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**RULES AND REGULATIONS OF THE BOARD OF DIRECTORS OF  
ALLFUNDS BANK, S.A.U.**

**CHAPTER I.  
INTRODUCTION**

**Artículo 1. Purpose**

The purpose of these Rules and Regulations is to establish the rules of operation and internal organisation of the Board of Directors of ALLFUNDS BANK, S.A.U. (the “**Company**”), as well as the positions therein and Committees thereof, in further development of the applicable legal and bylaw provisions, setting forth the principles that are to govern all action taken by the board and the rules of behaviour to be observed by its members.

**Artículo 2. Interpretation**

These Rules and Regulations shall be interpreted in accordance with the legal and bylaw provisions applicable to the Board. The Board of Directors shall be responsible for resolving any issues that arise in the application and interpretation of these Rules and Regulations in accordance with general standards for interpreting legal provisions.

**CHAPTER II.  
MISSION OF THE BOARD OF DIRECTORS**

**Artículo 3. Management and supervisory powers**

1. Except for the matters reserved to the General Meeting, the Board of Directors is the highest decision-making body of the Company.
2. The policy of the Board is to delegate the day-to-day management of the Company to the General Manager and its management team and to concentrate its activities on the general duty of supervision and on the adoption of the decisions that are most significant for the administration of the Company.
3. Those powers reserved by law or the bylaws to be exercised directly by the Board of Directors, and particularly the following, may not be delegated:
  - (a) Supervising the effective operation of the Committees that it has created and of the activities of the delegated bodies and of the members of management that it has appointed.
  - (b) Responsibility for administration and management of the Company and determination and monitoring of the application of the policies, strategic goals and general strategies of the Company, including the risk strategy and its internal governance.

- (c) Formulating the annual financial statements and submission thereof to the General Meeting.
  - (d) Convening the General Meeting of shareholders and preparation of the agenda and proposed resolutions.
  - (e) Supervising the process for disclosing information and communications relating to the Company.
  - (f) Supervising and ensuring the integrity of the internal information and control systems, as well as the accounting and financial information, including operational and financial control and compliance with applicable laws.
  - (g) Monitoring, control and periodic evaluation of the effectiveness of the corporate governance system and of internal governance, as well as the adoption of appropriate measures to resolve any deficiencies therein.
  - (h) Approving the remuneration to which each director is entitled, within the framework of the provisions of the Bylaws and the directors' remuneration policy approved by the General Meeting.
  - (i) Approving the contracts governing the performance by directors of duties other than those corresponding to their status as such and the remuneration to which they are entitled for performing other duties apart from supervision and collective decision-making that they perform solely as members of the Board.
  - (j) Appointing and removing officers directly reporting to the Board or of any of its members (particularly the General Manager and the Deputy General Manager), and establishing the basic terms of their contracts, including their remuneration and the effective supervision of senior management.
  - (k) Authorising or waiving the obligations arising from the duty of loyalty pursuant to the provisions of the Spanish Corporations Act (*Ley de Sociedades de Capital*) and in article 24 of these Rules and Regulations, except when such power is legally vested with the General Meeting.
  - (l) The policy regarding own shares or interests.
  - (m) Preparing any kind of report required of the Board of Directors by law, provided that action regarding the report cannot be delegated.
  - (n) The powers that the General Meeting has delegated to the Board of Directors, unless it has been expressly authorised to sub-delegate them.
  - (o) Determining its organisation and operation, and particularly approving and amending these Regulations.
4. In the exercise of its responsibility to manage risk, the Board of Directors must also:
- (a) Dedicate sufficient time to consideration of the issues relating to risks. In particular, it shall actively participate in the management of all material risks contemplated in the legal provisions on solvency, ensure that sufficient resources are allocated to the management of risks, and participate in the valuation of assets, the use of external credit ratings and internal models regarding these risks.
  - (b) Approve and periodically review the risk culture and the framework for the Company's risk appetite, including the strategies and policies for assuming,

managing, supervising and reducing the risks to which the institution is or may be exposed, including those presented by the macroeconomic environment in which it operates with respect to the stage of the economic cycle.

For such purpose, the Board of Directors, together with the Risk and Audit Committee, shall determine the nature, the amount, the format and the frequency of information on risks that should be received thereby and by the Board of Directors itself and may access any information on risks that it deems appropriate, including by requiring the presence of any officer or employee.

#### **Artículo 4. Powers of representation**

1. The power to represent the Company, in court and out of court, is vested in the Board of Directors acting collectively.
2. The chairman of the Board also has the power to represent the Company.
3. The secretary of the Board and the vice secretary, if any, have the necessary representative powers to convert the minutes of the General Meeting and of the Board of Directors into public instruments and to apply for the registration thereof.
4. The provisions of the preceding sections are without prejudice to any other powers-of-attorney, whether general or special, that may be granted.

### **CHAPTER III. COMPOSITION OF THE BOARD OF DIRECTORS**

#### **Artículo 5. Number of directors**

1. The Board of Directors shall consist of the number of directors determined by the General Meeting, within the limits set by article 30 of the Company's Bylaws. The General Meeting shall for this purpose proceed directly to setting such number by means of an express resolution or indirectly by the filling of vacancies or the appointment of new directors within the maximum limit established by the Bylaws.
2. The Board of Directors shall propose to the General Meeting the number of Directors that, in view of the changing circumstances affecting the Company, is deemed to be most appropriate to ensure a proper degree of representation and the effective operation of the Board.

#### **Artículo 6. Types of directors**

1. Any Director does not need to be a shareholder in order to be appointed as a member of the Board of Directors.
2. In exercising its powers to make proposals to the General Meeting and to make interim appointments to fill vacancies, the board of directors shall endeavour to ensure that there is a sufficient number of independent directors within the composition of the board of directors to comply with the requirements to comprise the Appointments and Remuneration Committee and the Risk and Audit Committee in accordance with the provisions of law, the Bylaw and articles 10 and 11 of these Rules and Regulations.

For purposes of the provisions of the preceding paragraph, the definitions provided for in the Spanish Corporations Act or any other special legal provision applicable to the Company to determine the category of each director shall be taken into account.

3. The Board of Directors must ensure that the procedures for selecting its members ensure that the individual and collective qualifications of the directors favour diversity of experience and knowledge and are free from any implied bias entailing any kind of discrimination and, in particular, that they promote gender diversity.

## **CHAPTER IV. STRUCTURE OF THE BOARD OF DIRECTORS**

### **Artículo 7. Chairman of the Board**

1. The Board of Directors shall appoint a chairman and may appoint a vice chairman from among its members.
2. The chairman is the highest officer responsible for the efficient operation of the Board of Directors and shall have the following faculties, in addition to the faculties provided by law, the Bylaws and these Regulations:
  - (a) Calling and presiding meetings of the Board of Directors, drawing up the agenda of meetings and directing debate and deliberations.
  - (b) Chairing the General Meeting of Shareholders.
  - (c) Ensuring that the directors receive in advance information sufficient to deliberate on the items on the agenda.
  - (d) Stimulating debate and the active participation of the directors during meetings, safeguarding their freedom to take positions.
3. The chairman shall organise and coordinate the periodic assessment of the Board with the chairman of the Appointments and Remuneration Committee.

The Chairman of the Board of Directors may have any other additional faculties that may be delegated to him by the Board of Directors.

The Board of Directors may appoint a vice chairman, who shall replace the chairman in his duties as chairman of the Board of Directors in case of absence, incapacity or vacancy.

The Vice Chairman of the Board of Directors shall replace the Chairman in cases of vacancy, absence or illness, undertaking the faculties assigned to the Chairman by the Bylaws, notwithstanding the other powers that may be delegated to him by the Board of Directors, either individually or jointly and severally with one or more members of the Board of Directors.

#### **Artículo 8. Secretary of the Board and, if applicable, vice secretary of the Board**

1. The Board of Directors shall appoint a secretary, which office may be held by persons who are not directors, in which case they may participate in meetings but may not vote.
2. The secretary shall assist the chairman in the work thereof and must provide for the proper operation of the Board, apart from the duties assigned by law, the Bylaws and these Rules and Regulations.
3. The Board of Directors may appoint a vice secretary, which office may be held by a person who is not a director, in which case they may participate in meetings but may not vote.
4. The vice secretary shall also attend meetings unless not able to do so and shall replace the secretary in cases of absence, incapacity or vacancy.

#### **Artículo 9. Committees of the Board of Directors**

1. Without prejudice to the delegations of powers made individually to the chairman or to any other director and the power thereof to create delegated Committees by specific areas of activity, the Board of Directors shall in any event create an Appointments and Remuneration Committee and a Risk and Audit Committee, with the duties of supervision, information-reporting, advice and proposal-making on the matters set out in articles 10 and 11 below.
2. All of the members of the Board shall be informed of the meetings of these Committees, for which the corresponding minutes shall be taken, and which shall be made available to all of the directors. To the extent not specifically provided for in these Regulations or any specific regulations thereof, the rules of operation set forth in the Bylaws and in these Rules and Regulations regarding the Board shall apply to such Committees, provided that they are compatible with the nature and function thereof.

#### **Artículo 10. Appointments and Remuneration Committee**

1. The Board of Directors shall create an Appointments and Remuneration Committee made up of a minimum of three and a maximum of five members of the Board of Directors who do not perform executive duties within the Company. At least one third of these members and in any event the chairman must be independent directors.
2. The members of the Appointments and Remuneration Committee shall be appointed taking into account the expertise, qualifications and experience of the directors and the objectives of the Committee.
3. Without prejudice to any other objectives that may at any time be assigned by the Board of Directors, the Appointments and Remuneration Committee shall have the following duties:
  - (a) Regarding appointments:
    - (i) Identify and recommend of candidates to fill vacant positions on the Board of Directors, with a view to the approval thereof by the Board of Directors or by the General Meeting.

Any director may request the Appointments and Remuneration Committee to take into consideration potential candidates to fill vacancies if they find them to be appropriate.

- (ii) Establish a goal for representation by the less represented gender on the Board of Directors and prepare guidance on how to reach increase the number of persons of the less represented gender with a view to achieving this objective.
  - (iii) Evaluate the balance of expertise, qualifications, diversity and experience of the Board of Directors and prepare a description of the faculties and aptitudes necessary for a specific appointment, assessing the dedication of time expected in carrying out the post.
  - (iv) Periodically, and at least once per year, evaluate the structure, size, composition and activities of the Board of Directors, making recommendations with respect to possible changes.
  - (v) Periodically, and at least once per year, evaluate the suitability of the various members of the Board of Directors and the Board as a whole, and report to the Board of Directors as a result.
  - (vi) Periodically review the policy of the Board of Directors regarding the selection and appointment of the members of senior management and make recommendations.
  - (vii) Report on proposals for the appointment and separation of the members of senior management and the basic terms of their contracts.
- (b) Regarding remuneration:
- (i) Propose to the Board of Directors decisions regarding remuneration, including those that have repercussions on the risk and risk management of the Company. In particular, it shall report on the general remuneration policy for members of the Board of Directors, senior executive vice presidents or similar positions and other members of the identified group (as this term is defined in applicable legal provisions), as well as individual remuneration and the other contractual terms of the members of the Board of Directors with executive duties, ensuring the observance thereof.
  - (ii) Periodically, and at least once per year, evaluate the remuneration policies in order to verify that remuneration standards and procedures approved by the board of directors are complied with.
- (c) Any others that these Rules and Regulations or applicable legal provisions may assign to it.

In carrying out its objectives, the Appointments and Remuneration Committee shall take into account, to the extent possible and on an ongoing basis, the need to ensure that decision-making by the Board of Directors is not dominated by one individual or a small group of individuals with prejudice to the interests of the entity as a whole.

The Committee may use the resources that it deems appropriate to perform its duties, including external advice, and shall receive sufficient funds for such purpose.

4. The Committee shall meet as many times as called by the committee itself or its chairman, as deemed necessary. It shall also meet whenever the Board of Directors or its chairman requests the issuance of a report or the adoption of proposals.
5. A valid quorum for Committee meetings shall be established with the attendance, in person or by proxy, of the majority of the directors making up the Committee, and shall adopt its resolutions by a majority of those attending in person or by proxy. Attendance by video conference or conference call will be considered as valid.

#### **Artículo 11. Risk and Audit Committee**

1. There shall be created within the Board of Directors a Risk and Audit Committee made up of a minimum of three and a maximum of five members of the Board of Directors who do not perform executive duties within the Company. At least one third of these members, or any higher proportion resulting from legal provisions in effect from time to time, and in any event the chairman, must be independent directors. The term of the chairman of the Risk and Audit Committee shall conform to applicable legal provisions.
2. The members of the Risk and Audit Committee shall be appointed taking into account the expertise, qualifications and experience of the Directors and the objectives of the Committee, in accordance with the provisions of applicable legal provisions.
3. Without prejudice to any other objectives that may at any time be assigned by the Board of Directors, the Risk and Audit Committee shall have the following duties:
  - (a) Regarding risks:
    - (i) Advise the Board of Directors on the Company's current and future overall propensity for risk and its strategy in this area, and assist it in monitoring the application of such strategy.
    - (ii) Ensure that the policy on the prices for services offered to customers takes fully into account the institution's business model and risk strategy. Otherwise the Committee shall submit a correction plan to the Board of Directors.
    - (iii) Together with the Board of Directors, determine the nature, the amount, the format and the frequency of information on risks that should be received by the Committee and by the Board of Directors.
    - (iv) Collaborate on the establishment of rational remuneration policies and practices. For this purpose, the Committee shall examine whether the incentive policy provided for in the remuneration system takes into consideration risk, capital, liquidity and the probability and possibility of profits, without prejudice to the duties of the Appointments and Remuneration Committee.
  - (b) Regarding audit:
    - (i) Monitor the effectiveness of the internal control, internal audit and risk management systems of the Company.

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- (ii) Supervise the Company's external auditor.
  - (iii) Propose the appointment, remuneration and removal of the auditor.
  
  - (iv) Review and approve the scope and frequency of the audits and review the audit reports.
  - (v) Verify that the Board of Directors adopts in due time the corrective measures required to resolve deficiencies in internal control, violations of laws, regulations and policies, and other problems identified by the auditors.
  - (vi) Monitor the establishment of accounting policies by the Company.
- (c) Any others that these Rules and Regulations or applicable legal provisions may assign to it.
4. For the proper performance of its duties, the Company shall guarantee that the Committee has unimpeded access to the information of the Company, and particularly regarding its risk situation, as well as the risk management and internal audit units, if necessary. The Committee may also hire specialised external advisors if it so deems necessary.
  5. The Committee shall meet as many times as called by the Committee itself or its chairman, as deemed necessary. It shall also meet whenever the Board of Directors or its chairman requests the issuance of a report.
  6. A valid quorum for Committee meetings shall be established with the attendance, in person or by proxy, of the majority of the directors making up the Committee, and shall adopt its resolutions by a majority of those attending in person or by proxy. Attendance by video conference or conference call will be considered as valid

## **CHAPTER V. OPERATION OF THE BOARD**

### **Artículo 12. Meetings of the Board of Directors**

1. The Board of Directors shall meet usually each two months and at least once per quarter. The Board shall prepare an annual schedule of regular meetings based on the matters within its competence.  

It shall also meet whenever convened by the chairman, at his own initiative or at the request of at least one third of its members, with an indication of the agenda for the meeting. In this latter case, if despite being requested to do so, the chairman does not call a meeting of the Board of Directors within a period of one month without justification, such directors may call the Board of Directors to meeting.
2. Whenever possible, notice shall be given at least two days before the date on which the Board Meeting is to be held, except in cases of urgency requiring shorter notice. The consideration of urgency shall always be freely decided by the person calling the meeting.

The Board meeting shall be called by written notice, and shall be valid if made by telegram, telex, fax, e-mail or any other means of communication which allows written evidence thereof.

3. The directors may collect such additional information as they deem is required regarding matters within the competence of the Board. Requests for information must be made to the chairman or secretary or, if appropriate, to the vice secretary of the Board.

For purpose of convening both the Board as well as any other communication to directors, the notice shall be sent to the e-mail address that the director provided to the Board at the time of acceptance of his or her position, and such director must notify the Company of any change with respect thereto.

4. Meetings of the Board of Directors shall be held physically at the registered office or at the place set in the notice of meeting.
5. Without prejudice to the foregoing, the Board may hold a meeting in various rooms simultaneously, provided that real-time interactivity and inter-communication amongst them, and therefore unity of action, is assured by audio-visual or telephonic means. In this case, the notice of meeting shall reflect the system of connection and, if applicable, the places where the technical means necessary to attend and participate in the meeting are available. Resolutions shall be deemed adopted at the place where the chairman is located, or in the absence of the chairman, where approved by the Board of Directors at such meeting.
6. If no director is opposed thereto, the Board may hold a meeting in writing without a meeting. In this latter case, the directors may send their votes and the considerations that they wish to appear in the minutes via e-mail.

### **Artículo 13. Conduct of the meetings**

1. The Board will be considered quorate when at least a majority of its members are present or represented by another director. Attendance through video conference or conference call shall be valid.
2. The directors shall do everything possible to attend the meetings of the Board, and, when unable to attend in person, shall give their representation to another member of the Board. Such representation shall preferably be granted with instructions and may be communicated by any of the means provided for in section two of the preceding article.
3. The chairman shall organize the debates, seeking and encouraging the participation of all of the directors in the discussions of the Board, safeguarding their freedom to take positions and express opinions.
4. As a general rule, resolutions shall be adopted by an absolute majority of the Directors attending the meeting, in person or by proxy unless applicable laws, the Bylaws or these Rules and Regulations require a higher majority. In the event of a tie, the Chairman shall have a casting vote.
5. Any person invited by the chairman may attend the meetings of the Board.
6. Resolutions adopted by the Board shall be recorded in minutes signed by the chairman and the secretary. Resolutions of the Board shall be evidenced by means of a certificate

issued by the secretary of the Board, or by the vice secretary, as the case may be, with the approval of the chairman or the vice chairman, as applicable.

## CHAPTER VI.

### DESIGNATION, RE-ELECTION, RATIFICATION AND WITHDRAWAL OF DIRECTORS

#### **Artículo 14. Appointment, re-election and ratification of directors. Designation of members of the Committees of the Board.**

1. Directors shall be designated, re-elected or ratified by the General Meeting or by the Board of Directors, as applicable, pursuant to the provisions of law and the Bylaws.
2. The proposals for appointment, re-election and ratification of non-independent directors that the Board of Directors submits for the consideration of the General Meeting, as well as the decisions regarding appointments that the Board itself makes in the exercise of the powers conferred upon it to designate directors by interim appointment to fill vacancies must, in turn, be preceded by a corresponding report of the Appointments and Remuneration Committee. In the case of appointment, re-election or ratification of independent directors, the proposal must come from the Appointments and Remuneration Committee.
3. In identifying those who are to be recommended for the position of director, care shall be taken that such person is of recognized business and professional repute, with the ability to carry out the good governance of the Company, and fundamentally with broad experience in the management of credit institutions, in the financial sector generally, or in other relevant sectors according to the provisions of applicable law and these Rules and Regulations, whilst also giving special importance to the goal of representation of the less represented gender as provided by article 10.3.(a)(ii) of these Rules and Regulations.
4. All persons designated as directors must meet the conditions set forth by law, the Bylaws and these Rules and Regulations, and shall formally undertake, upon taking office, to fulfil the obligations and duties prescribed therein and in these Rules and Regulations.
5. No age limit is herein fixed for a person to be appointed director or for a director to remain in office as such.

#### **Artículo 15. Term of office**

1. Directors shall hold office for a term of five years, so long as the General Meeting does not resolve to remove them and they do not resign from their position.
2. Directors may be re-elected indefinitely.

#### **Artículo 16. Withdrawal of Directors**

1. Directors shall cease to hold office upon the expiration of the term of office for which they have been appointed, when it is so resolved by the General Meeting in exercise of the powers vested therein and in case of resignation. In the first case, such withdrawal from office shall take effect on the date of the General Meeting following the date of expiration of the term of office for which they were appointed, or upon expiration of the statutory period for calling the General Meeting that is to resolve on the approval of the financial statements for the prior fiscal year.

2. Directors must tender their resignation to the Company in those cases in which their situation may adversely affect the operation of the Board or the credit or reputation of the Company.

#### **Artículo 17. Resolutions relating to directors**

[No content]

### **CHAPTER VII. INFORMATION TO DIRECTORS**

#### **Artículo 18. Powers of information and inspection**

1. A director shall have the broadest powers to obtain information regarding any aspect of the Company, to examine its books, records, documents and other records of corporate transactions, and to inspect all of its facilities.
2. In order not to interfere with the ordinary management of the Company, the exercise of the powers to receive information shall be channelled through the chairman or the secretary, or vice secretary if applicable, of the Board of Directors, who shall respond to the requests made by the director directly providing the information, providing them with contacts at the appropriate level of the organisation or providing the measures required for them to carry out the desired examination and inspection on-site.

### **CHAPTER VIII. DIRECTOR REMUNERATION**

#### **Artículo 19. Director remuneration**

1. The position of director shall be remunerated subject to the terms set out below.
2. Directors shall be entitled to receive remuneration in their capacity as such, consisting of an annual fixed amount, the maximum amount of which shall be determined by the General Meeting for all of the directors.

Notwithstanding the foregoing, directors performing executive or management duties at corporate groups to which shareholders of the company belong and for which they receive remuneration from such entities shall not receive any remuneration in their capacity as such.

The specific amount payable to each of the directors for the annual fixed allotment and the form of payment shall be determined by the Board of Directors, after a proposal from the Appointments and Remuneration Committee. For such purpose, it shall take into consideration the positions held by each director on the Board of Directors, their membership in and attendance at the meetings of the various Committees, and other objective circumstances that it deems relevant.

Independently of the provisions of the preceding section, the directors shall be entitled to receive such other remuneration as may be considered appropriate in consideration for the performance of executive duties, which shall be determined by the Board of Directors upon a proposal of the Appointments and Remuneration Committee, in accordance with the Bylaws and the remuneration policy approved by the General Meeting.

For these purposes, when a member of the Board of Directors is assigned executive duties by virtue of any office, a contract must be signed between such person and the Company, which must be previously approved by the Board of Directors with the favourable vote of two thirds of its members. The director affected must abstain from debate and from participating in the voting. The approved contract must be attached as an annex to the minutes of the meeting.

Such contracts shall describe all items for which the director may receive remuneration for the performance of executive duties (including, if applicable, salaries, incentives, bonuses, possible severance payments for early termination from such duties, and amounts to be paid by the Company for insurance premiums or contributions to savings schemes). A director may not receive any remuneration for the performance of executive duties if the amounts or items thereof are not provided for in such contract. The remuneration under such contracts shall conform to the directors' remuneration policy.

3. The remuneration of the members of the Company's governing bodies shall in any event conform to the provisions on such issue contained in corporate and banking regulations.

#### **Artículo 20. Approval of the directors' remuneration policy**

1. The directors' remuneration policy shall be approved by the General Meeting at least every three years as a separate item on the agenda.
2. The directors' remuneration policy shall conform as appropriate to the remuneration system set forth in the Bylaws and in these Rules and Regulations, and must include:
  - (a) with respect to the remuneration of directors in their capacity as such, the maximum amount of annual remuneration to be paid to the directors as a whole in their capacity as directors; and
  - (b) if applicable, with respect to the remuneration of directors for the performance of executive duties, the amount of the annual fixed remuneration and changes therein over the period covered by the policy, the various parameters for setting the variable components, and the principal terms and conditions of their contracts, particularly including the term thereof, other fixed components of remuneration, severance payments for early termination or termination of the contractual relationship and exclusivity, post-contractual non-competition and continuity or loyalty clauses.
3. The proposal of the policy for remuneration of the Board of Directors shall be reasoned and must be accompanied by a specific report of the Appointments and Remuneration Committee. Both documents shall be made available to the shareholders in accordance with applicable legal provisions.
4. The directors' remuneration policy thus approved shall remain in effect for three years after the year of approval by the General Meeting, unless the policy itself or the resolution of the Meeting provides for a shorter period. Any amendment or replacement thereof during such period shall require the prior approval of the General Meeting in accordance with the procedure established for the approval thereof.
5. Any remuneration received by the directors for the exercise or termination of their position or for the performance of executive duties shall be in accordance with the directors' remuneration policy in effect from time to time. The foregoing shall not

apply to remuneration that has been expressly approved by the General Shareholders' Meeting.

## CHAPTER IX. DUTIES OF A DIRECTOR

### **Artículo 21. Duties of a director**

A director shall fulfil all the duties and obligations which are inherent in his position as such and which are provided for by law, the Bylaws and the Rules and Regulations of the Board of Directors.

### **Artículo 22. Duty of diligence**

1. Directors shall discharge their duties with the diligence of an orderly business man. Each of the directors must diligently inform himself of the progress of the Company, dedicate to the position the time and effort needed to effectively carry it out efficiently, and adopt the measures necessary for the proper management and control of the Company.

For such purposes, directors shall inform the Appointments and Remuneration Committee regarding their other professional obligations, and the maximum number of boards to which they may belong shall be governed by the provisions of section 26 of Law 10/2014 of 26 June on the ordering, supervision and solvency of credit institutions and in its development regulations.

2. In performing their duties, directors have the duty to demand and the right to gather from the Company appropriate and necessary information to assist them in carrying out their obligations, taking into account for such purposes the provisions of article 19 of these Rules and Regulations.
3. In the area of strategic and business decisions, subject to business discretion, the standard of diligence of an ordinary business man shall be deemed met if the director has acted in good faith without personal interest in the matter being decided, with sufficient information and pursuant to an appropriate decision-making process.

Business discretion shall not be deemed to include those decisions that personally affect other directors or persons related thereto, and particularly those intended to authorise the transactions provided for in section 230 of the Spanish Corporations Act and article 24 of these Rules and Regulations.

### **Artículo 23. Duty of loyalty**

Directors must carry out their office with the loyalty of a faithful representative, acting in good faith and in the best interest of the Company. In particular:

- (a) They may not exercise their faculties for purposes other than those for which they have been granted.

- (b) They must maintain in confidence the information, data, reports or background information to which they may have had access in the performance of their duties, even if they have ceased to act as such, except in those cases allowed or required by law.
- (c) They must abstain from participation in the deliberation of and voting on resolutions or decisions in which they or a person related thereto has a direct or indirect conflict of interests.
- (d) They must perform their duties under the principal of personal responsibility with freedom of judgment and independence regarding the instructions of and links to third parties.
- (e) They must adopt the measures necessary to avoid situations in which their interests, either for their own account or that of another, might conflict with the corporate interest or their duties to the Company.
- (f) They must report to the Board as soon as possible those circumstances affecting them that might harm the credit or reputation of the Company.

#### **Artículo 24. Conflicts of interest**

1. As part of the director's duty of loyalty, the duty to avoid conflict of interest situations requires directors to refrain from:
  - (a) Engaging in transactions with the Company, other than ordinary transactions on standard terms for customers and which are not significant, understood as those for which the information is not necessary to express a true and fair view of the assets, financial position and results of the Company.
  - (b) Using the name of the Company or relying on their status as directors to unduly influence private transactions.
  - (c) Making use of corporate assets, including the confidential information of the Company, for private purposes.
  - (d) Exploiting business opportunities of the Company.
  - (e) Obtaining benefits or remuneration relating to their position from third parties other than the Company or its Group, except for those received merely as a sign of courtesy.
  - (f) Engage in activities for their own account or that of others that involve actual or potential competition with the Company or otherwise place them in a situation of permanent conflict with the interests of the Company.
2. The foregoing provisions shall also apply if the beneficiary of the prohibited acts or activities is a person related to the director. Persons related to directors shall be those indicated in section 231 of the Spanish Corporations Act.
3. Excepted from the provisions of section 1 above are those particular instances in which the Company dispenses with such prohibitions pursuant to law, the Bylaws or these Rules and Regulations, authorising a director or related person to engage in a particular transaction with the Company, the use of certain corporate assets, the exploitation of a specific business opportunity, or the acquisition of a benefit or remuneration from a third party.

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The authorisation must be approved by the General Meeting when it covers a waiver of the prohibition against obtaining a benefit or remuneration from third parties, involves a transaction valued at more than ten per cent of the corporate assets, or refers to the obligation not to compete with the Company. In other cases, the authorisation may be provided by the Board of Directors.

There must also be assurance of the harmlessness of the transaction being authorised with respect to the net worth of the Company or, if applicable, the performance thereof on market terms and the transparency of the process.

4. The duty not to compete with the Company may only be waived if no harm to the Company can be expected or if the harm expected is offset by the benefits expected to be obtained from the waiver. The waiver shall be provided by express and separate resolution of the General Meeting.

In any event, at the request of any shareholder, the General Meeting shall decide on the separation of a director who engages in competitive activities if the risk of harm to the Company becomes significant.

5. Directors must inform the Board of any situation of direct or indirect conflict that they or persons related thereto may have with the interest of the Company. The foregoing shall not apply to transactions that do not require prior authorisation pursuant to section 1(a) of this article.
6. The directors must also give notice of any direct or indirect interest that they or persons related thereto have in the capital of a company with the same, similar or complementary type of activity as that constituting the corporate object, and shall also give notice of the positions or functions that they hold therein.