SELECTION AND ASSESSMENT POLICY

ON THE SUITABILITY OF DIRECTORS AND HOLDERS OF KEY FUNCTIONS AT BANCO INVERSIS AND THE COMPANIES FORMING PART OF ITS GROUP

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1. PURPOSE OF THIS POLICY.

The purpose of this Policy is to regulate the procedure and criteria to be followed in the selection of Directors and holders of key functions at Banco Inversis and the companies forming part of its group, as well as in the assessment of their suitability, in accordance with the provisions of Articles 24 and 25 of Law 10/2014 of 26 June on the organisation, supervision and solvency of credit institutions, and the regulations issued in implementation thereof.

In applying this Policy, *the European Banking Authority's Guidelines on the assessment of the suitability of members of the management body and key function holders*, dated 21 July 2021 (EBA/GL/2021/06), shall be taken into account, in accordance with the principle of proportionality set out in Title I thereof.

2. SCOPE OF APPLICATION.

This Policy shall apply to:

a) the selection and assessment of the suitability of the Directors of Banco Inversis;

b) the selection and assessment of the suitability of key function holders at Banco Inversis and the companies forming part of its group, who shall be as follows:

- members of the Management Committee of Banco Inversis;
- the Heads of the Internal Audit, Global Risk Management and Regulatory Compliance Units at Banco Inversis;
- the Managing Directors or Chief Executive Officers of subsidiaries.

The subsidiaries of Banco Inversis shall apply this Policy in accordance with the terms set out in the following sections.

3. SELECTION CRITERIA.

3.1. Directors.

The following criteria shall be followed in the selection of Banco Inversis's Directors:

a) The provisions relating to the composition of the Board of Directors set out in the Articles of Association and the Board of Directors' Regulations shall be observed, such that external or non-executive directors shall constitute a majority over executive directors;

b) Efforts will be made to bring together a broad range of qualities and skills in order to achieve a diversity of viewpoints and experiences and to promote independent opinions and sound decision-making within the Board of Directors; and, in particular, efforts will be made to ensure adequate representation of all genders on the Board and to ensure that the principle of equal opportunities is respected when selecting Directors.

The criteria set out in point (b) shall also apply to the selection of directors of Banco Inversis' subsidiaries, without prejudice to the provisions of the

which, where applicable, they must comply with.

3.2. Holders of key positions.

The following criteria shall apply to the selection of holders of key positions at Banco Inversis and the companies forming part of its group:

a) The identification, recruitment, retention and development of talent shall be ensured.

b) Gender diversity will be promoted, with efforts made to increase the number of people from the under-represented gender

c) in key positions.

4. FITNESS REQUIREMENTS.

4.1. Directors.

The Board of Directors of Banco Inversis shall be composed of individuals who meet the suitability requirements necessary for the performance of their duties, because:

a) they possess recognised commercial and professional integrity, having consistently demonstrated personal, commercial and professional conduct that casts no doubt on their ability to manage the institution in a sound and prudent manner;

b) they have the appropriate knowledge and experience to carry out their duties, having received training of the appropriate level and profile and gained practical experience from their previous positions over sufficient periods of time;

c) they are in a position to exercise sound governance of the institution, as they do not give rise to potential conflicts of interest, are able to devote sufficient time to their duties, and have the capacity to assess and challenge the decision-making process and the decisions taken by senior management.

The Board of Directors of Banco Inversis, as a whole, must possess sufficient knowledge, skills and experience in the governance of credit institutions to adequately understand the institution's activities and principal risks, and to ensure its effective capacity to take decisions independently and autonomously in the institution's best interests.

The provisions of this section shall also apply to directors of Banco Inversis's subsidiaries, without prejudice to the provisions of the sector-specific regulations to which they may be subject.

4.2. Holders of key positions.

Holders of key positions must meet the same requirements regarding good repute, knowledge and experience as those required of Directors.

5. PROCEDURE FOR SELECTION AND ASSESSMENT ASSESSMENT OF SUITABILITY.

5.1. Directors of Banco Inversis.

5.1.1. Election.

The Appointments and Remuneration Committee shall be responsible for submitting to the Board of Directors of Banco Inversis proposals for the election of independent directors and for informing the Board of proposals for the election of the other directors of Banco Inversis, based on the recommendation of Euroclear SA/NV (hereinafter "ESA"), in its capacity as the majority shareholder, which must take into account the criteria set out in sections 3.1 and 4.1 of this Policy. In its proposal or report, the Committee shall follow the criteria set out in section 3.1 of this Policy and shall carry out an assessment of the suitability of the candidate for the position of director, in accordance with the provisions of section 4.1 of this Policy and taking into account the following:

a) The recommendation of ESA, in its capacity as majority shareholder, where applicable.

b) In order to assess commercial and professional integrity, the candidate for the Board of Directors will be asked to complete a questionnaire, the answers to which will be cross-checked against all available information.

c) When assessing practical and professional experience, particular attention shall be paid to the nature and complexity of the positions held, the powers and decision-making authority exercised, and the responsibilities assumed, as well as the number of staff under their supervision, the technical knowledge acquired regarding the financial sector, and the risks they are required to manage.

d) When assessing the candidate's ability to ensure good governance of the organisation, potential conflicts of interest arising from:

   (i) positions held at Banco Inversis or at other organisations;

   (ii) personal, professional or financial relationships with other directors of Banco Inversis or its subsidiaries, with Banco Inversis's shareholder, or with significant suppliers or customers of Banco Inversis.

Should the Board of Directors resolve to propose the election of a Director to the Annual General Meeting of Shareholders, the proposal shall be communicated to the Bank of Spain so that it may carry out a suitability assessment of the candidate proposed for the position of Director. Once a favourable suitability assessment has been received from the Bank of Spain, the Annual General Meeting of Shareholders may elect the proposed Director. The election shall be entered in the Bank of Spain's Register of Senior Officials, and the elected Director may take up their post.

5.1.2. Re-assessment of suitability.

a) The suitability of Directors shall be reassessed by the Appointments and Remuneration Committee: at least once a year;

b) whenever the appointment of a Director as a Director of a subsidiary of Banco Inversis or as a member of one of the committees of the Board of Directors of Banco Inversis is proposed;

c) whenever a Director of Banco Inversis is to be elected as a Director of a company that is not part of the Inversis Group, or is to take up a new professional role, in which case the Director must, prior to the election, inform the Secretary of the Committee, who shall refer the matter to the Committee so that it may reassess the suitability of that Director;

d) whenever any other circumstances arise that warrant

to reassess their suitability.

If the reassessment reveals that a Director may no longer meet the requirements for suitability, the results of that reassessment shall be communicated to the Bank of Spain, which shall assess whether the changes that have occurred affect the outcome of the previous assessment.

At least once a year, the suitability of the Board of Directors as a whole shall also be assessed, taking into account its structure, size, composition and performance.

5.2. Holders of key positions at Banco Inversis.

Holders of key positions shall be appointed by the Board of Directors, on the recommendation of the Chief Executive Officer, following an assessment of their suitability by the Appointments and Remuneration Committee, and after consulting ESA, in its capacity as the majority shareholder, where appropriate. Depending on the position and the profile under consideration, consultation shall take place, as appropriate, with ESA's Management Committee or with the head of the relevant function at group level.

In cases where an assessment of suitability by the Bank of Spain is also required, the appointment shall take effect subject to the completion of this assessment and registration in the Register of Senior Officials.

The suitability of holders of key positions will also be reassessed by the Appointments and Remuneration Committee:

a) at least once a year; and
b) whenever circumstances arise that warrant a reassessment of suitability.

If the reassessment reveals that any holder of a key position listed in the Register of Senior Officials may no longer meet the suitability requirements, this reassessment will be reported to the Bank of Spain, which will assess whether the changes that have occurred affect the outcome of the previous assessment.

5.3. Directors and Managing Directors of Banco Inversis' subsidiaries and associated companies.

The appointment of directors of Banco Inversis' subsidiaries and associated companies shall require a prior favourable report from the Banco Inversis Appointments and Remuneration Committee, which shall report to the Board of Directors. In all other respects, the procedure shall be governed by the provisions of the sector-specific regulations applicable, where relevant, to each subsidiary or associated company.

6. TRAINING OF DIRECTORS.

The Appointments and Remuneration Committee shall approve:

a) an induction programme for new Directors, with the aim of helping them to clearly understand the relevant legal provisions, the structure, the business model, the risk profile and the corporate governance systems of the organisation;

b) the ongoing training activities for directors to be carried out each year.

7. SUCCESSION PLAN.

Following a report from the Appointments and Remuneration Committee, the Board of Directors shall approve and review, at least annually, a Succession Plan for Directors and holders of key positions, which shall include appropriate coordination with ESA, in its capacity as the majority shareholder, without prejudice to the shareholders' right to appoint and replace all Directors simultaneously; the continuity of decision-making must be ensured, avoiding, where possible, the replacement of too many members at the same time. The Plan shall also set out the measures to be taken to deal with sudden or unexpected absences or departures of Directors.

8. APPROVAL AND REVIEW OF THIS POLICY.

Approval of this Policy rests with the Board of Directors of Banco Inversis, upon the recommendation of the Appointments and Remuneration Committee.

At least once a year, the Appointments and Remuneration Committee shall review this Policy and compliance therewith, proposing, where appropriate, that the Board introduce the necessary amendments or adopt any other measures it deems appropriate.