

## *Functions of the Audits Committee*

### *BANCO DE CRÉDITO SOCIAL COOPERATIVO, SA*

The Audits Committee, an internal reporting and advisory body, has no executive functions, but is authorised to report, advise, and formulate proposals within its own sphere of action. Its main responsibilities are as follows:

- a. Report to the General Meeting of Shareholders regarding any matters raised at the Meeting by shareholders within its area of action, particularly with regard to the results of audits, explaining how they have contributed to the integrity of financial information and the role played by the committee within this process.
- b. Prior to the General Meeting, report to the Board of Directors about all matters set out by Law, the Corporate By-Laws, and in the Board Regulations, and in particular about financial information that the company must periodically make public, and operations with linked parties.
- c. Supervise the efficacy of the Company's internal controls along with those of its Group, its internal audits, and its risk management systems, including fiscal risks, as well as discussing with the accounts auditors any significant weaknesses of the internal control system detected during the audit process, all without breaching its independence. To this end, members of the committee may present recommendations or proposals to the board of directors and the corresponding timeframe to monitor them.
- d. Supervise the process of drawing up and presenting mandatory financial information, as well as the integrity thereof, and present recommendations or proposals to the board of directors, aimed at safeguarding its integrity.
- e. Work with the accounts auditors to analyse any significant weaknesses in the internal control system detected during the audit process.
- f. Propose to the Board of Directors, to be submitted to the General Meeting of Shareholders, the appointment, re-election or replacement of accounts auditors, taking responsibility for the selection process as well as the contractual conditions set out, and regularly compiling information about the audit plan and its execution, as well as preserving the independence of the auditors in the performance of their duties, notwithstanding the relevant legislation governing accounts auditors.
- g. Supervise the independence and efficacy of internal audit activity.

- h. Establish opportune relations with accounts auditors to receive information about any matters that might jeopardise their independence for examination by the Committee, as well as any other matters related with the development of accounts audits, and any other communications set out in legislation governing accounts audits and other auditing rules, and authorise the recruitment of an External Auditor to provide services other than those prohibited by applicable legislation. Under all circumstances, the committee must receive an annual statement from external auditors regarding their independence in relation to the entity or any entities linked directly or indirectly to it, as well as information about additional services of any kind provided and the corresponding fees charged to these entities by the external auditor or by the persons or entities linked to the latter in accordance with legislation governing accounts auditors, all notwithstanding the legislation in place regulating accounts audits.
- i. Prior to the accounts audit report, issue an annual report giving an opinion on whether the independence of the accounts auditors or auditing companies is compromised. This report must contain a reasoned assessment of the provision of additional services, considered individually or as a whole, which are outside the sphere of legal auditing, and in relation to the regime of independence or legislation governing audits.
- j. Supervise the mechanisms that allow employees of the Company to report irregularities to the internal audits department.
- k. Work to ensure the annual accounts are presented to the General Meeting of Shareholders with no reservations or provisos.
- l. Report to the Board of Directors, prior to the latter reaching a decision regarding the creation or acquisition of holdings in special purpose entities or entities domiciled in tax havens, as well as any other similar transactions or operations that, on account of their complexity, could diminish the transparency of the group.
- m. Report to the Board of Directors, through its president, on the issues and decisions adopted in its findings, providing the Board members with a copy of the minutes of said meetings.