

***Regulations of the Audits Committee***

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

## HEADING I. PRELIMINARIES

### Section 1. Legal status and applicable legislation

- a. The Audits Committee (hereinafter, the "Committee") of BANCO DE CRÉDITO SOCIAL COOPERATIVO, S.A. (hereinafter, the "Company" or the "Bank") is an internal reporting and advisory body of the Board of Directors. It has no executive functions but is authorised to report, advise and formulate proposals within its sphere of action.
- b. The Committee will be governed by the rules contained in these regulations (hereinafter, the "Regulations"), as well as legal provisions, the Articles of Association, and applicable Regulations of the Board of Directors.
- c. These Regulations have been drawn up taking into consideration the corresponding principles and recommendations of good corporate governance.

### Section 2. Interpretation

- a. These Regulations shall be interpreted in accordance with: (i) legislation in force at any given time, (ii) provisions contained in the Articles of Association and in the Regulations of the Board of Directors, as applicable, and (iii) the principles, technical guides and recommendations of good governance formulated at the request of regulatory bodies.
- b. The Law, the Articles of Association and the Regulations of the Board of Directors shall prevail in the event of contradiction with the provisions set out in these current Regulations.
- c. The Committee is responsible for resolving any queries that emerge through the application of these Regulations and in accordance with the general interpretation criteria of legal regulations, remaining faithful to the spirit and the purpose thereof.

### Section 3. Purpose

The purpose of these Regulations is to determine the guiding principles of the Bank's Committee and its Group, as well as the core rules of its organisation and functioning.

### Section 4. Approval and modification

- a. These Regulations and any modifications made to them must be approved by a simple majority of the members of the Committee and authorised by the Bank's Board of Directors. In the event of a tie, the President will have the deciding vote. The Regulations and any modifications shall enter into effect on the date of authorisation.
- b. At the proposal of its President or the majority of its members, the Committee may propose modifications to these Regulations when circumstances make this step advisable or necessary, although said modifications shall only enter into effect if the procedure set out in the paragraph above is followed.

## HEADING II. SCOPE AND COMPETENCIES

### Section 5. Subjective scope of the Committee's activities

The Committee's activities shall encompass:

- a) The Bank.
- b) Members of the Group of which the Bank is the parent company.
- c) Companies in which the Bank or any member of the Group holds a stake that grants it effective control or management responsibility.

Therefore, the Bank's Audits Committee is, in turn, the Audits Committee for all members of the Group and companies in which a controlling stake is held (hereinafter, the Group).

### Section 6. Scope

The main purpose of the Committee is to assist, report, and submit proposals to the Board of Directors with regard to the issues assigned to it.

The Audit Committee will act with complete independence in the performance of its duties and will ensure that all its activities are carried out without detriment to the independence of assessment and criteria of all its members. Likewise, the Committee will take into account in the performance of its duties the basic principles of action contemplated in the Technical Guide 3/2017 of the CNMV On Audit Committees at Public Interest Entities, or any other that could substitute it.

Notwithstanding any other tasks allocated by the Board of Directors, the Committee shall perform the following core duties:

#### Section 6.1. Functions relating to external audits

Regarding external audits, the Committee shall perform the following duties:

- a. Propose to the Group's governing bodies the appointment of accounts auditors or auditing firms in each of the Group's companies, so that the external auditor of the consolidated Group takes responsibility for auditing the companies that make up the Company, taking responsibility for the selection process. It will also propose the revocation, renewal or non-renewal of the accounts auditors or auditing firms.
- b. Ensure that the Company takes appropriate action in the appointment of the external auditor with regard to the Trade Register, and notify supervisory bodies as appropriate.
- c. Approve the contractual conditions applied to the external auditor, including remuneration, and ensure that the remuneration of the external auditor for the work carried out does not compromise the quality of the work or the independence of the auditor.

- d. Ensure that the Bank and the external auditor abide by current rules and regulations regarding the provision of services other than auditing services, limits on the auditor's business concentration, and in general any regulations governing the independence of auditors.
- e. Ensure that the Bank reports any changes in accounts auditor as a significant event to the CNMV, and that it submits a statement about the existence of any disagreements with the departing accounts auditor, and the content thereof. Should the accounts auditor resign, it shall examine the circumstances and reasons for this.
- f. Review and approve the scope and frequency of audits.
- g. Supervise the external auditor and review the content of audit reports before they are issued, endeavouring to ensure that said content and the opinion expressed in relation to the annual accounts are written in clear precise language, with no exceptions or provisos on the part of the external auditor. It will also oversee the compilation of regular information from the external auditor about the audit plan and its execution, and ensure its independence in the performance of its duties.
- h. Work with the accounts auditors or auditing firms to analyse any significant weaknesses in the internal control system detected during the audit process.
- i. Evaluate the results of each audit and the responses of the management team to its recommendations. In the event of discrepancies between the external auditor and the management team, it shall mediate between the two regarding the principles and criteria applicable in the preparation of financial statements.
- j. Act as a communication channel between the Board of Directors and the external auditor, notwithstanding the relationship between the Company's General Accounting Department and the Auditing Management Department and the external auditor.
- k. Ensure that the Board of Directors, in the performance of its management duties, takes the corrective action required in an opportune manner to deal with failures in controls, breach of laws, regulations and policies, as well as any other problems that might be identified by the external auditor.
- l. Ensure that the external auditor holds an annual meeting with the Board of Directors, sitting in a plenary session, to report on the work carried out and the evolution of the Bank's accounting and risk situation.
- m. Establish opportune relations with the accounts auditors or auditing firms to receive information about any matters that might jeopardise the independence of the latter, to be examined by the Committee, and any other issues related with the accounts auditing process, and when appropriate, authorise services other than those which are prohibited, in the terms set out in legislation regarding independence, as well as the prior authorisation of services other than those which are prohibited, to be carried out by the accounts auditor. In any case, in accordance with the provisions of legislation regarding

accounts auditing, they must receive from the accounts auditors or auditing firms an annual written statement confirming the latter's independence with regard to the entity or entities linked directly or indirectly to it, as well as information about additional services of any kind provided to these entities by the aforementioned auditors or auditing firms, or by persons or entities linked to them, along with the corresponding fees charged to these entities by the external auditor or by persons or entities linked to it.

- n. Prior to the release of the accounts audit report, publish an annual report expressing its opinion about whether the independence of the accounts auditors or auditing firms has been compromised. This report must include a statement about the provision of additional services referred to under the previous section, considered individually and as a whole, other than those of legal auditing, and in relation to the regime of independence and regulations governing audits.

#### **Section 6.2. Functions relating to Internal Audits**

- a. Under the supervision of the Audits Committee, the Bank has an Internal Audits Management Department, which reports (i) hierarchically to the Board of Directors and its President, and (ii) functionally to the President of the Audits Committee.
- b. The Bank's Internal Audits Department is, in turn, the Internal Audits Department for the Group.
- c. The Audits Management Department shall ensure the reporting and internal control systems are effective, and it shall act as a communications liaison between the Committee and the rest of the Company and the Group. The Head of Internal Audits is responsible for preparing information for meetings and attending said meetings if the Committee deems it appropriate. In addition, the Audits Management Department shall be responsible for:
  - i. Presenting its annual plan to the Audits Committee.
  - ii. Reporting directly on any incidents that arise in the performance of its duties, and
  - iii. Submitting an activity report at the end of each business year.
- d. With regard to Internal Audits, the Committee shall perform the following core duties:
  - i. Report on the proposed selection, appointment, re-election or dismissal of the Head of Internal Audits made by the President of the Board of Directors.
  - ii. Supervise the efficacy of internal audits.
  - iii. Ensure the independence of the Internal Audits function.
  - iv. Approve or modify the Statute of the Internal Audits Function, which shall set out its functions and competencies.

- v. Approve the Internal Audits Plan, supervising the internal and external material and human resources required for the performance of its duties.
- vi. Propose the budget for the Internal Audits Management Department.
- vii. Guide and supervise the Company's Internal Audits activity, ensuring that this activity focuses chiefly on the Group's significant risks.
- viii. Receive periodic information about the activities carried out by the Internal Audits Management Department.
- ix. Ensure that senior management considers the conclusions and recommendations made in the reports of the Internal Audits Management Department.

### **Section 6.3. Functions related to the compilation of economic-financial information**

With regard to the compilation of economic-financial information, the Committee shall perform the following core duties:

- a) Supervise the establishment of the Bank's accounting policies.
- b) Supervise the compilation and presentation process, as well as the integrity of financial information about the Bank and its Group, checking compliance with regulatory requirements, the adequate definition of the consolidation perimeter, and the correct application of accounting criteria.
- c) Ensure that periodic financial information is formulated using the same accounting criteria as the annual financial information.
- d) Ensure compliance with legal requirements and the correct application of the accounting principles applicable to the Bank and its Group, along with generally accepted accounting principles, and report to the Board of Directors regarding any significant change in accounting criteria.
- e) Review, analyse and comment on financial statements and other relevant information with senior management, internal and external auditors, to confirm that said information is reliable, understandable and relevant, and that said statements and information follow accounting criteria that are consistent with the close of the previous year.
- f) Report previously to the Board on the Financial Information that the Company is required to make public periodically.

#### **Section 6.4. Functions pertaining to internal control and risk management systems**

With regard to internal control and risk management systems, the Committee shall perform the following core functions:

- a) Supervise the efficacy of internal control systems and risk management, in order to identify and analyse the main risks that affect the Group.
- b) Ensure that the risk control and management policy identifies at least:
  - i. The different types of risk (operational, technological, financial, legal, reputational, etc.) that might affect the Company and its Group, including among the financial and economic risks any contingent liabilities and other risks not reflected on the balance sheet.
  - ii. Establish and review the risk map and levels that the Company and the Group deem to be acceptable in accordance with the Company's internal regulations.
  - iii. Measures put in place to mitigate the impact of the risks identified, should they materialise.
  - iv. The reporting and internal control systems used to control and manage the aforementioned risks, including contingent liabilities and risks not reflected on the balance sheet.
- c) Review, analyse and comment on any weaknesses found in the internal control systems that affect the Bank's financial information.

#### **Section 6.5. Other functions**

The Committee will also perform the following duties:

- a. Report to the General Meeting of Shareholders regarding any matters raised within its sphere of action, and in particular on 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. Have knowledge of any reports about the Group issued by supervisory bodies, especially the European Central Bank, the Bank of Spain, and the National Securities Market Commission as a result of inspections. And supervise the enforcement of actions and measures resulting from inspection reports.
- c. Establish and supervise adequate mechanisms that enable employees to report, confidentially and, if possible and considered appropriate, anonymously, any potentially substantial irregularities and/or significant concerns, especially in relation to finances, accounting, and internal control, which come to their attention within the Bank. In order to avoid possible conflicts of interest, employees must be able to report such concerns

through channels other than the usual lines of communication. If relevant, the information provided by staff using the aforementioned procedure must be made available to the Board of Directors.

- d. 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.
- e. Report, if requested to do so, on any operations and transactions that might represent conflicts of interest for the Directors of the Company and the Group, and persons linked with the Company and the Group.
- f. Report to the Board of Directors regarding the possible authorisation or dispensation granted to a Director regarding his or her duties, in accordance with the Regulations of the Board of Directors.
- g. Receive information about:
  - a. disciplinary measures affecting the Bank's executives as a result of working or workplace infractions, or the breach of internal rules of conduct, passing on the pertinent policies and instructions to the Company's relevant bodies, and, in particularly important cases, in the opinion of the Committee, making the ultimate decision with regard to this situation.
  - b. any structural and corporate modifications the Bank is planning to undertake, to be analysed and reported to the Board of Directors regarding their economic conditions and accounting impact and, especially, on the proposed exchange equation, if applicable.
- h. The Committee shall report to the General Meeting of Shareholders and the Board of Directors, in the terms set out in these Regulations and in accordance with the provisions of applicable legislation, the Articles of Association and the Regulations of the Board of Directors, maintaining due relations and liaising with the Company's Internal Audits Management Department regarding the performance of its duties.
- i. Propose modifications to the Regulations of the Board of Directors in any areas that might affect it, reporting on proposals to modify said matters.

### **HEADING III COMPOSITION AND FUNCTIONING**

#### **Section 7. Composition and Appointment**



The Committee shall comprise a minimum of four (4) and a maximum of six (6) non-executive directors designated by the Board of Directors, at the proposal of the Appointments Committee. Most of its members shall be independent, and at least one of them will be appointed in accordance with his or her knowledge and experience in the area of accounting, auditing, or both.

#### **Section 8. Distribution of roles**

The Board of Directors shall appoint the President of the Committee from among the independent directors that sit on the Board, and its Secretary, and Vice Secretary, if required, who do not necessarily need to be directors.

#### **Section 9. Duties of the Secretary**

The Secretary shall perform the following duties:

- a) Safeguard Committee documentation, reflecting the development of Committee meetings in the relevant ledgers of Minutes, bearing witness to any agreements reached by the Committee, and ensuring the formal and material legality of any action taken by the Committee.
- b) Certify the Minutes and agreements reached by the Committee. Certificates shall be issued and signed by the Secretary of the Committee, or by the Vice Secretary, or in their stead, by the youngest member of the Committee, with the approval of the President, or in his or her stead, of the oldest member of the Committee.
- c) Channel and coordinate, following the instructions of the Committee President, relations between the Committee with other bodies, management departments or third parties mentioned in these Regulations.
- d) Any other duties assigned in these Regulations, as well as functions regulated in the Articles of Association and the Regulations of the Board of Directors.

#### **Section 10. Duration**

1. Members of the Committee shall be appointed for a maximum period of 4 years, and can be re-elected once or more for periods of equal maximum duration.
2. The post of President of the Audits Committee shall be held for a maximum period of four (4) years, at the end of which said individual cannot be re-elected until at least one year has passed since he or she stood down from the post, although said individual may continue or be re-elected as a member of the Committee.

### **Section 11. Replacement or substitution of members**

In the event of the cessation, dismissal, relinquishment, resignation, incapacity or death of members of the Committee, the provisions set out in section 17 of the Regulations of the Company's Board of Directors for such events shall be applied.

### **Section 12. Cessation**

Members of the Committee shall leave their post:

- a) When they lose their status as Company Directors, except when the member does not need to be a director in order to hold the post (i.e. the Secretary).
- b) On the agreement of the Board of Directors

### **Section 13. Meetings**

1. The Committee shall meet ordinarily every two months, or at least six times a year.
2. The Committee shall meet at the request of any of its members, and whenever called by its President, who must call a meeting whenever the Board or its President asks the Committee to issue a report or development proposals, and under all circumstances whenever convenient for the correct performance of its duties.

### **Section 14. Calling of Meetings**

- a. The Committee will be called to meeting by letter, fax, telegram or electronic mail, and the announcement of the meeting shall be authorised by the signature of the President or of the Secretary by order of the President.
- b. With the exception of urgent meetings, calls to meetings must be made at least three (3) days in advance of the meeting. The announcement of a meeting will always include its Agenda, and will be accompanied by relevant information, duly summarised and prepared, which might also be made available to members of the Committee using the Director Portal set up to this end.
- c. It will not be necessary to call and officially announce a meeting of the Committee when all of the Committee members are present and unanimously agree to a meeting.

### **Section 15. Constitution**

- a. The Committee shall meet at the Company's registered address or at the venue indicated in the meeting announcement.
- b. The Committee shall be validly constituted when the meeting is attended by over half its members either in person or through representatives. Absences that occur once the Committee meeting has been constituted shall not affect the validity of said meeting.

- c. Committee meetings can also take place via videoconference or telephone multiconference, in which case the meeting shall be deemed to have taken place in the venue stated as the main location on the meeting announcement. If this information is not given, it shall be understood to be the location of the Director who is chairing the meeting.
- d. Any member of the Committee can choose to be represented by another member and must grant this power of representation in writing individually for each meeting using any of the means described in the first paragraph of the previous section, addressing said notification to the President or the Secretary of the Committee.
- e. The President will guide and moderate discussions, handing the floor over to different members and concluding matters when he or she understands that sufficient discussion has taken place. Votes shall be cast through the raising of hands.
- f. If the President is ill, unable to perform this task, or the position is vacant, the Committee meeting shall be chaired by the longest-standing member of the Committee, or, in the event of a tie in this regard, by the oldest member. If the Secretary is ill, unable to perform this task, or the position is vacant, this role shall be performed by the Vice Secretary, or in his or her stead, by the shortest-standing member of the Committee, or, in the event of a tie in this regard, by the youngest member.

#### **Section 16. Agreements**

- a. Agreements shall be reached by an absolute majority of members attending the meeting. In the event of a tie, the President will have the deciding vote.
- b. The deliberations and agreements of the Committee shall be recorded in the corresponding Minutes, which shall be signed by the President and the Secretary, or by those standing in for them. Minutes shall be approved by the Committee at the end of the meeting or the start of the next one.

#### **Section 17. Conflicts of interest**

When the subjects to be discussed at Committee meetings directly affect any of its members or persons linked to it, and in general, when a member is affected by a conflict of interest, said individual must abstain from attending the meeting until the relevant decision is made, making the relevant deductions from the number of Committee members for the purposes of calculating meeting quorum and majorities with regard to the subject in question.

#### **Section 18. Attendance**

- a. The Committee, through its President, may compile information and request the collaboration of any executive or employees within the Company and its Group, and may even call a meeting with said individual without the presence of any other executives. In this event, executives or employees of the Group shall be required to attend meetings of

the Committee and to provide their collaboration and access to any information they have when requested to do so for this purpose.

- b. In any case, the President of the Committee shall notify the President of the Board of Directors or the Chief Executive Officer of any requests to assist the Committee made by the letter, with the exception of those pertaining to the Internal Auditor.
- c. The Committee may request the presence of the external auditor at its meetings.

#### **HEADING IV. CONSULTANCY, COMPLIANCE AND DISSEMINATION**

##### **Section 19. Consultancy**

- a. In order to be advised in the exercise of its functions, the Committee may request the recruit of external advisors in legal matters, accounting, valuation, risk or any other nature that may be necessary at any time at the Company's expense.
- b. The commission will necessarily deal with specific issues of a certain relief and complexity.
- c. In order to strengthen the independence of the Committee in the performance of its functions, requests for external advice, when deemed convenient, shall be made to the Chairman of the Bank's Board of Directors, who may only object if he reasonably believes:
  - i. that it is not necessary for the correct performance of duties entrusted to the Committee;
  - ii. that its cost is not reasonable in light of the importance of the problem and the assets and income of the Company;
  - iii. that the technical assistance required could be adequately provided by experts and employees from within the Company; or
  - iv. it might compromise the confidentiality of information to be examined.

##### **Section 20. Compliance and dissemination**

Members of the Committee and the Bank's Senior Executives are required to ensure and enforce compliance with these Regulations, and to take any opportune measures to ensure maximum dissemination throughout the rest of the Bank and its Group.