the latter's independence versus the Company or institutions directly or indirectly related to the Company, as well as detailed and itemised information on additional services of any kind provided by the aforementioned auditor or by persons or institutions related thereto and the fees received from such entities, pursuant to the regulations governing the auditing of accounts.

Likewise, prior to the issuance of the external auditor's report, the committee shall annually issue a report expressing an opinion on whether the independence of the external auditor is compromised. Such report shall in any event contain a reasoned evaluation of each and every one of the additional services mentioned in the preceding paragraph, taken both individually and as a whole, other than legal audit services, and in connection with the rules on independence or with the regulations governing the auditing of accounts.

- (d) Supervise the internal audit function and, specifically:
- (i) Propose the selection, appointment and withdrawal of the officer responsible for internal audit;
 - (ii) Ensure the independence and effectiveness of the internal audit function;

- (iii) Ensure that the internal audit function has the physical and human resources needed for the performance of its work and propose the budget for this service;
 - (iv) Receive periodic information regarding the activities thereof and review the annual activities report;
 - (v) Annually assess the function of the internal audit unit and the performance of its leading officer, which shall be communicated to the remuneration committee and to the board to determine the variable remuneration thereof; and
 - (vi) Verify that senior management and the board take into account the conclusions and recommendations set forth in its reports.
- (e) Supervise the financial reporting process and the internal control systems. In particular, the audit committee shall:
- (i) supervise the process of preparing and presenting the required financial information relating to the Company and to the Group, as well as non-financial and diversity information, in accordance with the applicable regulations and leading international standards. It shall also supervise the integrity thereof, reviewing compliance with regulatory requirements, the proper demarcation of the scope of consolidation and the correct application of accounting standards, ensuring that all of this information is always up to date on the Company's website;
 - (ii) supervise the effectiveness of the internal control systems, reviewing them periodically, so that the principal risks are identified, managed and properly disclosed; and
 - (iii) discuss with the external auditor any significant weaknesses detected in the internal control system during the course of the audit.

As a consequence of its activities, the audit committee may submit recommendations or proposals to the board of directors.

In any event, the performance of the functions established herein shall not affect the independence of the internal audit function.

- (f) Report to the board, in advance of its adoption of the corresponding decisions, regarding:
- (i) The financial information that the Company must periodically make public, ensuring that such information is prepared in accordance with the provisions of article 41.2 of these rules and regulations.
 - (ii) The non-financial and diversity information that the Company must disclose pursuant to applicable legal provisions.
 - (iii) The creation or acquisition of interests in special purpose entities or entities registered in countries or territories that are considered to be tax havens.

- (iv) The approval of related-party transactions provided for in article 40 below.
 - (g) Become apprised of and, if applicable, respond to the initiatives, suggestions or complaints put forward or raised by the shareholders regarding the area of authority of this committee and which are submitted thereto by the office of the general secretary of the Company. The committee shall also:
 - (i) Receive, deal with and keep a record of the claims received by the Bank on matters related to the process for generating financial information, auditing and internal controls.
 - (ii) Establish and supervise a mechanism whereby Group employees may communicate, confidentially and anonymously, potentially significant irregularities as to matters within its area of authority, especially of a financial and accounting nature.
 - (h) Receive information regarding structural and corporate changes planned by the Company, for analysis thereof and for submission of a prior report to the board of directors regarding the financial terms and the accounting impact of any such transactions and, in particular and if applicable, regarding the proposed exchange rate. The foregoing shall not apply to transactions of little complexity and significance to the Group's activities, including, if applicable, intragroup reorganisation transactions.
 - (i) Receive information from the person responsible for the Company's taxation matters on the tax policies applied, at least prior to the drawing-up of the annual accounts and the filing of the Corporate Tax return, and, where relevant, on the tax consequences of transactions or matters submitted to the board of directors or the executive committee for approval, unless such bodies have been informed directly, in which case this shall be reported to the committee at the first meeting thereafter held by it. The audit committee shall transmit the information received to the board of directors.
 - (j) Evaluate its operation and the quality of its work at least once per year.
 - (k) And such other functions as are specifically provided for in these rules and regulations and any others assigned to the committee by applicable law.
5. The internal audit function of the Bank shall report to the audit committee and shall respond to requests for information that it receives therefrom in the performance of its duties. Notwithstanding the foregoing, the internal audit function, as an independent unit, shall periodically report to the board of directors and, in any event, at least two times per year, and shall also have direct access to the board when it deems it appropriate.
6. The audit committee shall approve an annual calendar of meetings, which shall provide for at least four meetings and an annual work programme. In any case, the audit committee shall meet as many times as it is called to meeting upon resolution adopted by the committee itself or by the chairman thereof. The relevant documentation for each meeting (draft agenda, presentations, reports, past meeting minutes and other supporting documentation) shall be provided to the committee members, by mechanisms established for this purpose that ensure the confidentiality of information, 3 days in advance of the date on which the meeting is to be held, unless such deadline cannot be met due to reasons of urgency, in which case the information shall be delivered to the directors as promptly as possible.

7. Any one or more members of the management team or of the Company's personnel shall attend the meetings of the audit committee, provide the committee with their cooperation and make available thereto such information as they may have in their possession when so required, upon invitation from the chairman and under such terms as may be established thereby. The attendance may also be requested of the external auditor or any other person from outside the Company deemed appropriate, who shall appear upon a prior invitation from the chairman of the committee and upon such terms as may be established thereby. One of its meetings shall be devoted to preparing the information within the committee's scope of authority that the board is to approve and include in the annual public documents.
8. In order to be assisted in the performance of its duties, the committee may hire, through the secretary general, legal, accounting, financial or other expert advisors at the Company's expense, and provided that the circumstances set forth in paragraphs (a) to (c) of article 32.2 of these rules and regulations are not present.
9. Meetings of the audit committee shall be validly held when at least one-half of its members are present in person or by proxy. The committee shall adopt its resolutions upon a majority vote of those present in person or by proxy. In the event of a tie, the chairman of the committee shall have the tie-breaking vote. The committee members may grant a proxy to another member, but none of them may represent more than two members in addition to himself. The resolutions of the audit committee shall be recorded in a minute book, and each set of minutes shall be signed by the chairman and the secretary.
10. The audit committee, through its chairman, shall report on its activities to the board of directors. This reporting process shall be carried out at meetings of the board planned for this purpose. However, if the chairman of the committee deems it necessary based on the urgency and significance of the matters in question, the information shall be given to the board at the first meeting thereof to be held after the meeting of the committee.

Furthermore, the supporting documentation that has been provided to the audit committee shall be made available to all directors and a copy of the minutes of the meetings of said committee shall also be provided to them.

Article 18. Appointments committee

1. The appointments committee shall be composed of a minimum of three and a maximum of nine directors, all of whom shall be external or non-executive, with independent directors having majority representation. The lead director must be a member of the appointments committee.
2. The members of the appointments committee shall be appointed by the board of directors, taking into account their knowledge, qualifications and experience, especially in the areas of corporate governance, strategic analysis and evaluation of human resources, selection of senior officers, performance of the duties of senior management, and in the other tasks of the committee.
3. The appointments committee shall in any case be presided over by an independent director.
4. The appointments committee shall have the following functions:
 - (a) Propose, review and verify the application of the director selection policy, which shall include the diversity policy and objectives and the suitability policy, and the

succession plan approved by the board and the internal criteria and procedures to be followed in order to select those persons who will be proposed to serve as directors, as well as for the continuous evaluation of directors, reporting on such continuous evaluation. In particular, the appointments committee shall:

- (i) Evaluate the balance among the components of knowledge, capabilities, qualifications, diversity and experience that are required and existing on the board of directors and prepare the respective matrix of capabilities and the description of duties and qualifications required for each specific appointment, assessing the time and dedication needed for appropriate performance of the duties of director. The diversity objectives set by the Company must be taken into account for these purposes.
 - (ii) Receive, for subsequent consideration, any proposals of potential candidates to cover vacancies that the directors may submit.
 - (iii) Conduct a periodic review, at least once per year, of the structure, size, composition and activities of the board of directors, the operation of and compliance with the director selection policy and the succession plan, making recommendations to the board regarding possible changes.
 - (iv) Conduct a periodic review, at least once per year, of the fitness and properness of the different members of the board of directors and of the board as a whole and report to the board of directors accordingly.
 - (v) Establish, in line with the provisions of article 6.1 of these rules and regulations, a goal for representation of the less-represented gender on the board of directors and prepare guidelines as to how to increase the number of persons of that less-represented gender in order to reach such target. The target, the guidelines and the application thereof shall be published as provided by applicable law.
- (b) Apply and supervise the succession plan for the directors approved by the board of directors, working in coordination with the chairman of the board or, for purposes of the succession of the chairman, with the lead director. In particular, examine or organise the succession of the chairman and of the chief executive officer pursuant to article 29 of these rules and regulations.
- (c) Prepare, by following standards of objectiveness and conformance to the corporate interest, taking into account the director selection policy and the succession plan and assessing the fitness and properness of the potential candidates and, in particular, the existence of possible conflicts of interest, independence of mind and time commitment, the reasoned proposals for appointment, re-election and ratification of directors provided for in section 2 of article 26 of these rules and regulations, any proposals for removal of directors, as well as proposals for appointment of the members of each of the committees of the board of directors. It shall also prepare the proposals for the appointment of positions on the board of directors and its committees, following the same aforementioned standards.
- (d) Annually verify the classification of each director (as executive, proprietary, independent or other) for the purpose of the confirmation or review thereof at the

ordinary general shareholders' meeting and in the annual corporate governance report.

- (e) Report on proposals for appointment or withdrawal of the secretary of the board and, if applicable, the vice secretary, prior to submission thereof to the board.
- (f) Propose and review the policies and internal procedures for the selection and continuous evaluation of members of senior management and other employees responsible for internal control functions or who hold key positions for the day-to-day conduct of banking activities, as well as the succession plan for such executive officers, report on their appointment and withdrawal from office and their continuous evaluation in implementation of such procedures, and make any recommendations it deems appropriate.
- (g) Ensure compliance by the directors with the duties prescribed in article 36 of these rules and regulations, prepare the reports provided for therein, and receive information, and, if applicable, prepare a report on the measures to be adopted with respect to the directors in the event of noncompliance with the abovementioned duties or with the code of conduct of the Group in the securities markets
- (h) Examine the information provided by the directors regarding their other professional obligations and assess whether such obligations might interfere with the dedication required of directors for the effective performance of their work.
- (i) Evaluate its operation and the quality of its work at least once per year.
- (j) With the particular involvement of the lead director, report on the process of self-evaluation of the board and of the members thereof and assess the independence of the external consultant hired pursuant to article 24.7 of these rules and regulations.
- (k) Report on and supervise the application of the policy for planning the succession of the Group and any amendments thereto.
- (l) Regularly design and organise director information, training, development and knowledge refreshment programmes, reporting thereon to the board.
- (m) Support and advise the board in relation to corporate governance and internal governance policy of the Company and its Group, as well as in relation to the periodic evaluation of the adequacy of the Company's corporate governance system, with the purpose of fulfilling its mission of promoting social interest and of taking into account, as appropriate, the legitimate interests of the other stakeholders.
- (n) Supervise and evaluate the strategy for communication and relations with shareholders and investors, including small- and mid-sized shareholders, and participate together with the lead director, through the chairman thereof or other members of the committee, in communication and contacts with shareholders, institutional investors and proxy advisers as provided in article 37 of these regulations.
- (o) Supervise and evaluate the processes of communication and relations with the other stakeholders.

- (p) Review or verify the corporate governance information that the Company must publish.
 - (q) Have its chairman and/or secretary report to the shareholders at the general shareholders' meeting with respect to the committee's activities during the financial year and, if applicable, answer questions during the meeting raised by the shareholders regarding matters within their competence.
 - (r) Report on any proposed amendments to these rules and regulations prior to the approval thereof by the board of directors.
 - (s) And such other functions as are specifically provided for in these rules and regulations and any others assigned to the committee by applicable law.
5. In the performance of its duties, the appointments committee shall take into account, to the extent possible and on a continuous basis, the need to ensure that decision-making at the board of directors is not monopolised by one person or a reduced number of persons in a manner such that the interests of the Company as a whole may be prejudiced as a result.
 6. The chairman and any director may make suggestions to the committee with respect to matters that fall within the scope of its powers. In addition, the appointments committee shall consult with the chairman and with the chief executive officer, especially on matters relating to the executive directors and senior officers. Finally, the committee may hire external firms to assist it in the candidate selection process and in its other functions.
 7. The appointments committee shall approve an annual calendar of meetings, which shall provide for at least four meetings and an annual work programme. In any case, the appointments committee shall meet as many times as it is called to meeting upon resolution adopted by the committee itself or by the chairman thereof. The relevant documentation for each meeting (draft agenda, presentations, reports, past meeting minutes and other supporting documentation) shall be provided to the committee members, by mechanisms established for this purpose that ensure the confidentiality of information, 3 days in advance of the date on which the meeting is to be held, unless such deadline cannot be met due to reasons of urgency, in which case the information shall be delivered to the directors as promptly as possible.
 8. Any one or more members of the management team or of the Company's personnel shall attend the meetings of the appointments committee, provide the committee with their cooperation and make available thereto such information as they may have in their possession when so required, upon invitation from the chairman and under such terms as may be established thereby. Upon invitation from the chairman and under such terms as may be established thereby, any person deemed appropriate from outside the Company may also attend.
 9. In order to be assisted in the performance of its duties, the committee may hire, through the secretary general, legal, accounting, financial or other expert advisors at the Company's expense, and provided that the circumstances set forth in paragraphs (a) to (c) of article 32.2 of these rules and regulations are not present.
 10. Meetings of the appointments committee shall be validly held when more than one-half of its members are present in person or by proxy. The appointments committee shall adopt its resolutions upon a majority vote of those present in person or by proxy. In the event of a tie, the chairman of the committee shall have the tie-breaking vote. The committee members may grant a proxy to another member. The resolutions of the appointments committee shall be

recorded in a minute book, and each set of minutes shall be signed by the chairman and the secretary.

11. The appointments committee, through its chairman, shall report to the board of directors on its activities and work. Furthermore, the supporting documentation that has been provided to the appointments committee shall be made available to all directors and a copy of the minutes of the meetings of said committee shall also be provided to them.

Article 19. Remuneration committee

1. The remuneration committee shall be composed of a minimum of three and a maximum of nine directors, all of whom shall be external or non-executive, with independent directors having majority representation.
2. The members of the remuneration committee shall be appointed by the board of directors, taking into account their knowledge, qualifications and experience, especially in the areas of design of remuneration policies and plans for directors and senior officers and in the other tasks of the committee.
3. The remuneration committee shall in any case be presided over by an independent director.
4. The remuneration committee shall have the following functions:
 - (a) Prepare and propose the decisions relating to remuneration that the board of directors must adopt, including those that have an impact on the Company's risk and risk management. In particular, the remuneration committee shall propose:
 - (i) The director remuneration policy, preparing the required reasoned report on such remuneration policy as provided by article 34 of these rules and regulations as well as the annual remuneration report provided for in article 35 below.
 - (ii) The individual remuneration of the directors in their capacity as such.
 - (iii) The individual remuneration of the directors for the performance of duties other than those in their capacity as such, and other terms of their contracts.
 - (iv) The remuneration policy applicable to members of senior management in compliance with the provisions of law.
 - (v) The basic terms of the contracts and the remuneration of the members of senior management.
 - (vi) The key elements of the remuneration of those other officers or employees who, while not members of senior management, are part of the Identified Staff.
 - (b) Assist the board in its supervision of the compliance with the remuneration policy for the directors and other members of the Identified Staff, as well as any other Group or Company's remuneration policies.
 - (c) Periodically review the remuneration programmes in order to update them, assessing the appropriateness and performance thereof and endeavouring to ensure that, as a

consequence, remuneration conforms to standards of moderation and correspondence to the earnings, risk culture and risk appetite of the Company and that it does not offer incentives to assume risks in excess of the level tolerated by the Company, such that it promotes and is consistent with appropriate and effective risk management, for which purposes the remuneration committee shall see that the mechanisms and systems adopted ensure that the remuneration programmes take into account all types of risks and capital and liquidity levels and allow for remuneration to be aligned with the business objectives and strategies, corporate culture and long-term interest of the Company.

- (d) Ensure the transparency of remuneration and the inclusion in the annual report, the annual corporate governance report, the annual remuneration report or other reports required by applicable law of information regarding the remuneration and, for such purposes, submit to the board any and all information that may be appropriate.
- (e) Assess the achievement of performance targets and the need for ex post risk adjustment, including the application of malus and clawback arrangements.
- (f) Review a number of possible scenarios to test how the remuneration policies and practices react to external and internal events, and, jointly with the risk supervision, regulation and compliance committee, back-test the criteria used for determining the award and the ex ante risk adjustment based on the actual risk outcomes.
- (g) Evaluate its operation and the quality of its work at least once per year.
- (h) And such other functions as are specifically provided for in these rules and regulations and any others assigned thereto by applicable law.

In the performance of its duties, the remuneration committee shall take into account the long-term interest of shareholders, investors and other Company stakeholders, as well as the public interest.

5. The remuneration committee shall approve an annual calendar of meetings, which shall provide for at least four meetings and an annual work programme. In any case, the remuneration committee shall meet as many times as it is called to meeting upon resolution adopted by the committee itself or by the chairman thereof. The relevant documentation for each meeting (draft agenda, presentations, reports, past meeting minutes and other supporting documentation) shall be provided to the committee members, by mechanisms established for this purpose that ensure the confidentiality of information, 3 days in advance of the date on which the meeting is to be held, unless such deadline cannot be met due to reasons of urgency, in which case the information shall be delivered to the directors as promptly as possible.
6. The chairman and any director may make suggestions to the committee with respect to matters that fall within the scope of its powers. In addition, the remuneration committee shall consult with the chairman and with the chief executive officer on matters relating to the executive directors and senior officers.
7. Any one or more members of the management team or of the Company's personnel shall attend the meetings of the remuneration committee, provide the committee with their cooperation and make available thereto such information as they may have in their possession when so required, upon invitation from the chairman and under such terms as may be established thereby. Upon

invitation from the chairman and under such terms as may be established thereby, any person deemed appropriate from outside the Company may also attend.

8. In order to be assisted in the performance of its duties, the committee may hire, through the secretary general, legal, accounting, financial or other expert advisors at the Company's expense, and provided that the circumstances set forth in paragraphs (a) to (c) of article 32.2 of these rules and regulations are not present.
9. Meetings of the remuneration committee shall be validly held when more than one-half of its members are present in person or by proxy. The remuneration committee shall adopt its resolutions upon a majority vote of those present in person or by proxy. In the event of a tie, the chairman of the committee shall have the tie-breaking vote. The committee members may grant a proxy to another member. The resolutions of the remuneration committee shall be recorded in a minute book, and each set of minutes shall be signed by the chairman and the secretary.
10. The remuneration committee, through its chairman, shall report to the board of directors on its activities and work. Furthermore, the supporting documentation that has been provided to the remuneration committee shall be made available to all directors and a copy of the minutes of the meetings of said committee shall also be provided to them.

Article 20. Risk supervision, regulation and compliance committee

1. The risk supervision, regulation and compliance committee shall consist of a minimum of three and a maximum of nine directors, all of whom shall be external or non-executive, with independent directors having majority representation.
2. The members of the risk supervision, regulation and compliance committee shall be appointed by the board of directors taking into account the directors' knowledge, qualifications and experience and the responsibilities of this committee.
3. The risk supervision, regulation and compliance committee shall in any case be presided over by an independent director. In identifying the candidates to said chairmanship the fact that they are not chairman of the board or of the appointments committee, the remuneration committee or the audit committee shall be particularly valued.
4. The risk supervision, regulation and compliance committee shall have the following functions and any others provided for by applicable law:
 - (a) Support and advise the board in defining and assessing risk policies affecting the Group and in determining the current and future risk appetite and the strategy and culture in this area, including proposing appropriate changes in view of internal or external circumstances affecting the Group.

The Group's risk policies shall include:

- (i) The identification of the various types of financial and non-financial risk (operational, technological, tax, legal, social, environmental, political, reputational, and compliance and behavioural, among others) that the Company faces, including, among financial or economic risks, contingent liabilities and others which are off-balance sheet;

- (ii) The setting of the risk appetite and limits that the Company deems acceptable;
 - (iii) The measures planned to mitigate the impact of identified risks in the event that they materialise; and
 - (iv) The information and internal control systems that will be used to control and manage such risks, including tax risks.
- (b) Assistance to the board in monitoring the implementation of the risk strategy, appetite and limits that have been set, and the alignment thereof with the strategic plans, objectives, and corporate culture and values of the Group.
- (c) Assistance to the board in approving the capital and liquidity strategy and supervision of the application thereof.
- (d) Ensuring that the pricing policy for the assets, liabilities and services offered to customers is fully aligned with the Company's business model, risk appetite and risk strategy. If such is not the case, the committee shall submit to the board of directors a plan for the correction of such policy.
- (e) Knowing and assessing the risks arising from the macroeconomic context and from the economic cycles within which the Company and its Group carry out their activities.
- (f) Systematic review of exposure to principal customers, economic sectors of activity, geographic areas and risk types.
- (g) Supervising the risk function, and particularly:
- (i) Report on the appointments committee's proposals for the designation of the head of the risk function (chief risk officer or CRO);
 - (ii) Ensure the independence and effectiveness of the risk function;
 - (iii) Ensure that the risk function has the physical and human resources needed for the performance of its work;
 - (iv) Receive periodic information regarding the activities thereof, which shall include potential deficiencies detected and breaches of the established risk limits; and
 - (v) Annually evaluate the risk function and the performance of the head of the risk function (chief risk officer or CRO), which shall be communicated to the remuneration committee and to the board to determine the variable remuneration thereof.
- (h) Support and assistance to the board in the performance of stress tests by the Company, in particular by assessing the scenarios and assumptions to be used in such tests, evaluating the results thereof and analysing the measures proposed by the risk function as a consequence of such results.

- (i) Knowing and assessing management tools, improvement initiatives, advancement of projects and any other relevant activity relating to the control of risks, including the policy on internal risk models and the internal validation thereof.
- (j) Cooperating in establishing rational remuneration policies and practices. For such purpose, the risk supervision, regulation and compliance committee shall examine, without prejudice to the duties of the remuneration committee, whether the incentive policy contemplated in the remuneration system takes risk, capital, liquidity and the likelihood and opportunity of earnings into consideration, and, jointly with the remuneration committee, back-test the criteria used for determining the award and the ex ante risk adjustment based on the actual risk outcomes.
- (k) Supervising the compliance function, and particularly:
 - (i) Report on the appointments committee's proposals for the designation of the head of the compliance function (chief compliance officer or CCO);
 - (ii) Ensure the independence and effectiveness of the compliance function;
 - (iii) Ensure that the compliance function has the physical and human resources needed for the performance of its work;
 - (iv) Receive periodic information regarding the activities thereof;
 - (v) Regularly evaluate the operation of the Company's compliance programme, the governance rules and the compliance function, making the proposals required for the improvement thereof, and annually evaluate the performance of the head of the compliance function (chief compliance officer or CCO), which shall be communicated to the remuneration committee and to the board to determine the variable remuneration thereof.

It will also supervise the operation of and compliance with the criminal risk prevention model approved by the board in accordance with article 3.2 of these rules and regulations. For the performance of the latter function, the committee will have individual powers of initiative and control. That includes, without limitation, the faculty to obtain any information which it deems appropriate and to summon any director or employee of the Group, including, in particular, the head of the compliance function and the different committees that, where appropriate, exist in this area to evaluate their performance, as well as the faculty to initiate and direct the internal investigations that it deems necessary about the facts related to the possible non-performance of the criminal risk prevention model.

Moreover, the committee will evaluate periodically the operation of the prevention model and its effectiveness in the prevention or mitigation of the commission of crimes, using external advice when considered appropriate, and will propose to the board of directors any changes to the criminal risk prevention model and, in general, to the compliance program that it deems appropriate in view of that evaluation.

- (vi) Report on the approval of and changes to the compliance policy, the general code of conduct, the manuals and procedures for the prevention of money

laundering and financing of terrorism and for other codes and industry regulations, which must be approved by the board of directors, ensuring the proper alignment thereof with the corporate culture, and supervise compliance therewith;

- (vii) Establish and supervise a mechanism that allows the staff of the Group to confidentially and anonymously report actual or potential breaches of regulatory or internal governance requirements, with specific procedures for receiving reports and the tracking thereof, ensuring proper protection for the staff member.
 - (viii) Receive information and, if applicable, issue reports on disciplinary measures for members of senior management; and
 - (ix) Supervise the adoption of actions and measures that result from the reports issued or the inspection proceedings carried out by the administrative authorities in charge of supervision and control.
- (l) Support the appointments committee in its function of advising the board in relation to the corporate governance and internal governance policy of the Company and its Group.
 - (m) Support and advise the board regarding relations with supervisors and regulators in the various countries where the Group operates.
 - (n) Track and evaluate rule-making proposals and regulatory changes that may be applicable and of any possible consequences for the Group.
 - (o) Evaluate its operation and the quality of its work at least once per year.
 - (p) And such other functions as are specifically provided for in these rules and regulations and any others assigned to the committee by applicable law.
5. The risk and compliance functions shall report to the risk supervision, regulation and compliance committee and shall respond to requests for information that they receive therefrom in the performance of their duties, irrespective of the fact that, as independent units, they periodically report and have direct access to the board of directors as appropriate.
6. The risk supervision, regulation and compliance committee shall approve an annual calendar of meetings, which shall provide for at least four meetings and an annual work programme. In any case, the risk supervision, regulation and compliance committee shall meet as many times as it is called to meeting upon resolution adopted by the committee itself or by the chairman thereof. The relevant documentation for each meeting (draft agenda, presentations, reports, past meeting minutes and other supporting documentation) shall be provided to the committee members, by mechanisms established for this purpose that ensure the confidentiality of information, 3 days in advance of the date on which the meeting is to be held, unless such deadline cannot be met due to reasons of urgency, in which case the information shall be delivered to the directors as promptly as possible.
7. Any one or more members of the management team or of the Company's personnel shall attend the meetings of the risk supervision, regulation and compliance committee, provide the committee with their cooperation and make available thereto such information as they may

have in their possession when so required, upon invitation from the chairman and under such terms as may be established thereby. Upon invitation from the chairman and under such terms as may be established thereby, any person deemed appropriate from outside the Company may also attend.

8. In order to be assisted in the performance of its duties, the committee may hire, through the secretary general, legal, accounting, financial or other expert advisors at the Company's expense, and provided that the circumstances set forth in paragraphs (a) to (c) of article 32.2 of these rules and regulations are not present.
9. Meetings of the risk supervision, regulation and compliance committee shall be validly held when more than one-half of its members are present in person or by proxy. The risk supervision, regulation and compliance committee shall adopt its resolutions upon a majority vote of those present in person or by proxy. In the event of a tie, the chairman of the committee shall have the tie-breaking vote. The committee members may grant a proxy to another member. The resolutions of the risk supervision, regulation and compliance committee shall be recorded in a minute book, and each set of minutes shall be signed by the chairman and the secretary.
10. In order to ensure effective communication and coordination, the risk supervision, regulation and compliance committee may periodically call joint meetings with other committees, in particular, with the remuneration committee and the audit committee, in order to ensure an effective exchange of information and the coverage of all risks.
11. The risk supervision, regulation and compliance committee, through its chairman, shall report on its activities and work to the board of directors. Furthermore, the supporting documentation that has been provided to the risk supervision, regulation and compliance committee shall be made available to all directors and a copy of the minutes of the meetings of said committee shall also be provided to them.

Article 21. Responsible banking, sustainability and culture committee

1. The responsible banking, sustainability and culture committee shall be composed of a minimum of three and a maximum of nine directors, with independent directors having majority representation.

The board of directors shall endeavour to ensure that the size and qualitative composition of the responsible banking, sustainability and culture committee conform to standards of efficiency and reflect the guidelines followed in determining the composition of the board.

2. The members of the responsible banking, sustainability and culture committee shall be appointed by the board of directors taking into account their knowledge, qualifications and experience in the areas for which the committee is responsible.
3. The responsible banking, sustainability and culture committee shall in any case be presided over by an independent director.
4. The purpose of the responsible banking, sustainability and culture committee is to assist the board of directors in fulfilling its oversight responsibilities with respect to the responsible business strategy and sustainability issues of the Company and its Group.

5. In order to fulfil its purpose, the responsible banking, sustainability and culture committee shall perform the following functions:
- (a) Advice to the board of directors on the formulation of the corporate culture and values, including the strategy on responsible business practices and sustainability, monitoring the strategy and practices in this field, evaluating the level of adherence thereto and considering proposals to the board as to advisable changes to the policies and regulations on responsible business practices and sustainability.
 - (b) Advice to the board of directors on the formulation of the Group's strategy on relations with stakeholders, including, *inter alia*, employees, customers and communities in which the Group develops its activities.
 - (c) Overseeing and monitoring the corporate reputation and engagement with stakeholders in relation to the activities of the committee and the matters for which it is responsible, analysing and reporting to the board of directors on the social, environmental, responsible and ethical behaviour aspects of the Company and its Group and the interests and expectations of their stakeholders in relation thereto.
 - (d) Assist the board in the promotion of, and in embedding the corporate culture and values across the Group, monitoring and reporting to the board on the level of adherence across the Group, including liaising:
 - with the remuneration committee in its review of the alignment of the remuneration programmes of the Group with these culture and values; and
 - with the risk supervision, regulation and compliance committee in (i) its review of the alignment of the risk appetite and limits of the Group with these culture and values, and (ii) its assessment and evaluation of the Company's and Group's non-financial risks.
 - with the appointments committee, in its supervision and evaluation of (i) the strategy for communication and relations with shareholders and investors, including small- and mid-sized shareholders; and (ii) the processes of communication and relations with the other stakeholders.
 - (e) Liaise and coordinate with the committees of the board in relation to issues concerning responsible banking practices and sustainability and ensure that adequate and effective control processes are in place and that risks and opportunities relating to sustainability and responsibility are identified and managed.
 - (f) Report periodically to the board of directors on the Company's and its Group's performance and the progress made with regard to responsible business practices and sustainability, providing advice in relation to these matters, issuing reports and implementing procedures within its area of responsibility at the request of the board of directors or its chairman.
6. The responsible banking, sustainability and culture committee shall approve an annual calendar of meetings, which shall provide for at least four meetings. In any case, the responsible banking, sustainability and culture committee shall meet as many times as it is called to meeting upon resolution adopted by the committee itself or by the chairman thereof. The relevant documentation for each meeting (draft agenda, presentations, reports, past

meeting minutes and other supporting documentation) shall be provided to the committee members, by mechanisms established for this purpose that ensure the confidentiality of information, 3 days in advance of the date on which the meeting is to be held, unless such deadline cannot be met due to reasons of urgency, in which case the information shall be delivered to the directors as promptly as possible.

7. Any one or more members of the management team or of the Company's personnel shall attend the meetings of the responsible banking, sustainability and culture committee, provide the committee with their cooperation and make available thereto such information as they may have in their possession when so required, upon invitation from the chairman and under such terms as may be established thereby. Upon invitation from the chairman and under such terms as may be established thereby, any person deemed appropriate from outside the Company may also attend.
8. Meetings of the responsible banking, sustainability and culture committee shall be validly held when more than one-half of its members are present in person or by proxy. The responsible banking, sustainability and culture committee shall adopt its resolutions upon a majority vote of those present in person or by proxy. In the event of a tie, the chairman of the committee shall have the tie-breaking vote. The committee members may grant a proxy to another member, although non-executive directors may only represent another non-executive director. The resolutions of the committee shall be recorded in a minute book, and each set of minutes shall be signed by the chairman and the secretary.
9. The responsible banking, sustainability and culture committee, through its chairman, shall report to the board of directors on its activities and work. Furthermore, the supporting documentation that has been provided to the responsible banking, sustainability and culture committee shall be made available to all directors and a copy of the minutes of the meetings of said committee shall also be provided to them.

Article 22. Innovation and technology committee

1. The innovation and technology committee shall be composed of a minimum of three and a maximum of nine directors. The chairman of the board of directors shall also be the chairman of the innovation and technology committee.

The board of directors shall endeavour to ensure that the size and qualitative composition of the innovation and technology committee conform to standards of efficiency and reflect the guidelines followed in determining the composition of the board.

2. The members of the innovation and technology committee shall be appointed by the board of directors taking into account their knowledge, qualifications and experience in the areas for which the committee is responsible.
3. The purpose of the innovation and technology committee is to assist the board of directors in fulfilling its oversight responsibilities with respect to the overall role of technology in the activities and the business strategy of the Group and to advise the board of directors in matters related to the innovation strategy and plans of the Group as well as the trends resulting from new business models, technologies and products.

In order to fulfil its purpose, the innovation and technology committee shall have the following functions:

- (a) Review and report on plans and activities relating to technology:
 - (i) information systems and application programming;
 - (ii) investments in information technology equipment and technological transformation;
 - (iii) design of operating processes to improve productivity;
 - (iv) programmes for improvement of service quality and measurement procedures as well as those relating to means and costs; and
 - (v) significant projects in the area of technology.
 - (b) Review and report on plans and activities relating to innovation:
 - (i) testing and adoption of new business models, technologies, systems and platforms;
 - (ii) partnerships, commercial relationships and investments; and
 - (iii) significant projects in the area of innovation.
 - (c) Propose to the board the technology framework and the data management framework for the Company.
 - (d) Assist the board in the approval of the strategic technology plan.
 - (e) Assist the board with recommendations about the innovation agenda of the Group.
 - (f) Assist the board in the identification of key threats of the status quo resulting from new business models, technologies, processes, products and concepts.
 - (g) Propose to the board the annual systems plan.
 - (h) Assist the board in evaluating the quality of the technological service.
 - (i) Assist the board in evaluating the capabilities and conditions for innovation at a Group and country level.
 - (j) Assist the risk supervision, regulation and compliance committee in the supervision of technological and security risks and supervise the management of cybersecurity.
4. The innovation and technology committee shall approve an annual calendar of meetings, which shall provide for at least four meetings. In any case, the innovation and technology committee shall meet as many times as it is called to meeting upon resolution adopted by the committee itself or by the chairman thereof. The relevant documentation for each meeting (draft agenda, presentations, reports, past meeting minutes and other supporting documentation) shall be provided to the committee members, by mechanisms established for this purpose that ensure the confidentiality of information, 3 days in advance of the date on which the meeting is to be

held, unless such deadline cannot be met due to reasons of urgency, in which case the information shall be delivered to the directors as promptly as possible.

5. Any one or more members of the management team or of the Company's personnel shall attend the meetings of the innovation and technology committee, provide the committee with their cooperation and make available thereto such information as they may have in their possession when so required, upon invitation from the chairman and under such terms as may be established thereby. Upon invitation from the chairman and under such terms as may be established thereby, any person deemed appropriate from outside the Company may also attend.
6. Meetings of the innovation and technology committee shall be validly held when more than one-half of its members are present in person or by proxy. The innovation and technology committee shall adopt its resolutions upon a majority vote of those present in person or by proxy. In the event of a tie, the chairman of the committee shall have the tie-breaking vote. The committee members may grant a proxy to another member, although non-executive directors may only represent another non-executive director. The resolutions of the innovation and technology committee shall be recorded in a minute book, and each set of minutes shall be signed by the chairman and the secretary.
7. The innovation and technology committee, through its chairman, shall report to the board of directors on its activities and work. Furthermore, the supporting documentation that has been provided to the innovation and technology committee shall be made available to all directors and a copy of the minutes of the meetings of said committee shall be provided to them.

Article 23. International advisory board

The board of directors may create an international advisory board, composed of a minimum of seven and a maximum of twelve members, of different nationalities and pertaining to different areas of activity, all of whom shall be external to the Bank and selected by the board of directors (which shall also appoint the chairman thereof) and who shall in no event serve as directors. Such members of the international advisory board shall have the duty to cooperate with the Bank in the design, development and, if applicable, launch of the global business strategy by contributing and suggesting ideas, contacts and business opportunities, including, in particular, technological and innovation aspects. The international advisory board shall hold a formal meeting twice a year, and the general secretary of the Bank shall act as the secretary of such international advisory board.

Chapter VI. OPERATION OF THE BOARD OF DIRECTORS

Article 24. Meetings of the board of directors

1. The board shall meet with the frequency required for the proper performance of its duties, and shall be called to meeting by the chairman.
2. The board shall approve the annual calendar for its meetings, which must be held with the frequency needed for the board to effectively perform its duties, although the board shall meet at least quarterly and shall hold a minimum of nine meetings per year. The calendar shall include the draft agenda proposed for such meetings, which may be subject to changes that shall be notified to each director. In addition, the board shall meet whenever the chairman so decides at his own initiative, at the request of at least three directors or at the request of the lead director.

The meetings shall in all cases be called by the secretary or, in the absence thereof, the vice secretary, in compliance with the instructions received from the chairman; notice of the call to meeting shall be sent 15 days in advance and in writing (which includes notice by fax or by electronic and data telecommunication means).

The relevant documentation for each meeting (draft agenda, presentations, past meeting minutes) shall be provided to the directors 4 business days in advance of the date on which the meeting is to be held, unless such deadline cannot be met due to reasons of urgency, in which case the information shall be delivered to the directors as promptly as possible.

When a meeting that is not contemplated in the annual calendar is called, notice of the call shall be given as early as possible and may be made by telephone when necessary for reasons of speed and confidentiality. In such case, neither the time periods nor the formalities set forth in the preceding paragraphs with respect to the meetings contemplated in the annual calendar shall apply.

3. The agenda shall be approved by the board at the meeting itself. Any member of the board may propose the inclusion of any other item not included in the draft agenda proposed by the chairman to the board.
4. In the course of the meeting and/or subsequently thereto, the directors shall be provided with all such information or clarifications as they deem fit in connection with the items on the agenda. In addition, any director shall have the right to request and obtain such information and advice as is necessary for the performance of his duties; the exercise of this right shall be channelled through the secretary of the board.
5. Any person invited by the chairman may attend board meetings.
6. The board shall keep a formal list of matters reserved for discussion by it and shall formulate a plan for the distribution of such matters between the ordinary meetings contemplated in the calendar approved by the board.
7. The operation of the board and of the committees thereof, the composition thereof, the quality of its work and the individual performance of its members, including the chairman and the chief executive officer, shall be evaluated once a year. Such evaluation shall be carried out, at least every three years, with the assistance of an external independent consultant, whose independence shall be assessed by the appointments committee.

Based on the results of such evaluation, the board shall prepare, if applicable, an action plan for correction of the deficiencies detected. The results of the evaluation shall be recorded in the minutes of the meeting or shall be included as an attachment thereto.

Article 25. Conduct of the meetings

1. Meetings of the board shall be validly held when more than one-half of its members are present in person or by proxy. The directors shall endeavour to ensure that absences are reduced to cases of absolute necessity.
2. When directors cannot attend personally, they may grant a proxy to another director, for each meeting and in writing, in order that the latter shall represent them at the meeting for all purposes. A director may hold more than one proxy. Non-executive directors may only grant a proxy to another non-executive director. The proxy shall be granted with instructions.

3. The board may hold meetings in various rooms simultaneously, provided that real-time interactivity and intercommunication among them by audiovisual or telephone means, and therefore unity of action, is assured. In this case, resolutions shall be deemed adopted at the place where the majority of the directors are located, and if they are at different locations in equal numbers, at the registered office.
4. On an exceptional basis, if no director is opposed thereto, the board may act in writing without a meeting. In this latter case, the directors may send their votes and the considerations that they desire to appear in the minutes via e-mail.
5. The chairman shall direct debate and stimulate the participation of all the directors in the meetings and deliberations of the board, ensuring that they have sufficient information and safeguarding the freedom to take positions and express opinions.
6. Except in those cases in which a greater majority is specifically required under the provisions of law, the Bylaws or these rules and regulations, resolutions shall be adopted by an absolute majority of the directors present in person or by proxy. In the event of a tie, the chairman shall have the tie-breaking vote.
7. The rules set forth in the preceding paragraphs shall also apply to meetings of the committees of the board of directors contemplated in articles 15 *et seq.* of these rules and regulations.
8. All resolutions adopted by the board of directors shall be recorded in minutes signed by the chairman and the secretary. Board of directors' resolutions shall be evidenced by means of a certificate issued by the secretary of the board, or by the vice secretary, if any, with the approval of the chairman or the vice chairman, as applicable.

Chapter VII. DESIGNATION, RE-ELECTION, RATIFICATION AND CESSATION OF DIRECTORS

Article 26. Appointment, re-election and ratification of directors. Designation of members of the committees of the board. Appointment to positions on the board of directors and its committees

1. The directors shall be designated, re-elected or ratified by the shareholders at the general shareholders' meeting or by the board of directors, as applicable, pursuant to the provisions of the Capital Corporations Act (*Ley de Sociedades de Capital*), the Bylaws, the director selection policy, which shall include diversity policy and objectives and the suitability policy, and the succession plan approved by the board.
2. The appointments committee shall prepare a reasoned report on and proposal for such appointments, re-elections or ratifications of directors, regardless of their classification. In the event of re-election or ratification, such proposal made by the committee shall contain an assessment of the work performed and the actual dedication to the position during the last period of time in which the proposed director held office. In addition, such proposals from the appointments committee shall in all cases be accompanied by a duly substantiated report prepared by the board containing an assessment of the qualifications, experience and merits of the proposed candidate, which shall be attached to the minutes of the general shareholders' meeting or of the board meeting, as applicable. If the board disregards the proposal made by the appointments committee, the board shall substantiate such decision and shall record the reasons therefor in the minutes.

3. In selecting the person who is to be proposed as director, it shall be ensured that such person is widely recognised as solvent and deserving of business and professional respectability, and that such person possesses the expertise, experience and willingness required to lead the good governance of the institution; regard shall also be given to his or her professional contribution to the board as a whole and to the needs thereof, and special importance shall be attached, if applicable, to the significance of his or her shareholding interest in the capital of the Company and to the goal for representation of the less-represented gender as provided by article 18.4 of these rules and regulations.
4. All persons designated as directors shall meet the requirements set forth by law and the Bylaws, and shall formally undertake, upon taking office, to fulfil the obligations and duties prescribed therein and in these rules and regulations.
5. No age limit is herein fixed for a person to be appointed director or for a director to remain in office as such.
6. The appointments committee shall in any event prepare a prior proposal for the designation of the members who are to sit on each of the committees of the board of directors and for the appointment to positions on the board and its committees.
7. The board shall establish a programme of information for new directors which gives them quick and sufficient information regarding the Company and its Group, including the governance rules thereof. The board shall also maintain a programme of continuous director training, development and knowledge refreshment. The appointments committee shall be responsible for the design and organisation of all of these programmes.

Article 27. Term of office

1. A director's term of office shall be three years. One-third of the board shall be renewed every year, following the order determined by length of service on the board, according to the date and order of the respective appointment. Outgoing directors may be re-elected.
2. Directors who have been designated by interim appointment to fill vacancies (co-option) may be ratified in their position at the first general shareholders' meeting that is held following such designation, in which case they shall vacate office on the date on which their predecessor would have vacated office. The candidate designated by the board need not be a shareholder of the Company. If the vacancy to be filled by interim appointment occurs after the general shareholders' meeting has been called and before it is held, the board of directors may, before or after such general meeting, designate a director who, in turn, may hold office until the next general shareholders' meeting is held (i.e., the general shareholders' meeting following the meeting which had been convened at the time the vacancy occurred).
3. A director who ends his term of office or for any other reason ceases to act as such shall be barred from serving at a competing entity for a period of two years.

The board of directors may, if it deems it appropriate, relieve the outgoing director from this restriction or reduce it to a shorter period.

Article 28. Cessation in office of directors

1. Directors shall cease to hold office upon the expiration of the term of office for which they have been appointed and when it is so resolved by the shareholders at the general shareholders'

meeting in the exercise of the powers granted to them. In the first case, such withdrawal from office shall take effect on the date of the first general shareholders' meeting following the date of expiration of the term of office for which they were appointed, or upon expiration of the statutory period for calling the general shareholders' meeting at which the shareholders are to resolve on the approval of the accounts for the prior fiscal year.

2. Directors must tender their resignation to the board of directors and formally resign from their position if the board of directors, following a report from the appointments committee, deems it fit, in those cases in which they may adversely affect the operation of the board or the credit or reputation of the Company and, in particular, if they are involved in any of the circumstances of incompatibility or prohibition provided by law.
3. In addition, proprietary directors must submit their resignation, in such number as is applicable, if the shareholder that they represent parts with its shareholdings or significantly reduces them.
4. If directors withdraw from office as such due to resignation or for other reasons prior to the end of their term, they shall explain the reasons therefor in a letter that shall be sent to the other members of the board, unless they report thereon at a meeting of the board and such report is recorded in the minutes. Disclosure thereof shall also be made in the annual corporate governance report.

Article 29. Succession plan for members of the board and other significant positions

1. The board of directors, following a proposal from the appointments committee, shall approve and periodically update a succession plan for the members of the board and, in particular, for the chairman and the chief executive officer, as well as for the senior officers of the Company, in order to identify potential in-house candidates for such positions and to offer suitable training programmes for such candidates, all without prejudice to the power of the board to identify and hire candidates from outside the Group
2. The succession plan shall include the identification of the key positions for which the succession is planned, as well as a description of the requirements that the candidates for each position must satisfy, taking into account the long-term strategy of the Company and its Group.
3. The application and supervision of the succession plan for the directors, including the chairman and the chief executive officer, shall be coordinated by the chairman of the board with the appointments committee, except in the case of the plan for his own succession, which shall be coordinated by the lead director together with the appointments committee. In addition, the board of directors and the appointments committee may rely on the advice of independent firms both for the design of the succession plan and for the identification of potential candidates.
4. In the event of cessation in office, notice of resignation or vacation of office, disability or death of members of the board and, in particular, of the chairman or of the chief executive officer, the appointments committee shall be called to meeting at the request of the chairman of the board or of the lead director, as the case may be, or in their absence, of the vice chairman that is to act pursuant to article 10 of these rules and regulations, in order for such committee to examine and organise the process of succession or replacement in an orderly manner and to submit the corresponding proposal to the board of directors, taking into account the candidates identified to that date in implementation of the succession plan and the other provisions set forth therein. Such proposal shall be communicated to the executive committee and subsequently submitted to the board of directors at the following meeting scheduled to be held

according to the board's annual calendar of meetings or at such extraordinary meeting as may be called if deemed necessary. If the replacement agreement finally adopted was not included in the succession plan, the corresponding resolution shall be appropriately justified.

5. The appointments committee, in coordination with the chairman and the CEO, shall also supervise the application of the succession plan for senior management and shall report on the proposals for appointment submitted in implementation of such plan.
6. The appointments committee shall annually evaluate the succession plan, shall inform the board of directors of the results of such evaluation and, if applicable, shall submit proposals to the board for amendment or update of the succession plan.

Article 30. Resolutions relating to directors

Directors affected by proposals for appointment or re-election to or withdrawal from office shall abstain from attending and participating in the debate and voting of the board of directors or of the committees thereof that deal with such matters.

Chapter VIII. INFORMATION TO DIRECTORS

Article 31. Powers of information and inspection

1. A director shall have the broadest powers to obtain information regarding any aspect of the Company, to examine the books, records, documents and other background information on corporate operations, and to inspect all of its premises and facilities. The right to receive information also applies in respect of subsidiary companies, whether domestic or foreign.
2. In order not to disrupt the day-to-day management of the Company, the exercise of the powers of information shall be channelled through the secretary of the board of directors, who shall respond to the requests made by the director by directly providing him with the information, offering to him the appropriate parties with whom to interact at such level of the organisation as may be fit, or taking any steps that may be appropriate so that the director may carry out an on-site examination or inspection as requested by him.
3. In addition to the provisions of subsection 8 of article 16 of these rules and regulations, any director may attend and participate but not vote at meetings of the committees of the board of which such director is not a member, by invitation of the chairman of the board of directors and of the chairman of the respective committee, after a request submitted to the chairman of the board for such purpose.

Article 32. Expert assistance to directors

1. In order to be assisted in the performance of their duties, the directors may address a request to the general secretary for the hiring of legal, accounting, financial, technological or other advisers, whose services shall be paid for by the Company.

The assignment must deal with specific issues of special significance or complexity arising during the performance of their duties.

2. The hiring decision lies with the board of directors, which may dismiss the request if the board considers:

- (a) That the hiring is not necessary for the proper performance of the duties entrusted to the directors;
 - (b) That the cost thereof is not reasonable in the light of the significance of the issues; or
 - (c) That the technical assistance sought may be adequately provided by the Company's own technical experts.
3. When external assistance is sought under this article, the board or the relevant committee shall request information regarding potential conflicts of interest and shall endeavour to ensure that any such possible conflicts of interest do not prejudice the independent judgement of those giving advice.

Chapter IX. DIRECTOR REMUNERATION

Article 33. Director remuneration

1. The directors shall be entitled to receive remuneration for performing the duties entrusted to them in their capacity as such, i.e. by reason of their appointment as mere members of the board of directors by the shareholders at a general shareholders' meeting or by the board itself exercising its power to make interim appointments to fill vacancies (co-option).
2. The remuneration referred to in the preceding paragraph shall consist of an annual fixed amount to be determined by shareholders at the general meeting. Such amount shall remain unchanged so long as the shareholders at the general meeting do not resolve to modify it, although the board may reduce it in those years in which it deems it justified. The aforementioned remuneration shall consist of two components: (a) an annual fixed allocation and (b) attendance fees.

The board of directors shall specifically determine the amount payable to each director in respect of the above items and the manner of making such payment, following a proposal from the remuneration committee. For such purpose, the duties and responsibilities assigned to each director, the positions held thereby on the board itself, their membership on and attendance at the meetings of the various committees and other objective circumstances deemed to be relevant shall be taken into consideration.

3. In addition to the remuneration system set forth in the preceding paragraphs, the directors shall be entitled to receive remuneration by means of the delivery of shares or share options, or by any other remuneration system indexed to the value of shares, provided that the application of such remuneration systems is previously approved by the shareholders at a general shareholders' meeting. The resolution so approved shall specify, as applicable, the maximum number of shares that may be allocated in each fiscal year, the exercise price or the system for calculating the exercise price on share options, the value of the shares, if any, taken as a reference and the duration of the plan.
4. Independently of the provisions of the preceding paragraphs, the directors shall be entitled to receive any applicable remuneration for the performance of executive duties.

For such purposes, when a member of the board of directors is assigned executive duties in any capacity, a contract shall be executed between such member and the Company, which shall require the prior approval of the board of directors with the favourable vote of two-thirds of

its members. The affected director shall abstain from attending the debate and from participating in the voting. The approved contract shall be included in the minutes of the meeting as an attachment thereto.

Such contract shall include a detailed description of all items for which a director may receive remuneration for the performance of executive duties (including, if applicable, salaries, incentives, bonuses, any severance payments in the event of early termination of such duties, the amounts payable by the Company as insurance premiums or as contributions to savings plans, or any other applicable items). A director may not receive any remuneration for the performance of executive duties for which the respective amounts or items are not provided for in such contract.

All remuneration payable under such contracts shall conform to the director remuneration policy.

Directors may also receive remuneration for the provision of services to the Company other than those that are specific to a director or an executive director, provided that the engagement of such services is carried out in compliance with the related-party transactions rules set forth in article 40 of these rules and regulations.

5. The Company shall maintain civil liability insurance for its directors on such terms as are customary and commensurate with the circumstances of the Company itself.
6. The board shall endeavour to ensure that director remuneration conforms to standards of moderation and correspondence to the earnings, risk culture and risk appetite of the Company and that it does not offer incentives to assume risks in excess of the level tolerated by the Company, such that it promotes and is consistent with appropriate and effective risk management. The board shall also endeavour to ensure that the remuneration of external directors is sufficient to compensate them for the dedication, qualifications and responsibility required for the performance of their duties.
7. The variable components of remuneration shall be set such that there is an appropriate ratio between the fixed and variable components of total remuneration.

The variable components shall not exceed one hundred per cent of the fixed components of the total remuneration of each director, unless the shareholders at a general shareholders' meeting approve a higher ratio, which shall under no circumstances exceed two hundred per cent of the fixed components of the total remuneration, on the terms established by law.

Article 34. Approval of the director remuneration policy

1. The director remuneration policy shall be approved by the shareholders at a general shareholders' meeting at least every three years as a separate item on the agenda.
2. The director remuneration policy shall conform, in all relevant respects, to the remuneration system established in the Bylaws and in these rules and regulations, and shall necessarily include:
 - (a) in connection with the remuneration of directors in their capacity as such, the maximum amount of annual remuneration to be paid to all of the directors;

- (b) in connection with the remuneration of directors for the performance of executive duties, the amount of annual fixed remuneration and changes thereto during the period covered by the policy, the various parameters used to establish the variable components and the main terms and conditions of their contracts, particularly including the duration thereof, other fixed components of remuneration, severance payments in the event of early withdrawal or termination of the contractual relationship, and agreements regarding exclusivity, post-contractual duty not to compete, and continuance in office or loyalty.
3. The proposed remuneration policy for the board of directors shall be duly substantiated and shall be accompanied by a specific report prepared by the remuneration committee. Both such documents shall be delivered to the shareholders on the Company's website as from the call to the general shareholders' meeting, and the shareholders shall have the right to request that such documents be delivered or sent to them free of charge. The announcement of the call to the general shareholders' meeting shall expressly mention such right.
4. The director remuneration policy so approved shall remain in force during the three fiscal years following that in which it was approved by the shareholders at the general meeting, unless the policy itself or the resolution adopted by the shareholders provides for a shorter period or unless the provisions of subsection 1 (c) of article 35 of these rules and regulations apply. Any amendment or replacement of the policy during such period shall require the prior approval of the shareholders at the general shareholders' meeting, in accordance with the procedure established for approval thereof.
5. Any remuneration received by the directors for serving or ceasing to serve in their positions and for the performance of executive duties shall be consistent with the director remuneration policy in force from time to time, without prejudice to such remuneration as may have been expressly approved by the shareholders at the general shareholders' meeting.

Article 35. Information on director remuneration

1. Annual report on director remuneration

- (a) The board of directors shall annually approve and publish the annual report on director remuneration, which shall include full, clear and comprehensible information regarding the director remuneration policy applicable during the current fiscal year. It shall also include an overall summary of the application of such remuneration policy during the last fiscal year, as well as a breakdown of the individual remuneration received by each of the directors in such fiscal year, all with the content and scope set forth by applicable regulations. In particular, the report shall include a breakdown of the remuneration that the directors receive or should receive in their capacity as such, as well as the remuneration, if any, to which they are entitled for the performance of executive duties.
- (b) In each fiscal year, this annual report on director remuneration shall be submitted to the vote of the shareholders at the general shareholders' meeting on a consultative basis and as a separate item on the agenda. It shall also be delivered to the shareholders upon the call to such meeting and shall be publicly disclosed through the Company's website no later than such date.

- (c) If the annual report on director remuneration is rejected in the consultative vote at any general shareholders' meeting, the remuneration policy applicable to the fiscal year following that in which such meeting is held shall be submitted to the shareholders for approval at the general shareholders' meeting prior to the application thereof, even if the maximum period established as duration of such policy has not yet lapsed. The policy need not be approved again if it has been approved at the same general shareholders' meeting at which the annual report on director remuneration has been rejected in the consultative vote.
- (d) The report shall also provide, upon the terms required by law, information regarding the preparatory work and the decision-making process followed to establish the director remuneration policy, including the duties, the composition of the remuneration committee and, if applicable, the identity of the external advisers whose services have been used to determine the remuneration policy.

2. Annual report

In the annual report, the board shall provide an itemised description of the remuneration received by each of the directors in their capacity as such, specifying the amounts corresponding to each item of remuneration. It shall also set forth therein, on an individual basis and for each item of remuneration, the remuneration payable for the performance of executive duties entrusted to the executive directors of the Company.

Furthermore, the report shall provide, in the form of a table or diagram, a comparison between the changes in aggregate remuneration for all of the executive directors during the last fiscal year, with a breakdown of the amounts received for the performance of their duties of supervision and collective decision-making as members of the board and those corresponding to other duties that they perform as members of the board, and shall also show the changes in the Group's consolidated results and the listing price of the Company's shares during the same period.

Chapter X. DUTIES OF A DIRECTOR

Article 36. Duties of a director

1. Directors shall fulfil all the duties and obligations that are inherent in their position as such and that are provided for by law, the Bylaws, the rules and regulations for the general shareholders' meeting and the rules and regulations of the board of directors, including the following:
 - (a) Duty of diligent management. Directors shall discharge their duties with the diligence of an orderly businessman. Each of the directors shall diligently inform himself of the progress of the Company, dedicate to the position the time and effort needed to effectively carry it out and take the measures required for proper management and control of the Company.

Directors shall inform the appointments committee regarding their other professional obligations, and the maximum number of boards to which they may belong shall be governed by the provisions of section 26 of Law 10/2014, of 26 June, on the organisation, supervision and solvency of credit institutions.

In the area of strategic and business decisions, which are subject to the business judgement rule, the standard of diligence expected of an orderly businessman shall be deemed satisfied when a director has acted in good faith, without any personal interest in the matter being decided, with sufficient information and in accordance with a proper decision-making procedure.

Decisions that personally affect other directors and related persons, and particularly those intended to authorise transactions prohibited by the duty of loyalty as set forth in subsection (v) from section (b) below, shall not be deemed included within the scope of the business judgement rule.

(b) Duty of loyalty. Directors shall serve in their position with the loyalty expected of a faithful representative, acting in good faith and in the best interests of the Company. In particular:

- (i) They shall not exercise their powers for purposes other than those for which such powers have been granted to them.
- (ii) They shall keep confidential all information, data, reports or background materials to which they have had access while in office, even after they have withdrawn, unless otherwise permitted or required by law.
- (iii) They shall abstain from participating in the debate and voting on resolutions or decisions in connection with which such directors or any person related thereto are affected by a conflict of interest, whether direct or indirect.
- (iv) They shall perform their duties subject to the principle of personal responsibility, using their free and independent judgement regardless of third-party instructions and connections.
- (v) They shall adopt such measures as are required to avoid situations in which their interests, whether on their own behalf or on behalf of others, may conflict with the corporate interest or with their duties to the Company.

The duty to avoid conflict of interest situations requires directors to abstain from:

- (1) Carrying out transactions with the Company, except in the cases contemplated in article 40 of these rules and regulations.
- (2) Using the Company's name or their capacity as directors to unduly influence private transactions.
- (3) Using corporate assets, including the confidential information of the Company, for private purposes.
- (4) Taking advantage of business opportunities of the Company.
- (5) Obtaining benefits or remuneration from third parties other than the Company or its Group in connection with the holding of their position, except for those received merely as a sign of courtesy.

- (6) Carrying out activities, on their own behalf or on behalf of others, which actually or potentially entail effective competition with the Company or which otherwise place them in a situation of permanent conflict with the interests of the Company.

The foregoing provisions shall also apply where the beneficiary of the prohibited acts or activities is a person related to the director.

Those cases in which the Company has given its authorisation in accordance with law, the Bylaws and these rules and regulations shall be excepted from the foregoing. The authorisation shall require the approval of the shareholders at the general shareholders' meeting if it entails a waiver from the prohibition against obtaining benefits or remuneration from third parties, if it concerns a transaction with a value in excess of ten per cent of the corporate assets or if it refers to the obligation not to compete with the Company. In all other cases, the authorisation may be given by the board of directors.

- (vi) Directors must notify the board of any direct or indirect conflict that they or persons related thereto may have with the interests of the Company. In all events, the situations of conflict in which the Company directors are involved shall be reported in the notes to the financial statements and in the annual corporate governance report.

The foregoing shall not apply to related-party transactions that do not require prior authorisation pursuant to article 40 of these rules and regulations.

- (vii) Directors must notify the board, as soon as possible, of those circumstances affecting them that might prejudice the credit or reputation of the Company, and particularly the criminal cases with which they are charged.
- (viii) Directors must disclose any direct or indirect interest held by them or by persons related thereto in the capital of a company that is in a situation of effective competition with the Bank.
- (ix) For purposes of the duty of loyalty, persons related to the directors shall be deemed to be such persons as are specified in article 231 of the Capital Corporations Act.

- (c) Duty of inactivity. Directors shall not conduct, or suggest to any person that they conduct, transactions involving securities of the Company or of the subsidiaries, affiliated or related companies in connection with which the directors have privileged or confidential information by reason of their position as such, so long as such information is not made public.

2. Finally, directors shall be subject to such provisions of the Group's code of conduct in the securities markets as may apply to them.
3. The duties of loyalty and inactivity contemplated in this article shall also apply to the secretary and the vice secretary who are not directors.

Chapter XI. RELATIONS ESTABLISHED BY THE BOARD OF DIRECTORS

Article 37. Relations with the shareholders

1. The board of directors shall define and advance a policy of communication between the Company and its shareholders, institutional investors and proxy advisers. The Company shall publicise this policy on its website.

Within the framework of this policy, the lead director shall maintain contact with investors and shareholders in order to gather their insights and thus form an opinion about their concerns, especially in connection with the Company's corporate governance.

In addition, the Company shall promote the holding of meetings attended by the lead director, other directors and/or such members of senior management as are deemed appropriate for the provision of information on the progress of the Company and its Group to shareholders residing in the most significant locations of Spain and other countries. In no event shall such meetings with shareholders entail the provision to them of any information that might place them in a privileged or advantageous position vis-à-vis the other shareholders.

2. All public solicitation of proxies carried out by the board of directors or by any member thereof shall expressly set forth the direction in which the representative shall vote in the event that the shareholder has not given specific instructions, subject always to the provisions of law.
3. The board of directors shall encourage the informed participation of the shareholders at the general shareholders' meetings and shall adopt such measures as may be appropriate to make it easier for the shareholders acting at a general shareholders' meeting to effectively exercise the powers conferred upon them by law and the Bylaws.

In particular, the board of directors shall make available to the shareholders, prior to the general shareholders' meeting, all such information as may be legally required. The board, acting through the general secretary, shall respond in writing to those requests which, in the exercise of the right to receive information as contemplated by law, the shareholders may submit in writing to the board as much in advance of the general shareholders' meeting as may be requisite.

Furthermore, the chairman of the board shall inform shareholders during the annual general meeting of the most relevant aspects of the Company's corporate governance occurred during the year to which the annual accounts to be submitted to the general shareholders' meeting refer.

In addition, pursuant to the rules and regulations for the general shareholders' meeting, the board shall, through its chairman or, if applicable and if so decided by the chairman, through the chairman of the audit committee, any director, the general secretary or, if appropriate, any employee or expert in the issues, respond, when it is admissible under the provisions of law, the Bylaws or the rules and regulations for the general shareholders' meeting, to any questions that the shareholders may pose verbally during the course of the general shareholders' meeting in connection with the matters included in the agenda. When it is impossible to satisfy the shareholder's right during the course of the meeting and, in any event, in connection with requests made by remote attendees at the meeting, the requested information shall, if appropriate, be provided in writing within seven days following the end of the general shareholders' meeting.

Lastly, the board of directors shall maintain and make available to the shareholders an updated website of the Company, with due observance of applicable regulations, where all such information as is required under legal or bylaw provisions or regulations may be accessed.

Article 38. Relations with institutional investors and proxy advisers

1. Within the framework of the policy referred to in article 37.1 above, the board of directors shall also establish appropriate mechanisms for the regular exchange of information with those institutional investors that are holders of shares of the Company and with proxy advisers.
2. In no event shall the relations between the board of directors and such groups entail the provision to them of any information that might place them in a privileged or advantageous position vis-à-vis the other shareholders.

Article 39. Relations with supervisory authorities

The board of directors shall promote a framework for fluid relations with the competent supervisory authorities, in order to ensure that the board of directors, the individual members thereof, the members of senior management and the heads of the risk, internal audit and compliance areas, among others, maintain an attitude of cooperation and are available to such authorities in order to maintain periodic exchanges, whether scheduled or ad hoc and through any means of communication, including in-person meetings, regarding various issues relating to the Company, such as: emerging systemic risks, market developments, the Company's strategy, business and risk model, corporate governance, corporate culture, succession planning and remuneration.

Article 40. Related-party transactions

1. The board shall examine the transactions that the Company or Group companies carry out with directors (upon the terms established by law and by article 36 of these rules and regulations), with shareholders that own, whether individually or together with others, a significant interest, including shareholders represented on the board of directors of the Company or of other Group companies, or with persons related thereto. The performance of such transactions shall require the authorisation of the board, following a favourable report from the audit committee, except where the law provides that the approval thereof falls within the purview of the shareholders acting at a general shareholders' meeting. Such transactions shall be evaluated in the light of the principle of equal treatment among all shareholders and the prevailing market conditions, and shall be disclosed in the annual corporate governance report and in the periodic public information, upon the terms set forth by applicable regulations.
2. However, the authorisation provided for in the preceding subsection shall not be required for transactions that simultaneously meet the following three conditions:
 - (a) They are carried out under contracts with basically standard terms that customarily apply to the customers contracting for the type of product or service in question.
 - (b) They are performed at prices or rates generally established by the party acting as supplier of the goods or service in question or, if the transactions concern goods or services for which no rates are established, they are performed under arm's length conditions, similar to those applied to commercial relationships with customers having similar characteristics.
 - (c) The amount thereof does not exceed 1% of the Company's annual income.

If the foregoing conditions are satisfied, the affected directors shall not be required to report such transactions or to preventively seek the authorisation of the board.

3. As an exception, when so advised for reasons of urgency, related-party transactions may be authorised by the executive committee, with subsequent ratification by the board.

Article 41. Relations with the markets

1. The board of directors shall immediately inform the public regarding:
 - (a) All material facts that might materially influence the stock exchange price of the Company's shares.
 - (b) All significant changes in the shareholding structure of the Company.
 - (c) All substantial amendments to the rules of governance of the Company.
 - (d) All related-party transactions of particular importance made with the members of the board.
 - (e) All treasury stock transactions of particular importance.
2. The board of directors shall adopt any required measures to ensure that the quarterly, semi-annual and any other financial information that is made available to the markets is prepared in accordance with the same principles, standards and professional practices used to prepare the annual accounts and is as reliable as such accounts. For this purpose, such information shall be reviewed by the audit committee before dissemination thereof.
3. The board of directors shall prepare and make public, on an annual basis, a corporate governance report, pursuant to the provisions of law.
4. The following information regarding directors shall be publicly disclosed and kept current on the Company's website:
 - (a) Professional and biographical profile.
 - (b) Other boards of directors to which they belong, whether or not at listed companies, as well as other remunerated activities they carry out, whatever their nature.
 - (c) An indication of the category of director to which they belong, and in the case of external proprietary directors, the shareholder that they represent or with which they have ties.
 - (d) Dates of their first and subsequent appointments as director.
 - (e) Shares of the Company and options thereon that they hold.

Article 42. Relations with the external auditor

1. All relations of the board of directors with the Company's external auditor shall be channelled through the audit committee.

Notwithstanding the foregoing, the external auditor shall attend the meetings of the board of directors and the audit committee at least twice a year in order to submit its report on the annual accounts and regarding semi-annual financial information so that all the directors have access to as much information as possible regarding the content and conclusions of the auditor's reports relating to the Company and the Group. For such purposes, one of these meetings shall be held in order for the external auditor to report on the work carried out and on the changes in the Company's accounting situation and risks.

2. The board of directors shall not hire as external auditor those audit firms at which the fees intended to be paid to them, for any and all services, exceed the limits set forth at any time by applicable law.
3. No services shall be contracted with the audit firm, other than audit services proper, that might risk the independence of such firm.
4. The board of directors shall make public in the annual report the overall amount of fees paid by the Company to the audit firm, including information regarding fees for professional services other than auditing.
5. The board of directors shall use its best efforts to prepare the accounts such that there is no room for reservations or qualifications by the external auditor. However, if the board believes that its opinion must prevail, it shall provide a public explanation, through the chairman of the audit committee, of the content and scope of the discrepancy and shall also endeavour to ensure that the external auditor likewise discloses its considerations in this regard.

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