

*Regulations of the Risks Committee*

*BANCO DE CRÉDITO SOCIAL COOPERATIVO, SA*

## HEADING I. PRELIMINARIES

### Section 1. Legal status and applicable legislation

- a. The Risks 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, without executive functions and with powers 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 corporate by-laws, 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 Corporate By-Laws and in the Regulations of the Board of Directors, as applicable, and (iii) the principles and recommendations of good governance formulated at the request of regulatory bodies.
- b. The Law, the Corporate By-Laws 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 arise 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 should be endorsed 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 them endorsed.
- 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 RESPONSIBILITIES

### Section 5. Scope

The Committee does not have any executive powers. Its purpose is to advise the Board of Directors regarding issues that fall within its remit, to which end it must:

- a) Report on all relevant matters that come to its attention within the development of its activities, and advise the Board on any matters that require such action.
- b) Propose any modifications to policies, procedures and strategies it deems to be advisable.

The responsibilities of the Risks Committee include:

- i. Advising the Board of Directors regarding the Bank's current and future global propensity towards risk and its strategy in this arena, and assisting the Board in overseeing the application of this strategy.
- ii. Evaluating Credit, Market, Interest Rate, Liquidity, Operational, Legal and Reputational risks in the aspects detailed below:
  - 1) In relation to Credit Risk:
    - Knowledge of the admission policies established and their level of compliance.
    - Knowledge of exposure to credit risk and its relationship with the limits established for its control.
    - Knowledge of the effects of the policies and limits established regarding the entity's future exposure to credit risk.
  - 2) In relation to Market, Interest Rate and Liquidity Risks:
    - Knowledge of risk management policies and their level of compliance.
    - Knowledge of the Bank's exposure to each of the above risks and its relationship with the limits established for their control.
    - Knowledge of the impact of these risks on the Bank, in the event of unfavourable evolution of the financial markets.
  - 3) In relation to Operational Risk:
    - Knowledge of losses registered attributable to operational error.

- Knowledge of the procedures and systems established for its control and mitigation.
- 4) In relation to Legal and Reputational Risks, derived from non-compliance with applicable legislation and regulations:
- Knowledge of the policies and procedures established to guarantee compliance with regulations governing:
    - The Prevention of Money Laundering and the Funding of Terrorism.
    - Personal Data Protection.
    - Transparency of Operations and Customer Protection.
    - Securities Market Conduct.
    - Remunerations.
    - Corporate Governance
  - Knowledge of the Bank's level of compliance with the aforementioned regulations.
- iii. Examining whether the prices of assets and liabilities offered to customers fully take account of the Bank's business model and risk strategy. If this is not the case, the Risk Committee shall present the Board of Directors with a plan to rectify this matter.
- iv. Working with the Board of Directors to determine the nature, amount, format and frequency with which the Committee itself and the Board of Directors should receive information about risks.
- v. Collaborating to establish rational remuneration policies and practices. To this end, the Risks Committee, notwithstanding the functions performed by the Remunerations Committee, shall examine the incentives set out as part of the remuneration system that take into consideration the issues of risk, capital, liquidity, and the probability and opportunity of profits.

To ensure the Committee is able to perform its duties correctly, the Bank shall guarantee easy access to information about its risk situation, and if necessary to the risk management department and specialist external consultancy and advice.

The Committee shall draw up an annual action plan for the following financial year, which it shall present to the Board of Directors.

### HEADING III COMPOSITION AND FUNCTIONING

#### Section 6. Composition and Appointments

The Committee will comprise a minimum of three (3) and a maximum of seven (7) members, as determined at any given time by the Board of Directors, which shall appoint the members from among those directors with experience, knowledge, and the most suitable profile to be a member of the Committee.

Membership of the Committee shall not be exclusive, and its members may to be part of any other Committees created by the Board of Directors with regard to the corresponding issues.

#### Section 7. Distribution of roles

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

#### Section 8. 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 and 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 Corporate By-Laws and the Regulations of the Board of Directors.

#### Section 9. Replacement or substitution of members

In the event of the 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 10. Cessation

Members of the Committee shall stand down as such following the term for which they are appointed as Directors, or when the Board of Directors so decides, in accordance with the powers conferred by law or the corporate by-laws.

Furthermore, members of the Committee shall also stand down as such:

- a) When they are affected by any of the circumstances that dictate incompatibility or prohibition under law.
- b) When they are found guilty of a crime or are subject to disciplinary measures imposed by supervisory authorities resulting from serious or very serious misdemeanour, which affects the Bank's reputation.
- c) When they have seriously breached their obligations as directors.
- d) When their continued membership of the Committee might jeopardise the interests of the company, or when the reasons for which they were appointed are no longer applicable.
- e) On the agreement of the Board of Directors.

#### Section 11. Meetings

1. The Committee shall meet ordinarily once every quarter.
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 draft a report or adopt proposals, and under all circumstances whenever convenient for the correct performance of its duties.

#### Section 12. 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 sessions, 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 Directors' Portal set up to this end.
- c. It will not be necessary to call and officially announce a meeting of the Committee when all the Committee members are present and unanimously agree to a meeting.

#### Section 13. 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 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 14. 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 15. Attendance

The Committee, through its President, may compile information and request the collaboration of any executive or employee of the Company and its Group. 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.

### HEADING IV CONSULTANCY, COMPLIANCE AND DISSEMINATION

#### Section 16. Consultancy

- a. When seeking advice and guidance in the performance of its duties, the Committee may ask the Company to recruit legal, accounting, financial, or other expert consultants and advisors.

- b. This must necessarily pertain to specific matters of importance and complexity that arise in the performance of its duties.
- c. Requests for consultancy and advisory assistance must be made to the President of the Bank's Board of Directors, who may oppose said request if he or she deems:
  - 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 17. 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.