

***Regulations of the Audits Committee***  
***BANCO DE CRÉDITO SOCIAL COOPERATIVO, SA***

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**Approval: Board of Directors.**

## 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.
- 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. These Regulations shall be reviewed periodically to incorporate, as the case may be, the improvements deemed appropriate, and the Committee, at the proposal of its Chairman or of the majority of its members, may propose the modification thereof when circumstances arise that make it necessary or appropriate, although the modification shall

only enter into force if it is adopted in accordance with the procedure described in the preceding paragraph.

## **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 shall act with complete independence in the performance of its duties and shall ensure that all its activities are carried out without detriment to the independence of assessment and judgment of all its members. Likewise, in the performance of its duties, the Committee shall take into account the basic principles of action contemplated at all times in the applicable regulations, as well as in the guidelines and directives on Audit Committees of Financial Institutions.

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. To propose to the Group's governing bodies the selection, appointment, re-election and replacement of the auditors or audit firms in each of the Group's companies, so that the external auditor of the consolidated Group assumes responsibility for the audits of the companies that comprise it, taking responsibility for the selection process. Likewise, if necessary, to propose their removal.
- 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. To serve as a channel of communication, as appropriate, between the Board of Directors and the external auditor, without prejudice to the relationship of the General Audit (*Intervención General*) function and the Internal Audit Department of the Company with the external auditor. The Audit Committee shall maintain fluid and continuous communication with the external auditor.
- k. To verify that the Board of Directors takes the necessary corrective actions in a timely manner to address control failures, non-compliance with laws, regulations and policies, as well as other issues that may 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. To propose to the Board of Directors the orientation and Annual Work Plan of Internal Audit, supervising its material and human resources, both internal and external, necessary to carry out its work; as well as guiding and supervising the activity of the Company's Internal Audit, and ensuring that its activity is mainly focused on the Group's relevant risks (including reputational risks).
- vi. Propose the budget for the Internal Audits Management Department.
- vii. Receive periodic information about the activities carried out by the Internal Audits Management Department.
- viii. 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 process of preparing economic-financial and non-financial information.**

The Committee shall have the following main functions in connection with the process of preparing the aforesaid information:

- a) Supervise the establishment of the Bank's accounting policies.
- b) To supervise and evaluate the preparation and presentation process and the integrity of the financial and, if applicable, sustainability information relating to the Bank and, if applicable, to the Group, as well as the non-financial information that may be mandatory, reviewing compliance with regulatory requirements, the adequate delimitation of the consolidation perimeter and the correct application of accounting criteria.

Likewise, with respect to the financial information, the Committee shall carry out the review of such information, which shall be available on the Company's website under the terms of the applicable regulations; communicating its opinion to the Board of Directors if, after the appropriate review, the Audit Committee is not satisfied with any aspect.

- 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) To supervise, as the case may be, the verification of the presentation of annual and consolidated information on sustainability, in accordance with applicable legislation.
- g) To report, in advance, to the Board on the financial and non-financial information (which, if applicable, is mandatory) that the Company must periodically disclose to the public.

#### **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) To supervise the effectiveness of the internal control and risk management systems and, if applicable, of the internal audit systems, relating to the presentation of financial information and, if applicable, on the sustainability of the Bank, under the terms of the regulations applicable from time to time, in order to identify and analyse the main risks affecting 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, environmental, social and governance, etc.) faced by the Company and its Group, including financial or economic risks, contingent liabilities and other off-balance sheet risks.
  - 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. To report to the General Shareholders' Meeting on matters within its competence and, in particular, on the outcome of the audit and, if applicable, the verification of sustainability reporting, explaining how such audit and verification have contributed to the integrity of the financial and sustainability information, and the role that the Committee has played in that 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 be composed of a minimum of three (3) and a maximum of six (6) non-executive directors appointed by the Board of Directors, at the proposal of the Appointments Committee.

The Board of Directors shall ensure that the members of the Committee, as a whole, have adequate knowledge and experience in accounting, auditing and risk management, both financial and non-financial, and that, in any case, the Chairman is appointed taking into account his/her knowledge and experience in such matters.

#### 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 removal, announcement of resignation, incapacity or death of Committee members, the provisions of the Company's Board of Directors Regulations shall apply.

#### **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 more than half of its members are present or represented at the meeting. Absences occurring after the Committee has been constituted shall not affect the validity of the Committee's meeting.
- c. The Committee may authorise, after an express vote to that effect, the remote attendance of one or more of its members, provided that this is an unforeseen and duly justified situation, the correct connection and participation of the member whose attendance in person does not take place is ensured, and the place of his/her actual presence is stated in the minutes.
- d. The meetings of the Committee may also be held by audiovisual or telephonic means, as well as in several rooms simultaneously, provided that the interactivity and intercommunication of the members of the Committee is ensured in real time and none of the members oppose this procedure, there being therefore the possibility of and agreement to the holding of the meeting by such means, with due reflection in the Minutes of the corresponding session.

The meeting of the Committee shall be deemed to have been held at the place stated as the principal place in the notice of meeting. In the absence of such indication, it shall be understood to be the place where the Director presiding over the meeting is located.

With regard to the holding of Committee meetings by telematic means, the Secretary of the meeting shall confirm and expressly record in the Minutes: 1) that the necessary means have been made available for the conduct of the meeting by remote means with the due multiple interconnection and system of participation of all the attendees, and 2) that prior to the conduct of the meeting all the attendees have been identified, confirming the validity of the list included in the corresponding Minutes of the meeting.

The adoption of resolutions by written ballot without a meeting shall also be valid, albeit exceptionally and only in cases of urgent necessity, if no member of the Committee objects to this procedure.

- e. 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.

- f. 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.
- g. 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.
- c. The Chairman of the Committee must ensure that its members participate freely in the deliberations, encouraging constructive dialogue among its members, free expression and a critical attitude, favoring the diversity of opinions that will contribute to enriching the appropriate analyses and the proposals made, if any, to that effect.

#### **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. COMMITTEE RELATIONS, ADVICE, COMPLIANCE AND DISSEMINATION**

##### **Section 19. Relations with the Board of Directors**

The Chairman of the Committee shall report on its activities to the Board of Directors at the meetings scheduled for this purpose or at the meeting immediately following the Committee's meeting.

In addition, the Minutes of all Committee meetings shall be available to all Board Members.

##### **Section 20. 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 21. 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.