

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

***Consolidated text: Version 2 March 2023.***

***Approval: Board of Directors.***

## 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, of an informative and advisory nature, without executive functions and with powers to report, advise and formulate proposals to the Board of Directors in its oversight function 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 Risk Committee is responsible for the following matters:

- i. To advise the Board of Directors in the management of the risks that apply to the Bank, and are inherent to its usual activity, in all the aspects inherent to its condition as a Financial Entity. In the task of supporting the Board of Directors in risk management, as well as in the risk oversight function, it will pay particular attention to monitoring the overall risk appetite, the overall strategy and the current and future risk appetite of the Bank and its risk strategy, assisting the Board in overseeing the implementation of the risk strategy and the corresponding limits set; taking into account all types of risks - including environmental, social and governance (ESG) risks - to ensure that they are in line with the Bank's business strategy, objectives, corporate culture and values.
- ii. Especially taking into consideration and evaluating the risks inherent to the Company's activity, particularly Credit, Market, Interest, Liquidity, Operational, Legal, Technological and Reputational Risks, as well as Environmental, Social and Governance risk factors, monitoring the execution of the management strategies of the aforesaid risks relevant to the Company to analyse their adaptation to the strategy and the general risk appetite framework approved and in force at any given time, 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 Technological Risk:

- Knowledge of possible losses caused by damage, interruption, alteration or failures derived from the use of new technologies.
- Knowledge of the procedures and systems established for their control and mitigation.

5) 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.

6) In relation to Environmental, Social and Governance Risks:

- Knowledge of possible present or future losses, related to both physical and transitional environmental risks.

- Knowledge of exposure to social and governance risk factors to assess the degree of risk assumption and potential mitigating measures.
- 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. In this sense, it will evaluate the risks associated with the financial products and services offered and will take account the coherence between the prices assigned to said products and services and the benefits obtained, carrying out therefore a global profitability analysis of the business lines.
  - iv. Analyzing the possible adverse scenarios, studying the different scenarios in the corresponding time horizons, including stress scenarios, to evaluate, in case of external and internal events, the possible reaction of the Company's risk profile.
  - v. Recommending to the Board of Directors in its oversight function the adjustments in the risk strategy that it deems necessary due, among others, to changes in the business model, market developments or recommendations made by the risk management function.
  - vi. 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.
  - vii. Advising on the appointment of external consultants in the areas of their competence and for advisory or support purposes, should their recruitment be deemed necessary.
  - viii. Evaluating the recommendations issued by the internal or external auditors of the Company in relation to the fronts of competence of the Committee, as well as verify the proper application of the measures taken, without prejudice to the powers of the Audit Committee regarding the evaluation of recommendations from external and internal auditors in any front.
  - ix. Collaborating with other Committees, whose activities may have an impact on the risk strategy, communicating periodically with the internal control functions of the Company, in particular with the risk management function, and generally carrying out the coordination activities of its own nature.

Likewise, the Risk Committee will collaborate in the establishment of rational remuneration policies and practices. For this purpose, the Risk Committee will examine, without prejudice to the functions of the Remuneration Committee, whether the incentives provided for in the remuneration system take into account risk, capital, liquidity and the probability and period of generation of benefits.

For the proper performance of its duties, the Bank shall ensure that the Risk Committee has unimpeded access to all relevant information and data necessary to perform its functions,

especially information on the Bank's risk situation and, if necessary, to the risk management unit and specialised external 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 shall be composed of a minimum of three (3) and a maximum of seven (7) directors appointed by the Board of Directors from among those directors who do not perform executive functions and who possess - individually and as a whole - the appropriate knowledge, capacity and experience to fully understand and control the Bank's risk strategy and risk appetite, as well as the risk management and control practices, as determined from time to time by the Board of Directors; the majority of its members shall be independent, as shall the Chairman of the Committee.

Membership on the Committee shall not be exclusive, so its members may be part of other Committees that the Board of Directors may decide to create, as the case may be, with respect to the corresponding matters; however, the Chairman of the Committee shall not chair any other Committee while he/she holds such position.

All members of the Committee shall be appointed for a maximum period of 4 years, and may be re-elected one or more times for periods of the same maximum duration.

#### Section 7. Distribution of roles

The Board of Directors shall appoint the President of the Committee from among the independent 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) To assist the Chairman in ensuring that the members of the Committee receive the information relevant to the exercise of their duties sufficiently in advance and in the appropriate format.
- e) 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 cessation, announcement of waiver or resignation, incapacity or death of Committee members, the provisions of the Regulations of the Board of Directors of the Company shall apply to these cases.

#### 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 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, after an express vote to that effect, authorise 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 or 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 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 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.
- c. The members of the Committee shall 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, as the case may be, to that effect.

#### 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.

When the matters to be discussed at Committee meetings directly affect any of its members or

persons related thereto and, in general, when such member is in a conflict of interest situation, he/she shall absent him/herself from the meeting until the decision is adopted, being deducted from the number of Committee members for the purpose of calculating the quorum and majorities in relation to the matter in question.

#### HEADING IV. COMMITTEE RELATIONS, ADVICE, COMPLIANCE AND DISSEMINATION

##### Section 16. Relations with the Board of Directors and Management of the Bank and its Group

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.

The Committee may maintain occasional or regular contacts, as appropriate, with the Chairman of the Board of Directors, the chief executive officer or executives of the Company and its Group.

Likewise, the Committee, through its Chairman, may gather information and request the collaboration of any Executive or employee of the Company and its Group, who are obliged to attend the meetings of the Committee and to provide their collaboration and access to the information at their disposal when required to do so.

##### Section 17. 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 18. 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.