

Bankia

Regulations of the Appointments and Responsible Management Committee of Bankia, S.A.

Approved by the Board of Directors on July 24, 2019

CONTENTS

CHAPTER I – INTRODUCTION	2
ARTICLE 1 - PURPOSE.....	2
ARTICLE 2 - APPROVAL, AMENDMENT, PRECEDENCE AND INTERPRETATION	2
ARTICLE 3 - DISSEMINATION	2
ARTICLE 4 - BASIC GUIDING PRINCIPLES.....	3
CHAPTER II – COMPOSITION.....	3
ARTICLE 5 - COMPOSITION	3
ARTICLE 6 - KNOWLEDGE AND DIVERSITY.....	4
ARTICLE 7 - TRAINING.....	4
ARTICLE 8 - OFFICERS.....	4
CHAPTER III – RESPONSIBILITIES.....	5
ARTICLE 9 - SCOPE	5
ARTICLE 10 - RESOURCES AND EXTERNAL ADVICE.....	5
ARTICLE 11 - EVALUATION AND SELECTION OF DIRECTORS	6
ARTICLE 12 - PROPOSAL TO APPOINT, RE-ELECT AND REMOVAL INDEPENDENT DIRECTORS.....	8
ARTICLE 13 - REPORT ON PROPOSALS TO APPOINT, RE-ELECT AND REMOVAL NON- INDEPENDENT DIRECTORS	9
ARTICLE 14 - REPORT ON THE APPOINTMENT, RE-ELECTIONS AND REMOVAL OF POSITIONS ON THE BOARD	10
ARTICLE 15 - REPORT ON THE APPOINTMENT, RE-ELECTION AND Removal OF SENIOR MANAGERS.....	10
ARTICLE 16 - EXAMINATION AND ORGANISATION OF THE SUCCESSION OF THE CHAIRMAN OF THE BOARD, THE CEO AND SENIOR MANAGERS.....	10
ARTICLE 17 - EVALUATION OF THE BOARD OF DIRECTORS AND ITS SPECIALIST COMMITTEES AND REPORTING ON SENIOR MANAGEMENT APPRAISALS	11
ARTICLE 18 - RESPONSIBILITIES RELATING OF THE GENERAL MEETING OF SHAREHOLDERS	12
ARTICLE 19 - RESPONSIBILITIES RELATING TO RESPONSIBLE MANAGEMENT	13
ARTICLE 20 - OTHER RESPONSIBILITIES	14
CHAPTER IV – FUNCTIONING	15
ARTICLE 21 - ACCESS TO INFORMATION	15
ARTICLE 22 - ANNUAL WORK PLAN	15
ARTICLE 23 - MEETINGS.....	16
ARTICLE 24 - CONSTITUTION AND ADOPTION OF RESOLUTIONS	16

CHAPTER I – INTRODUCTION**ARTICLE 1 - PURPOSE**

The purpose of these Regulations (the “**Regulations**”) is to determine the guiding principles of the appointments and responsible management committee (“the **Committee**”) of Bankia, S.A. (hereinafter, “the **Company**”) and the basic rules of its composition, functioning and responsibilities, based on best practices in relation to good corporate governance.

ARTICLE 2 - APPROVAL, AMENDMENT, PRECEDENCE AND INTERPRETATION

1. The Regulations and successive amendments will require the approval of the board of directors and shall come into effect from the date of their approval.
2. The Regulations implement and supplement the rules applicable to the committee under commercial law, the Bylaws and the Board of Directors Regulations of the Company. The latter shall prevail in the event of contradiction.
3. The Regulations must be interpreted in accordance with the law and the principles of good corporate governance and any doubts or discrepancies about their interpretation must be submitted to and resolved by the committee, reporting to the board of directors only the disagreements that arise.
4. In the event of matters not specifically covered by the Regulations, the rules established in the Bylaws and the Board of Directors Regulations for matters relating to the board shall apply, provided that they are compatible with the nature and functioning of the committee.

ARTICLE 3 - DISSEMINATION

1. The members of the committee are required to understand, comply and ensure compliance with the Regulations. Accordingly, the secretary of the committee must provide all members with a copy of the Regulations at the time when they accept their respective appointments, and every member must provide the secretary with a signed declaration stating that they declare they know and accept the content of the Regulations and undertake to fulfil their obligations under the Regulations.
2. The board of directors and the committee must adopt the appropriate measures so that these Regulations are made available to the Company’s shareholders, the investing public in general, and the employees and senior managers of the Company and its group of Companies, publishing them for such purpose on the Company’s corporate website.

ARTICLE 4 - BASIC GUIDING PRINCIPLES

1. **Independence and scepticism:** The members of the committee must maintain the committee's independence to act at all times with regards to instructions and relations with third-parties that could compromise its independence, as well as the freedom of judgement and opinion of its members. They must maintain a critical and sceptical attitude and shall not simply accept proposals and reports from people outside of the committee, in particular from executive directors and senior managers of the Company, especially in relation to the evaluation of potential candidates to be selected as independent directors when their name has been provided by executive directors or controlling proprietary directors or those with significant influence.
2. **Constructive dialogue that promotes the free expression of its members:** The chairman of the committee must encourage discussion and the active participation of its members during its meetings, ensuring they can freely take positions and express opinions and adopt a critical attitude, without being affected by internal or third-party pressures, while encouraging a diversity of opinions.
3. **Internal dialogue:** To adequately fulfil its functions, the committee must contact the chairman of the board of directors and the CEO on a regular and occasional basis, as well as with seniors managers, if deemed necessary, without such dealings affecting the committee's independence.
4. **Sufficient capacity for analysis:** The committee may seek advice from external professionals in relation to matters within its area of responsibility, in accordance with these Regulations, in order to better perform its duties.

CHAPTER II – COMPOSITION

ARTICLE 5 - COMPOSITION

1. The committee must be composed of non-executive directors with a majority of independent directors, with a minimum of three members and a maximum of five. When the Company has designated a coordinating independent director, it shall endeavour to appoint this person as a member of the appointments and responsible management committee.
2. Pursuant to the Company's shareholding structure, in the event that a proprietary director may become a member of the committee, the following requirements shall be taken into consideration:
 - a) The represented shareholder does not have control or significant influence over the management of the Company, nor does this person hold a material percentage of the capital (E.g. greater than 5%), nor may this person be affected by interests other than those generally attributable to the Company's minority shareholders, due to the characteristics, percentage and value of this person's shareholding (including its value in relative terms, compared to the rest of its capital); and
 - b) This person fulfils the requirements to be considered as an independent director in accordance with the applicable regulations, with the exception of the fact that it relates to a significant shareholder.

ARTICLE 6 - KNOWLEDGE AND DIVERSITY

1. The members of the committee must be appointed by the board of directors, taking into account their knowledge, skills and experience and the functions of the committee, with the committee's members as a group must have knowledge and experience in the following areas:
 - a) corporate governance;
 - b) strategic analysis and evaluation of human resources;
 - c) selection of directors and managers, including evaluation of the suitability requirements that may be necessary pursuant to the regulations that apply to the Company; and
 - d) performance of senior management functions.
2. The committee shall have a diverse composition with regards to gender, professional experience, skills, personal capabilities and sector knowledge.

ARTICLE 7 - TRAINING

1. New committee members shall undergo an orientation and support programme in order to obtain knowledge about the Company and its corporate governance rules, notwithstanding the fact that the Company may establish programs to update this knowledge when advisable due to the circumstances.
2. The aforementioned orientation and support programme must cover a minimum of the following: (i) role of the committee, its responsibilities and objectives; (ii) functioning of other specialist committees; (iii) expected amount of time required from each of its members; (iv) overview of the Company's business and organisational model and its strategy; (v) functions and responsibilities of the internal governance areas and their relationship to the committee, and (vi) the Company's reporting obligations.
3. Likewise, the committee shall have a plan in place for periodic training to ensure that knowledge about the matters in its area of responsibility is kept up-to-date.

ARTICLE 8 - OFFICERS

1. The committee must be chaired by an independent director, appointed by the board of directors, who must be solely evaluated according to his/her prior experience in comparable companies based on their size or complexity, as a member of appointment committees, as executive director, or as a member of the senior management team. The chairman of the committee must be replaced every four years, but may be re-elected one or more times for additional four-year periods.
2. The chairman of the committee shall act as its spokesperson at meetings of the board of directors and, if applicable, at the Company's general meeting of shareholders.

3. The committee must have a secretary and optionally, a vice-secretary, both of whom may be non-directors and may be other than the secretary and vice-secretary of the board of directors, respectively.

CHAPTER III – RESPONSIBILITIES

ARTICLE 9 - SCOPE

The committee's primary mission is to contribute to attracting and retaining talent, ensuring that the Company has the best professionals on its governance bodies and senior management team. Likewise, the committee is responsible for reviewing the Company's Corporate Social Responsibility Policy, ensuring that it is designed to create value, as well as monitoring the corporate social responsibility strategy and practices, and assessing their degree of fulfilment. Accordingly, and notwithstanding other tasks that may be assigned by the board, the committee shall have general powers of reporting; to propose and report on matters of appointments and removals of directors and senior managers; to report on issues relating to responsible management and, in particular but not limited to, the responsibilities stipulated in this Chapter.

ARTICLE 10 - RESOURCES AND EXTERNAL ADVICE

1. The committee may use the resources it deems appropriate in order to better perform its duties, including seeking advice from external professionals in relation to matters within its area of responsibility, ensuring an appropriate alignment of interests and taking into account existing potential conflicts of interest when engaging these services. The committee shall receive the necessary funding for such purposes and may submit an annual budget to the board for its approval, or use alternative mechanisms. In all cases, the expenses incurred must be duly justified and reported to the board of directors and must be subject to review by the audit and compliance committee.
2. In the event that advisers are engaged to assist the committee in its selection, appointment and evaluation work, the advisers should be different for each of these functions. Likewise, advisers that are engaged should be different to those that may assist the remuneration committee in its work on remuneration policy. The principle of proportionality and the specific circumstances of each case shall apply to all of the foregoing.
3. All funding requirements shall be channelled through the committee's secretary. In the event that this person is different to the secretary of the board of directors, these funding requirements shall be channelled via the latter.
4. Likewise, the committee must report any potential conflict of interests that affects the external advisers, the details of the amounts accrued by each of them during the financial year, and the measures and actions carried out to safeguard their independence, requesting external advisers to specify all conflicts of interest that they may have with the Company in their service provision offers, and with the directors or with potential candidates for the role of chairman, CEO or director. The committee must report these conflicts in the proposal or report that it makes to the board, as when applicable, regarding the matters in which the external adviser has participated (notwithstanding the fact that these situations are also reported in the committee's annual activity report).

ARTICLE 11 - EVALUATION AND SELECTION OF DIRECTORS

The committee must have general powers to make proposals and report on matters relating to appointments and removals of directors and senior managers. In particular, the committee must be responsible for the following, notwithstanding any other tasks assigned to it by the board:

- a) Propose the director selection policy to the board of directors and annually verify its compliance, which is reported in the annual corporate governance report.

The aforementioned director selection policy must be specific and verifiable and must ensure that proposals for appointments or re-election are based on a prior analysis of the board of directors' needs, and encourage a diversity of knowledge, experience and gender in accordance with best corporate governance practices and the terms established in this article.

- b) Evaluate the skills, knowledges and experiences of the directors that are already part of the board in order to (i) define the functions and abilities required by candidates to cover each vacancy, and (ii) assess the time and dedication required so that they can correctly perform their duties, taking into account for such purposes the diversity targets established by the Company and ensuring that non-executive directors have sufficient time to correctly perform their duties.
- c) Analyse any other roles held by each of the Company's directors. The committee must carry out this analysis as part of the above evaluation and taking into account the amount of dedication required by the board, with particular emphasis on the maximum number of boards on which a director can reasonably join, ensuring that directors dedicate sufficient time in practice and, if not, proposing appropriate measures.
- d) Propose a director diversity policy to the board, and a policy for senior management if applicable, to establish a representation target for the under-represented gender on the board of directors and prepare guidelines of how to increase the number of people from the under-represented gender with a view to achieving this target, reporting on this matter in the annual corporate governance report. Likewise, the committee must ensure that in the event of new vacancies, the selection procedures do not suffer any implicit bias that may hinder the selection of people from the under-represented gender.
- e) Develop a matrix of the skills required by the board, which defines the skills and knowledge of candidates for directors, especially executive directors and independent directors, and which helps the committee to define the functions that correspond to each position to be covered, as well as the most appropriate skills, knowledge and experience for each position.

This skills matrix must be periodically reviewed and updated based on the challenges and opportunities that the Company is expected to face in the short, medium and long-term.

- f) Prior to starting each selection process, the committee must specify the profile and skills required for the new director, taking into account the aforementioned skills matrix.

The committee must assess the suitability of each candidate, regardless of the category to which the person may be appointed and the person who has made the proposal (including those that are going to be appointed under the right to appointment in the proportional

system). The committee must evidence the evaluation carried out and the assessment of the suitability of the candidate to the corresponding category in the minutes of the meeting in which the matter has been discussed and, when applicable, in the report or proposal that the committee must submit to the board regarding the appointment or re-election of directors.

Accordingly, during this process, the committee (or at least its chairman or one of its members) shall meet each candidate director prior to issuing its report or proposal; it must evidence the meetings held with the candidates and, at least, the assessment that has been made of the final candidates or those considered to be suitable, in the minutes of the committee's meetings. The committee shall assess the appropriateness of using external advisers in this assessment in order to make the process as objective as possible.

- g) When, selecting who should be proposed for the role of director, the committee must ensure that candidates have a history of good professional and business repute, competence, prestige and experience in the financial sector, and are in a position to exercise good governance of the Company, in accordance with prevailing regulations in this matter.
- h) In the event of directors that are legal persons, the committee must report on the individual appointed to permanently exercise the duties of the legal person director, who must fulfil the same suitability requirements, notwithstanding the fact that the committee may also assess the circumstances that may affect the suitability of the legal person (situations of insolvency, criminal proceedings, administrative sanctions, conflicts of interest, etc.).
- i) In its proposal or report to appoint or re-elect directors, the committee must not only describe the result of the prior analysis carried out regarding the requirements of the board, but must also state the reasons that justify the suitability of the candidate taking into account the skills matrix. In its description and justification, the committee must refer to the specific aspects and circumstances that are relevant to the decision in each case, avoiding any generic or standard justifications, encouraging diligence in the process to select and appoint directors.
- j) Obtain the formal written acceptance of the Company's policies from people appointed as directors, formally committing themselves at the time of taking up the role to fulfil the obligations and duties inherent to them and in these Regulations. The appointment of a director must be accompanied by this acceptance, at least in relation to the following aspects:
 - i. legal and statutory obligations;
 - ii. precedence of the corporate interest;
 - iii. role on the board;
 - iv. internal regulations; and
 - v. declaration of the director regarding his/her relationship with significant shareholders and any other type of conflict of interest.

The committee shall take into account the details in sections e) to j) above, with the necessary adaptations, with regards to the process of evaluating and selecting senior managers.

ARTICLE 12 - PROPOSAL TO APPOINT, RE-ELECT AND REMOVAL OF INDEPENDENT DIRECTORS

The committee must identify, recommend and submit proposals to the board of directors regarding appointments of independent directors to be made by co-optation or, if applicable, for the decision to be submitted to the general meeting of shareholders, as well as proposals for re-elections or removals of these directors by the general meeting. Accordingly, the committee shall carry out the following actions:

- a) Outsource the search for candidates by using the services of an external expert, which should not be providing the Company with another type of significant services that could call into question its independence. In all cases, the committee's activity report must state all of the services provided by the expert and the expert's remuneration.

The adviser that takes part in the process to select and appoint a director must not be involved in the subsequent evaluation process or in determining the director's remuneration.

- b) The chairman and any other director may make suggestions to the committee in relation to matters that fall within its area of responsibility, and in particular may propose potential candidates to cover director vacancies. Nevertheless, when candidates have been presented by significant shareholders, proprietary directors or executive directors to be assessed by the committee, the latter must take every precaution and gather all the information it deems to be relevant to ensure that the proposed candidate does not have ties that could compromise his/her independence. In its report or proposal to the board, the committee must identify who has put forward the name of the selected candidate to be assessed by the committee.
- c) Require the candidate to disclose sufficient information about his/her other activities and potential conflicts of interest that may affect the candidate, so that the committee can assess the effect that these could have on the candidate's capacity to perform the role under the stipulated conditions or on his/her actual or future independence. This information must also be collected subsequently on a periodic basis, and at least once a year. When assessing this independence, the committee must not be limited to simply verifying the non-existence of the specific cases established in the applicable regulations, but shall in general analyse whether the candidate will be able to perform his/her duties without being influenced by his/her ties to the Company or its group, its significant shareholders or its managers.
- d) Prior to proposing the candidate's appointment to the board of directors, inform this person about what is expected from him/her in terms of dedication, participation in specialist committees and commitment to the Company.
- e) In proposals to re-elect directors, the committee must take into account the same factors that apply to the initial election of directors and shall appraise the performance and assess the director during the period of time that they have held the role and their capacity to continue performing it satisfactorily.
- f) In proposals for re-elections, the committee will take into account the need to progressively renew the board. It shall therefore consider factors such as the diversity targets established by the Company, evaluating, among other aspects, the time that each director has held the role and the possibility of establishing a term that is less than the legally permitted maximum, as well as diversity targets related to age, both at an individual level and in relation to the average age of the board as a whole.

- g) With the exception of the responsibilities that relate to the general meeting, any proposal to remove an independent director that the board is going to present to the general meeting must be initiated by the committee once justified grounds have been established.

Likewise, when a director leaves a position before the end of the expected term, due to resignation or any other reason, the committee must ensure that the Company acts in a transparent way with regards to process and the causes. Therefore, when a departure is due to the resignation of the director, the committee must evaluate the information contained in the outgoing director's letter to the board, as appropriate. In the event that it deems that there is insufficient available information, it shall establish a dialogue with the director to ascertain the reasons that have led to his/her resignation (whether they are personal – health, family commitments, excess work, etc.– or for other types of reasons, for example, differences about the Company's strategy, differences with other members of the board or the management, with significant shareholders, or with any other person involved in the Company's corporate governance).

Likewise, the committee must ensure that the board of directors publishes the reasons and circumstances of the departing director in an appropriate way, including an explanation of the reasons for the departure in the annual corporate governance report.

- h) When the chairman of the board is an executive director, the committee must propose the appointment of the coordinating independent director from among the independent directors.

ARTICLE 13 - REPORT ON PROPOSALS TO APPOINT, RE-ELECT AND REMOVAL OF NON-INDEPENDENT DIRECTORS

The committee must identify, recommend and inform the board of directors about its proposals to appoint the remaining directors so that they may be appointed by co-optation, or for the decision to be submitted to the general shareholders' meeting, as well as proposals for re-elections or removals also to be submitted to the general shareholders' meeting. Accordingly, the committee shall carry out the following:

- a) Assess whether candidates that it reports on, do or do not fulfil the requirements established in the previously prepared skills matrix, notwithstanding the appointment of proprietary directors by the proportional representation system.
- b) Assess whether the appointments policy and procedures established by the Company have been followed in the selection of candidates on which it has to report. When significant irregularities or discrepancies are identified in the procedure, the committee must include them in the report to the board and must also mention them in the committee's annual activity report.
- c) In the event that the appointment of a proprietary director is proposed at the request of a shareholder with a stake that is less than 3%, the committee must gather information about the grounds for the proposal and must explain them in the report that it must prepare in relation to the appointment. In particular, the committee shall take special care when the

criteria that guide the Company's decisions in this matter leads them to treat requests for access to the board of directors from shareholders with similar stakes, in a different way.

- d) If applicable, report on the board's proposal relating to the removal of a director before the end of the statutory term for which the director was appointed.

ARTICLE 14 - REPORT ON THE APPOINTMENT, RE-ELECTIONS AND REMOVAL OF OFFICERS ON THE BOARD

1. The committee must report the appointment of the chairman of the board of directors prior to the appointment by the board.
2. The committee must also report the appointment of the chief executive officer at the proposal of the chairman of the board of directors, prior to the appointment by the board.
3. When the chairman of the board is an executive director, the committee must propose the appointment of the coordinating independent director from among the independent directors to be appointed by the board.
4. The committee must report on the appointment and removal of the secretary and vice-secretary of the board of directors, which must be approved by the complete board, to ensure the independence, impartiality and professionalism of these positions.

ARTICLE 15 - REPORT ON THE APPOINTMENT, RE-ELECTION AND REMOVAL OF SENIOR MANAGERS

The committee must perform the following tasks in relation to senior managers:

- a) At the request of the chairman, it must report (on a non-binding basis) the resolutions of the board relating to the appointment or removal of senior managers in the group and the basic conditions of their contracts, notwithstanding the responsibilities of the remuneration committee in remuneration matters.
- b) It must periodically review the board of directors' policy in relation to the selection and appointment of senior managers of the group, including making recommendations.
- c) It must consult the chairman, and if applicable, the chief executive of the Company, especially in relation to matters regarding executive directors and senior managers.

ARTICLE 16 - EXAMINATION AND ORGANISATION OF THE SUCCESSION OF THE CHAIRMAN OF THE BOARD, THE CEO AND SENIOR MANAGERS

The committee must analyse the existence of the succession plans for the chairman, the vice-chairman if applicable, and the CEO and the senior managers of the Company, and shall keep these plans up to date, and if applicable shall make proposals to the board of directors so that this succession occurs in an organised and planned way.

The committee must perform the following tasks in relation to this function:

- a) In organizing the succession of the chief executive, the commission will consult with the current president and the company's current chief executive.
- b) The coordinating director shall also be involved (if this director is not a member of the committee) when organising the succession of the chairman.

The committee must prepare a succession plan based on these enquiries and with the support of external advisers, if applicable, with the aim of preventing or reducing any uncertainty that could affect the Company's business.

- c) Periodically review the succession plan to adapt it to new needs and circumstances that may arise. When irregularities or significant discrepancies are noted in relation to the plan or in relation to pressures on members of the committee regarding the succession of the chairman or the chief executive, the chairman of the committee or any of its members must report this to the board and must record it in the committee's annual activity report.
- d) The committee shall be informed about succession, career and professional development plans of senior managers before they are approved.

ARTICLE 17 - EVALUATION OF THE BOARD OF DIRECTORS AND ITS SPECIALIST COMMITTEES AND REPORTING ON THE EVALUATION OF THE SENIOR MANAGEMENT

1. The committee, with the involvement of the coordinating director, must lead the annual review process of the functioning of the board of directors and its committees, and shall send the board the results of its evaluation (which shall form the starting point for the assessment of the different committees by the board), together with a proposed action plan or recommendations to correct potential deficiencies identified or to improve the functioning of the board or its committees.
2. This evaluation may be based on questionnaires or evaluation systems with the personal and direct participation and involvement of the directors, and must encompass a minimum of the following aspects:
 - a) the quality and efficiency of the functioning of the board of directors and its specialist committees, including the degree to which the board and its committees effectively use the contributions of its members, making any recommendations to the board with regards to possible changes, as applicable;
 - b) the structure, size, composition and diversity of the board and its specialist committees;
 - c) the suitability of the various members of the board of directors, and of the board as a whole;
 - d) the performance of the chairman of the board and, if applicable, the chief executive of the Company;
 - e) the performance and contribution of each director, with special emphasis on those responsible for the different committees of the board;
 - f) the frequency and duration of meetings;

- g) the contents of meeting agendas and the amount of time dedicated to the different issues based on their importance (taking into account specific examples or cases);
 - h) the quality of the information received;
 - i) the depth, breadth and introduction of discussions, avoiding group thinking; and
 - j) whether the decision-making process within the board is dominated or strongly influenced by a single member or a small group of members.
3. The chairman of the committee shall organise and coordinate the regular evaluation of the board, with the chairman of the board and with the chairman of the audit and compliance committee.
 4. Likewise, as part of this evaluation, the committee must monitor directors' attendance at board meetings and the committees that they may form part of, quantifying any absences. In the event that a director is absent more frequently than normal, the committee shall gather information about the reasons for this in order to propose actions to correct this situation as much as possible. When absences are inevitable, the committee shall ensure that representations are generally issued with specific voting instructions.
 5. Every three years, as a minimum, the board must carry out an evaluation assisted by an external consultant, who should not be the same consultant that advises the Company with regards to the appointment of directors or senior managers or in relation to remuneration systems. The annual corporate governance report must make reference to any other services provided by the adviser, if applicable, and the amounts received by this person, whose independence must be verified by the committee, including his/her relationship with the Company or with any other Group company, which must be detailed in the annual corporate governance report.
 6. The process and the areas evaluated will also be described in the annual corporate governance report.
 7. The chairman of the committee and, if appropriate, the chairman of the board and the coordinating director, must discuss the result of the personal evaluation with each director and, if applicable, the measures to be adopted to improve performance.
 8. The committee, at least, will be informed about the appraisal process of the Company's senior management team.

ARTICLE 18 - RESPONSIBILITIES IN RELATION OF THE GENERAL MEETING OF SHAREHOLDERS

1. The chairman of the committee shall report to the general meeting of shareholders, when required, about the activities of the committee and those issues that may have arisen during the financial year related to its areas of responsibility, especially with regards to issues of particular

relevance, and shall respond to questions that shareholders may make, if applicable, about matters for which it is responsible.

2. The proposals and reports that the committee prepares with regards to the ratification, appointment or re-election of each director must be provided to shareholders when the call for the general shareholders' meeting is given.
3. The committee must prepare a report about its activities that the Company will publish on its website, sufficiently in advance of the holding of the ordinary general meeting in order to enable shareholders and other interested parties to understand the activities carried out by the committee during the financial year in question. This report shall contain a minimum of the following information:
 - a) Regulation of the committee.
 - b) Composition of the committee during the financial year, including the category and length of service of each of the committee's members; submission of the information about them to the Company's website; and any significant skills in terms of knowledge and experience that each of them contributes. The criteria used by the board in practice to determine the composition of the committee shall be explained, including information about members that are not independent directors.
 - c) Duties and tasks performed in practice throughout the financial year by the committee; changes to these during the financial year, indicating the most significant activities carried out during the period (and reporting those that may have been carried out with the collaboration of external experts). In the event that external advisers are used, the potential existing conflicts of interest must be reported and all of the services provided to the Company or related entities and the amounts received from them.
 - d) The meetings held during the financial year; the number and nature of the people attending, including the attendance of anyone that is not a member of the committee.
 - e) Information about what national or international practical guides are being followed, as applicable, and to what extent.
 - f) Significant deviations from adopted procedures or any irregularities that may have been reported in writing to the board in matters relating to the committee's area of responsibility.
 - g) Conclusions.
 - h) The date that the committee's report was prepared and the date that it was presented to the board of directors.

ARTICLE 19 - RESPONSIBILITIES RELATING TO RESPONSIBLE MANAGEMENT

The committee shall be responsible for the following aspects in particular, in relation to the responsible management of the Company:

- a) Reviewing the Company's corporate social responsibility policy, seeing to it that it is aimed at creation of value.
- b) Monitoring the corporate social responsibility strategy and practices and evaluating their degree of compliance thereof.
- c) Supervise relations with different stakeholders. In particular, the chairman and other members of the committee, together with the coordinating director, shall be involved in communicating and contacting shareholders and institutional investors, mainly those not represented on the board. Likewise, the committee shall be involved with proxy advisors and shall act as intermediaries between all of the aforementioned parties and the board, carrying out exploratory inquiries into specific matters, especially those related to corporate governance, and may become involved in the process of improving any aspect. In all cases, the board must authorise these contacts and define the basic outline of the messages to be conveyed, which under no circumstances may include privileged information. Moreover, the board shall be informed about what is discussed.
- d) Evaluating everything relating to the social, environmental, political and reputational risks of the Company, independently of the powers that rest with the risk advisory committee and the board risk committee.
- e) Coordinating the process of reporting non-financial and diversity information, in accordance with applicable regulations and international standards of reference, independently of the powers that rest with other committees.

ARTICLE 20 - OTHER RESPONSIBILITIES

The committee shall also be responsible for the following:

- a) Inform the board of directors about any issues related to the good corporate governance of the Company in matters that fall within the committee's area of competence (targets, management of talent, liability insurance, etc.) and make the necessary proposals to improve these matters.
- b) Without prejudice to the functions of the audit and compliance committee, the ethics and conduct committee will submit to the committee, periodically and at least at the end of each financial year, an activities report in relation to performance of its functions, in particular as regards oversight and monitoring of the Code of Ethics and Conduct.
- c) Review and ensure that the information that the Company publishes on its website about matters in the committee's area of responsibility is sufficient and appropriate (information about the experience and professional careers of the directors).
- d) Participate in potential updates of the board of directors regulations in relation to the committee's areas of responsibility.
- e) Periodically design and organise programmes to update directors' knowledge.

CHAPTER IV – FUNCTIONING**ARTICLE 21 - ACCESS TO INFORMATION**

1. The chairman must ensure that members of the committee receive enough information to perform their role and members may request additional information that may be required to perform their duties.
2. The chairman of the committee, and other committee members if deemed appropriate or if they request it, must maintain regular contact with key personnel involved in the governance and management of the Company.
3. The chairman of the committee, through the secretary, must channel and provide the necessary information and documentation to the other members of the committee, sufficiently in advance, so that they may analyse it before the committee's meetings.

ARTICLE 22 - ANNUAL WORK PLAN

Before the end of every year, the committee must prepare an annual work plan for the following financial year, in line with the responsibilities attributable to it (to report, advise and propose), which will be submitted to the board of directors to be approved and must contemplate a minimum of the following aspects, in accordance with the principle of proportionality:

- a) Set specific targets in relation to each of the committee's functions.
- b) Establish an annual schedule of meetings that considers the amount of time needed for the committee's different functions and takes into account the calendar of meetings of the board of directors and the general meeting of shareholders (in order to prepare, as appropriate, the reports to be submitted on the issues that these two bodies will discuss, as well as the committee's activity report).
- c) The systematic organisation of information and the agenda of its meetings, incorporating plans for fixed sections and issues to be discussed in certain meetings.
- d) Planning preparatory work sessions or meetings about specific issues.
- e) Meetings or other means of periodic communication with managers, other directors or any third-parties, under the terms established in these Regulations.
- f) Anticipate, as far as possible, the need to use external experts to provide advice about the development of any of the committee's tasks.
- g) Plans for the training considered necessary in order for the committee to carry out its duties.

ARTICLE 23 - MEETINGS

1. The committee must meet sufficiently in advance of the meetings of the board, as many times as it is called by resolution of the committee itself or by its chairman, and at least four times every year. It shall also meet every time that the board of directors or its chairman requests a report or proposals from the committee.
2. Minutes shall be taken of the meetings held, which, will made available to all directors.
3. Committee members must be adequately informed and prepared for their meetings.
4. In addition to the participation of all committee members at its meetings, other directors (executive or non-executive), managers and third parties may only attend the committee's meeting with a prior invitation from its chairman and their presence shall be limited to those points on the agenda for which they have been invited. In all cases, their presence must not become common practice and they should only attend when necessary. In such cases, the entries and exits of the different guests shall be recorded in the minutes of the committee's meetings and guests must not be present during the committee's discussions and votes, except in specific cases that must be appropriately justified in the meeting's minutes.
5. Mechanisms for coordinating with the remuneration committee shall be established to ensure the necessary consistency of the policies and criteria applied by the committee to attract and retain talent. In particular, joint meetings shall be held when the situation requires it and when it is deemed appropriate, and any member may form part of both committees.

ARTICLE 24 - CONSTITUTION AND ADOPTION OF RESOLUTIONS

1. The committee shall be validly convened when the majority of the directors of the committee are present or represented.
2. The committee must pass its resolutions by absolute majority of its members that are present or represented at the meeting. In the case of a tie, the chairman shall have the casting vote.
3. The resolutions of the committee must be recorded in a book of minutes, which must be signed by the chairman and the secretary for each meeting.

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