# RULES OF PROCEDURE OF THE APPOINTMENTS AND REMUNERATION COMMITTEE OF BANCO INVERSIS, S.A.

PRELIMINARY SECTION.

**Article 1 – Purpose**

The purpose of these Regulations is to set out the guiding principles for the Appointments and Remuneration Committee of Banco Inversis, S.A. (hereinafter “Inversis” or “the Bank”) and the basic rules governing its organisation and operation.

SECTION 1 – NATURE, PURPOSE AND REPORTING STRUCTURE

**Article 2 – Legal nature and purpose**

The Appointments and Remuneration Committee (hereinafter referred to as the “Committee”) of the Company is a body of the Board of Directors, established in accordance with company law and subject to the specific provisions of banking regulations; it has no executive functions and is governed by the provisions contained in the Act, the Articles of Association, the Rules of Procedure of the Board of Directors and these Regulations.

SECTION 2 – COMPOSITION, APPOINTMENT AND TERMINATION OF MEMBERS

**Article 3 – Composition**

The Committee shall consist of a minimum of three and a maximum of five members, one of whom shall act as Chair. All members must be external or non-executive directors, at least one-third of whom—and, in any event, the Chair—must be independent directors.

The Secretary of the Board, who shall not be a member of the Committee, shall act as Secretary.

**Article 4.—Appointment and Removal**

1.— The members of the Committee shall be appointed by the Entity’s Board of Directors from amongst its directors. The Board shall also appoint, from amongst the independent directors, the person to hold the office of Chair. The Board may also appoint alternate members from amongst the directors in the categories indicated in the preceding article, in the event of a vacancy, absence or conflict of interest. Members of the Committee shall be appointed taking into account their knowledge and experience in the areas of corporate governance, strategic analysis and evaluation of human resources, the selection of directors and senior managers, the performance of senior management duties, and the design of remuneration policies and schemes for directors and senior managers.

2. The term of office shall be for the period remaining until the end of the Director’s term of office, and the appointee may be re-elected to the same post.

SECTION 3. SCOPE AND FUNCTIONS

**Article 5 – Scope of Action**

The Committee's primary mission is to contribute to the recruitment, promotion and retention of talent. Furthermore, the Committee must ensure that the selection and remuneration policies applicable to the Board, senior management and all other employees are consistent with the Organisation's strategy, including in relation to sustainability, diversity, long-term profitability and risk-taking.

**Article 6 – Functions**

Without prejudice to any other functions assigned to it by law, the Articles of Association, the Rules of Procedure of the Board of Directors or these Rules, the Committee shall have the following functions:

- To submit to the Board of Directors proposals for the appointment, re-election or removal of independent directors and to report on proposals for the appointment, re-election or removal of the other directors, with regard to the suitability of the candidates for the proposed positions. To this end, the Committee shall assess the balance of knowledge, skills and experience on the Board of Directors, as well as the criteria that candidates must meet to fill any vacancies that arise, taking into account the time commitment deemed necessary for them to perform their duties adequately, in accordance with the needs of the corporate bodies at any given time. The Committee shall ensure that the selection procedures are free from any implicit biases that might give rise to discrimination of any kind.

- To propose to the Board of Directors policies regarding the selection of members of the Board of Directors and senior executives.

- To set a representation target for the under-represented gender on the Board of Directors and to draw up guidelines on how to achieve that target.

- To analyse the structure, size and composition of the Board of Directors at least once a year as part of the assessment of its performance.

- To assess the suitability of the members of the Board of Directors.

- Report on proposals for the appointment of the Chair and Secretary and, where applicable, the Deputy Chair and Deputy Secretary, as well as the Chief Executive Officer and senior executives.

- To propose and review the succession plan for the Chief Executive Officer and senior executives and, where applicable, the Vice-Chair, and, as appropriate, to make proposals to the Board of Directors to ensure that succession takes place in an orderly and planned manner.

- To report on proposals for the appointment and removal of senior executives.

- To propose to the Board of Directors, for submission to the Annual General Meeting of

Shareholders, the remuneration policy for directors, and to submit the corresponding report to the Board, all in accordance with the terms established at any given time by the applicable regulations.

- To determine the remuneration of directors, in accordance with the provisions of the directors' remuneration policy, and to submit the relevant proposals to the Board.

- To determine the objectives and criteria for measuring the variable remuneration of executive directors and to assess the extent to which these have been met, submitting the corresponding proposals to the Board of Directors

- To analyse, where appropriate, the need to make adjustments, either ex ante or ex post, to variable remuneration, including the application of clauses for the reduction or clawback of variable remuneration, and to submit the relevant proposals to the Board of Directors, following a report from the relevant committees in each case.

- To propose to the Board of Directors the remuneration policy for the Company and the entities forming part of its group, which may include that of senior executives and of those employees whose professional activities have a significant impact on the risk profile of the Company and the entities forming part of its group, and to oversee its implementation.

- To submit to the Board of Directors proposals regarding the basic terms and conditions of senior executives' contracts, including their remuneration and severance payments in the event of termination.

- To directly supervise the remuneration of senior executives and to determine, within the framework of the remuneration model applicable at any given time to senior management, the objectives and criteria for measuring the variable remuneration of those responsible for the functions of Compliance, Risk Management and Internal Audit, and to submit the corresponding proposals to the Board of Directors, based on the approach put forward for this purpose by the Joint Audit and Risk Committee.

- To verify the information on the remuneration of directors and senior executives contained in the various corporate documents.

- To contribute to the recruitment and retention of talent.

- To examine and report on the plans and actions relating to the cultural transformation being undertaken by the organisation.

- To report in advance on related-party transactions involving the organisation's directors that must be submitted to the Board of Directors for approval.

- To report, prior to any decisions that the Board of Directors may need to adopt, on all matters falling within its remit as set out in the law, the Articles of Association, the Rules of Procedure of the Board of Directors and these Rules, and, in particular, on situations involving conflicts of interest on the part of directors.

- To periodically assess and review the Company's corporate governance system and to propose to the Board of Directors, for its approval or submission to the General Meeting of Shareholders, where appropriate, amendments and updates to the policies that contribute to its development and continuous improvement.

- To report, prior to any decisions that the Board of Directors may need to take, on all matters falling within its remit as set out in the law, the Articles of Association, the Rules of Procedure of the Board of Directors and these Regulations, and, in particular, on situations involving conflicts of interest on the part of directors.

- To analyse, prior to their consideration by the Board of Directors, the Company's general policies which, by law or internal regulations, are to be approved by the Board of Directors, within the scope of the Committee's remit.

SECTION 4 – OPERATION

**Article 7 – Meetings**

1. The Committee shall set the schedule for its ordinary meetings with the frequency necessary to adequately address the matters falling within its remit, meeting at least once every quarter. Furthermore, this Committee shall meet whenever required by its Chair or any of its members, or at the request of the Board of Directors with a specific agenda.

2.- The Committee shall be deemed to have been duly convened without prior notice if all members are present and unanimously agree to hold a meeting. In cases of urgency, the Committee may be convened without the minimum notice period provided for; in such cases, the urgency must be unanimously agreed upon by all those present at the start of the meeting.

3.- Executive directors or senior managers of the Organisation may attend meetings where the Committee or its Chair expressly so agrees, following an invitation from the Chair of the Committee, to discuss those items on the agenda for which they have been summoned.

4.- The Committee may summon any employee or manager of the Organisation, and may even require them to attend without any other manager being present, following an invitation from the Chair of the Committee, to discuss those items on the agenda for which they have been summoned.

**Article 8.—Notice of Meeting and Venue**

1.— The Secretary of the Committee shall notify each of its members of the convening of the Committee at least three days in advance, by letter, fax or email, and shall include the agenda for the meeting, previously approved by the Chair of the Committee. The minutes of the previous meeting shall be attached to each notice of meeting, whether or not they have been previously approved.

2.— The Commission's meetings shall normally take place at the registered office, but may also be held at any other venue determined by the Chair and specified in the notice of meeting.

The Commission may meet in several rooms simultaneously, provided that real-time interaction and communication between them is ensured by telephone, thereby guaranteeing the unity of the proceedings. In this case, resolutions shall be deemed to have been adopted at the location where the majority of members are present and, in the event of a tie, at the registered office.

**Article 9.—Quorum, representation, adoption of resolutions and minutes**

1.— For the Committee to be validly constituted, a majority of its members must attend the meeting, either in person or by proxy. Members must attend the sessions in person. However, where they are unable to do so, they may, for each session and in writing, delegate another member to represent them at that session for all purposes.

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In exceptional circumstances, provided no member objects, the Committee may conduct its business in writing without holding a meeting. In such cases, members may submit their votes and any comments they wish to have recorded in the minutes by email.

2.- Resolutions shall be adopted by a majority of the members present or represented. In the event of a tie, the Chair shall have the casting vote.

3.- The Secretary of the Committee shall draw up minutes of each meeting held, which shall be approved at the same meeting or at the next meeting. A copy of the minutes of the meetings shall be sent to all members of the Council.

**Article 10 – Powers, resources and advice**

1. In order to carry out its functions, the Committee may request any information it requires concerning any aspect of the Organisation.

2.- Through the Secretary, the members of the Committee shall be provided with all the resources and documentation they require to fulfil their duties.

3.— To carry out its duties more effectively, the Committee may seek advice from external professionals, subject to prior notification to and approval by the Chair of the Organisation, who shall not reject the request unless there are valid grounds for doing so.

SECTION 5 – RELATIONS

**Article 11.—Relations with the Board of Directors and the shareholders**

1.- The Committee shall, through its Chair, report to the Board of Directors on its activities, and shall advise and propose such decisions as it deems appropriate to adopt within the scope of its functions.

2.— The Committee shall draw up an annual report on its activities, which shall be submitted to the Board of Directors.

3.— The Committee, through its Chair, or failing that, through one of its members, shall participate in the General Meeting, where applicable, to address any matters raised that fall

within the Committee's remit.

**Article 12.—Relations with the Organisation's Management**

Any member of the management team or staff whose presence is reasonably requested, following an invitation from the Chair of the Committee, shall be obliged to attend the Committee's meetings and to cooperate with it and provide access to the information at their disposal, in order to discuss those items on the agenda for which they have been summoned.

SECTION 6 – EVALUATION AND REPORTS

**Article 13.— Evaluation and Reports**

1.- The Committee shall assess its performance annually in a report on its activities.

2. Furthermore, the Committee shall report on all matters provided for in the regulations, the Articles of Association, the Rules of Procedure of the Board of Directors and these Rules of Procedure.