



**RESTATED TEXT OF THE  
RULES AND REGULATIONS OF THE BOARD OF DIRECTORS OF  
BANKINTER, S.A.**

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## CHAPTER I. GENERAL PROVISIONS

### Article 1. Subject and purpose

1. These rules and regulations dictate the guiding principles and internal operation of the board of directors of Bankinter, S.A. and its committees, even though the latter may have their own regulations. This document also sets out the rights and duties of directors, in accordance with applicable law and the corporate by-laws, all with the ultimate aim of ensuring that the Company is managed in the best possible manner and to create an ethical, transparent and efficient model of corporate governance.
2. These rules and regulations shall apply to the Company's directors and, where expressly stated, to the board's secretary and advisers.
3. All directors must understand, accept, observe and enforce the terms of these rules and regulations.
4. The rules and regulations of the board of directors shall be reported at general meetings of shareholders, posted on the corporate website and disclosed in any other manner required by law. The board of directors shall take appropriate action to ensure that these rules and regulations are made known to shareholders, markets and institutional investors and to update the information contained herein.

### Article 2. Interpretation

1. These rules and regulations supplement and further specify the provisions governing boards of directors set out in the Spanish Companies Act (*Ley de Sociedades de Capital*), in other prevailing laws and regulations and in the corporate by-laws.

2. These rules and regulations shall be applied and construed in accordance with general rules and criteria on how to interpret the law, based mainly on the spirit and purpose they pursue. The board of directors shall resolve any doubts that may arise regarding the interpretation and implementation of these rules and regulations.

**Article 3. Amendments**

1. These rules and regulations and any subsequent amendment hereto shall take effect on the date explicitly stated in the corresponding board resolution to approve or amend them.

2. To approve or amend these rules and regulations, a board resolution shall be required, carried by two thirds of directors.

3. The chairman of the board of directors, the vice chairman, the chief executive officer, or at least one half of directors shall be entitled to table amendments to the board if they believe that the amendment is necessary or warranted in light of the circumstances.

4. Any amendment to these rules and regulations of the board of directors shall be reported to shareholders at a general meeting.

**CHAPTER II. STRUCTURE, POWERS AND GUIDING PRINCIPLES OF THE BOARD OF DIRECTORS**

**Article 4. Composition**

**1. Quantitative composition:**

a. Shareholders convened at a general meeting shall set the number of directors, subject to the maximum and minimum limits stipulated in the corporate bylaws.

b. The board shall recommend to shareholders at the general meeting the specific number of directors the board deems appropriate so as to ensure its effective operation on the basis of the Company's current circumstances as well as prevailing recommendations for good governance.

**2. Qualitative composition:**

a. Persons named as directors must meet the eligibility requirements imposed by law, the corporate by-laws and these rules and regulations, and they shall formally undertake

to honour and discharge their duties pursuant to these rules and regulations, either upon accepting their appointment or on the date these rules and regulations or any amendments hereto take effect.

b. When exercising its authority to submit proposals to general meetings of shareholders, and to co-opt new directors, the board of directors shall comply with these rules and regulations and ensure that there is a suitable balance between the following classes of directors, in accordance with the law:

1. Executive directors, meaning those who discharge managerial duties at the Company or its group, regardless of their legal relationship with the Company or Group.

2. Non-executive or external directors, who may be:

(i) Proprietary directors (i.e. those directors nominated by whomever are significant shareholders of the Company's share capital or may qualify as such under the law, applicable regulations or good governance recommendations).

(ii) Independent directors, meaning external non-executive directors who have been appointed on the basis of their personal and professional merits, and who may freely discharge their duties without being constrained by their relationship with the Company, with its executive officers or with its controlling shareholders or significant shareholders –in the latter case, to the extent that their relationship might compromise their independence. Under no circumstances may persons who fall within any of the following situations qualify as independent directors:

a) Persons who have been employees or executive directors of Group companies, unless three or five years (respectively) have elapsed since such a relationship ended.

b) Persons who receive any amount or benefit from the Company or its group for any concept other than director remuneration, unless the amount or benefit is deemed insignificant for the director in question.

This shall not include dividends or pension supplements received by the director due to their previous professional or employment relationship,

provided such supplements are unconditional, in the sense that the company that pays them may not unilaterally suspend, amend or cancel their payment unless the director breaches their obligations.

- c) Persons who have been shareholders or owners of the external auditor firm or the company responsible for drawing up the audit report, at any time over the last three years, whether for audits of the listed company or any other group company over that time period.
- d) Persons who are executive directors or senior managers of another company where any executive director or senior manager of the Company serves as an external director.
- e) Persons who have maintained, over the last year, a business relationship with the Company or with any company belonging to its group, whether in their own name or as significant shareholders, directors or senior managers at a company that has maintained such a relationship.

Business relationship shall include those of a supplier of goods or services, including financial goods/services, and those of an advisor or consultant.

- f) Persons who have been significant shareholders, executive directors or senior managers at an entity that has received gifts or donations from the Company or its group in the last three years.

This shall not include persons acting as trustees of a foundation that receives donations.

- g) The spouses of executive directors or senior managers at the Company, or persons attached to them through a similar personal relationship, as well as relatives up to the second degree.
- h) Persons who have not been nominated for appointment or renewal by the appointments, sustainability and corporate governance committee.
- i) Persons who have served as directors for uninterrupted periods of 12 years or more.

j) Persons who fall within any of the circumstances described in paragraphs a), e), f) or g) above in respect of significant shareholders or other shareholders represented on the board. In the case of the family relationship discussed in paragraph g) above, the restriction on holding office shall apply not only to the shareholder, but also to its proprietary directors at the subsidiary or investee.

k) Any other situation or circumstance that is envisaged at law or imposed by any general meeting of shareholders or the board of directors.

Directors who own a stake in the Company that is not deemed significant may serve as independent directors, provided they have not been appointed due to their shareholder status or as representatives of a shareholder. This circumstance must be explicitly stated at the general meeting or by the board of directors at the time of their appointment, ratification or re-election.

(iii) other external directors, taken to include non-executive directors who do not simultaneously qualify as proprietary or independent directors.

3. The board shall explain the class of each director to shareholders at the general meeting, who shall then appoint the director, or ratify their appointment. The appointment of each director shall also be scrutinised, discussed, confirmed or reviewed in the annual corporate governance report.

#### **Article 5. Core remit**

1. The board of directors is vested with the powers of representation, management and supervision under the Spanish Companies Act, with authority to exercise all rights and assume and fulfil all obligations in relation to the Company's business or dealings. Accordingly, the board is authorised to carry out all manner of legal business for administrative, disposal and control purposes, using any legal instrument, save for those matters that fall within the exclusive remit of general meetings of shareholders in accordance with the law, the corporate bylaws and the rules and regulations of general meetings of shareholders.

2. The board of directors follows a policy of delegating the Company's ordinary management to the executive bodies and to the management team so that it may focus its



own activities on the wider duty of supervision, whereby it directly assumes and exercises supervisory powers, without delegation, notably:

1. determining the Company's general policies and strategies and, in particular, approving the strategic or business plan, annual management and budget objectives, investment and financing policy, the sustainability policy, and the dividend policy, for both the parent and its Group.
2. Establishing the risk management and control policy (which also covers tax risk) and supervising internal reporting and control systems. To this end, the board shall approve the risk management and control policy, while regularly monitoring internal reporting and control systems, including the risks associated with the marketing and sale of products and transparency with customers, as well as compliance with professional ethics and rules of conduct in the securities market.
3. Determining the Company's tax strategy.
4. Determining the corporate governance policy for the Company and the group of which it is the parent; organising and running the Company and its group; and, in particular, approving and amending their internal rules and regulations.
5. Supervising the effective operation of any committees to have been set up and, in particular, the approval and amendment of its regulations; as well as the actions undertaken by any delegated bodies or officers who have been appointed.
6. Defining the structure of the corporate group of which the Company is the parent.
7. Drawing up the annual financial statements in accordance with applicable accounting principles and criteria and presenting them to the general meeting.
8. Approving the financial information that the Company is periodically required to disclose due to its status as a listed company. This includes the quarterly, half-yearly and annual earnings of both the Company and its Group, which must be verified by the audit and regulatory compliance committee prior to disclosure, the latter ensuring that the annual financial statements have been drawn up in accordance with accounting regulations.

9. Drawing up any reports required of the administrative body by law, insofar as the transaction or deal discussed in such reports cannot be delegated.
10. Approving reporting and communication policies with shareholders, the markets and the public. The board shall see to it that reliable and accurate information is swiftly disclosed to the markets, particularly when the information concerns the shareholding structure, substantial amendments to the rules of governance, significant related-party transactions, or treasury shares.
11. Approving investments or transactions which, owing to their amount or any other special circumstance, are of strategic importance or carry a high tax risk, unless they must be approved by shareholders convened at a general meeting.
12. Approving the issuance or acquisition of shares or interests in special-purpose vehicles or in entities domiciled in jurisdictions or territories that qualify as tax havens; as well as similar transactions or operations the complexity of which could make the Company or its group less transparent.
13. Approving any transactions conducted by the Company or group companies with directors (in accordance with the law, the corporate by-laws and these rules and regulations); with shareholders who own a significant stake (whether individually or jointly with others), including shareholders represented on the board of directors of the Company or any other group company; or with any persons related to those directors or shareholders, on the basis of a preliminary report from the audit committee. The directors concerned, or the persons who represent or are related to the shareholders concerned, shall refrain from discussing and voting on the board resolution in question. Transactions that meet all three of the following conditions shall be exempt from this approval:
  - a) Transactions carried out under standard form contracts that large numbers of customers are asked to sign;
  - b) Transactions carried out at prices or rates generally set by the supplier of the related product or service; and
  - c) Where the amount involved does not exceed one per cent of the Company's annual revenues.

14. Authorising or waiving obligations under the duty of loyalty in accordance with the law.
  15. Appointing and removing the Company's chief executive officers and establishing the terms of their contract.
  16. Approving and removing officers who report directly to the board or to any of its members, while establishing the basic terms of their contracts, including remuneration.
  17. Making decisions on director remuneration, in accordance with the Corporate Bylaws and the remuneration policy approved by shareholders at the general meeting (where one exists).
  18. Calling general meetings of shareholders and preparing the agenda and motions.
  19. Drafting the policy on treasury shares.
  20. Any powers that shareholders convened at a general meeting may have delegated to the board of directors, unless the board has been expressly authorised to sub-delegate those powers.
  21. Interpreting, correcting, enforcing and implementing resolutions carried at general meetings of shareholders; designating the persons who are to execute or sign the related public or private documents, under the terms and conditions defined by shareholders at the general meeting; and resolving any doubts that may arise on how to interpret and implement the corporate by-laws and these rules and regulations.
  22. Fulfilling any other duties explicitly set out in these rules and regulations or ascribed to the board by prevailing legislation and regulations.
3. In urgent circumstances, corporate bodies or individuals delegated by the board may make decisions on any of the matters listed above, provided the decision in question is then ratified at the next meeting of the board of directors.
  4. The powers described in this article must be exercised after receiving a proposal or report from the competent board committee in those situations prescribed by these rules and regulations.

5. The board shall conduct annual assessments of its own running and the running of its committees and approve an action plan to correct any related shortcomings. The findings of such assessments shall be recorded in the minutes of the corresponding board meetings or attached thereto as an appendix.
6. Directors must have all the specific information they require in order to authorise the annual and half-yearly accounts for issue, and may likewise record any qualifications they deem relevant in meeting minutes.
7. The board of directors shall see to the proper rotation of audit firms and engagement teams, prevent conflicts of interest from arising and disclose transparent information on the fees paid to the auditors for audit services and for any non-audit services, in accordance with the law. The chairman of the board of directors, the vice chairman (if executive), or the chief executive officer may instruct the external auditors to attend board meetings when they consider this necessary or desirable. The auditor shall submit an annual report to the board of directors on the findings of the audit and on the state of risk control at the Company and the group.

#### **Article 6. Powers of representation**

1. Authority to represent the Company in and out of court rests with the board of directors, acting as a collegiate body.
2. The chairman of the board is also vested with powers to represent the Company.
3. The secretary of the board and, as the case may be, the vice secretary possess the powers of representation needed to seek and obtain the filing of the resolutions carried at general meetings and by the board of directors and to formalise them in public instrument.
4. The terms of the preceding paragraphs are without prejudice to any other general or special powers that may be granted.

#### **Article 7. Guiding principles of the board**

The board of directors shall discharge its duties based on the principles of unity of purpose and independence of judgment, affording equal treatment to all shareholders in the same position and being steered by corporate interests, with the board thus endeavouring to build

a business that is both profitable and sustainable in the long run while maximising the Company's economic value.

The board of directors shall ensure that the Company faithfully complies with applicable law and acts ethically and in good faith at all times, in accordance with generally accepted practices and good practices within the sectors in which it operates, while abiding by the social responsibility principles it has agreed to honour.

In pursuing the corporate interest, the board of directors shall strive to reconcile the Company's own corporate interest with the legitimate interests of employees, suppliers, customers and any other stakeholders who might be affected by its activities. It shall also seek to mitigate the impact of such activities on the community as a whole and on the environment.

### **CHAPTER III: LEGAL STATUS OF DIRECTOR**

#### **Article 8. Appointment and re-election of directors**

- 1.** Directors shall be appointed by shareholders at a general meeting or, if a vacancy arises before the next general meeting is held, by the board itself using co-option, in accordance with the law and the corporate by-laws.
- 2.** The appointments, sustainability and corporate governance committee shall nominate board members for appointment or re-election, in the case of independent directors; the board shall nominate all other directors for appointment or re-election on the basis of a preliminary report from the appointments, sustainability and corporate governance committee.
- 3.** Motions to appoint, re-elect or dismiss directors raised by the board of directors at general meetings of shareholders, in addition to co-option appointment decisions adopted by the board itself in accordance with the law, the Corporate Bylaws and these rules and regulations, must always be accompanied by a supporting report drawn up by the board, in which a nominee's expertise, experience and merits are assessed. This report shall be attached to the meeting minutes of general meetings or board meetings.
- 4.** The terms of the above sections shall also apply to natural persons who are named as the representatives of a legal entity director. Nominations of natural persons must be

supported by a report drawn up by the appointments, sustainability and corporate governance committee.

5. Natural and legal persons may be appointed as directors, even if they are not shareholders in the Company.

## **Article 9. Appointment and re-election requirements**

1. A director must be a person of renowned business and professional probity, competence, experience and repute and must meet the requirements prescribed by prevailing legislation governing companies in general and financial institutions in particular, in addition to any other requirement that may apply.

2. Persons subject to any prohibition or cause for ineligibility in accordance with the law, regulations or the corporate by-laws may not be appointed directors.

3. No natural or legal person, whether national or foreign, and whether operating in the financial sector or some other industry, who competes with the Company or another Group company may be appointed as a director, nor may its directors or senior managers or any person proposed by any such natural or legal person when acting in their capacity as shareholder.

4. Persons who have a conflict of interest with the Company or any Group company (whether directly or through a related party); or any person nominated by one or more shareholders caught by that conflict of interest, may not be appointed directors.

5. The board may not appoint by co-option, or lay motions before general meetings of shareholders for the appointment, re-election or ratification of any person who is caught by any of the circumstances described in this article. Similarly, the board must oppose any other motion or resolution that breaches the terms of this article.

6. All board members must possess sufficient knowledge and experience for the purpose of discharging their duties, in accordance with applicable law and regulations.

7. Where a director is a legal person, the natural person acting on its behalf in discharging its duties as director will be subject to the requirements regarding probity, knowledge, experience and solvency described in this article. The natural person representative shall also be personally accountable for the duties and responsibilities attaching to the position of

director as laid down in the law, the corporate by-laws and these rules and regulations. For a legal person to be appointed as a director, the Bank's board of directors must accept the natural person representative of that director, who shall be a single individual and who shall permanently occupy that position, unless the legal person director provides justified grounds for replacing their representative and the proposal is approved by the board.

8. The appointments, sustainability and corporate governance committee may ask the board to set up a guidance or onboarding programme so as to provide new directors with any information or knowledge the Bank may consider pertinent regarding its operation and corporate governance rules. It may also offer refresher programmes aimed at incumbent directors when deemed advisable in light of the circumstances.

## **Article 10. Term of office**

1. Directors shall hold office for four years, though they may be re-elected indefinitely for equal maximum terms of office.
2. The term of office for co-opted directors shall run from the date of the general meeting at which their appointment was confirmed.

## **Article 11. Resignation/dismissal of directors**

1. Directors shall step down from office when they have completed the mandate for which they were appointed, whereupon they may be re-elected. They shall also step down when so decided by shareholders convened at a general meeting or by the board of directors by virtue of the powers conferred upon them under applicable law or the corporate by-laws.
2. Directors must offer to resign and, if the board of directors sees fit, tender that resignation in the following cases:
  1. Where the significant shareholder who nominated the director in question informs the company, at any time, that they do not intend to re-nominate that director once their term of office comes to an end.
  2. When they are caught by any of the ineligibilities, prohibitions or legal grounds for dismissal or resignation, as set out in article 8 of these rules and regulations, including conflicts of interest and the duty not to engage in competing activities.

3. Where the director acts or omits to act in a way that falls short of the duty of care expected of their position, or where they seriously breach their duties as director, including the duty of secrecy and all other responsibilities and obligations set out in these rules and regulations.
4. Where their continuance on the board could harm the Company's interests, whether directly or through the director's links with related persons.
5. Where, for any other reason, they cause serious damage or loss to the Company's interests, its good name or reputation, or to the board's own operation or, in general, where they lose the board's trust for any justifiable reason.

The above notwithstanding, the director shall be obliged to inform the board of directors of any such situation, and of any criminal proceedings in which they may be under investigation, including the ongoing status of such proceedings.

Where any other circumstance exists warranting a director's resignation in accordance with applicable recommendations on good corporate governance in force in Spain and embraced by the Company, insofar as the board considers that circumstance to exist.

In any of the cases described above, the board of directors may propose a director's dismissal after previously instructing the director to tender their resignation.

When the board of directors hears or otherwise becomes aware of any of the situations warranting a director's removal as provided for in the preceding sections of this article, the pertinent measures shall be adopted on the recommendation of the appointments, sustainability and corporate governance committee. Moreover, the need to adopt further measures will be assessed, such as opening an internal investigation, requesting the resignation of the director or proposing their dismissal. All such matters must be recorded in the meeting minutes. All decisions ultimately taken shall be disclosed in the corresponding annual corporate governance report, unless there are special circumstances that justify their non-inclusion.

**3.** When a director steps down before their term has ended by resigning or for some other reason, they shall explain the reasons for resigning in a letter to be sent to the other board members. The Company shall publish the termination as soon as possible, including sufficient reference to the reasons or circumstances provided by the director. The annual corporate governance report shall also discuss any resignations to have occurred.



## **Article 12. Succession plans**

1. The board of directors shall approve a director selection and succession policy on the recommendation of the appointments, sustainability and corporate governance committee; and use it to regularly update a succession plan for board members (particularly the chairman and the chief executive officer).
2. The succession plan envisioned in the succession policy shall set out the requirements that nominees for each position must meet, which will be based on the long-term strategy of both the Company and its Group.
3. The appointments, sustainability and corporate governance committee shall coordinate the effective implementation and supervision of the director succession policy and component plan. The board of directors and the appointments, sustainability and corporate governance committee may also seek advice from independent companies when drawing up the succession plan and identifying potential nominees.

## **Article 13. Liability of directors**

Director liability shall be governed by the Spanish Companies Act and other applicable law and regulations. The Company may take out civil liability insurance for directors and senior managers.

## **Article 14. Board advisers**

The board of directors may appoint one or more board advisers upon a proposal from the chairman, the vice chairman or the chief executive officer. Board advisers may attend and speak, but not vote, at meetings of the board of directors and board committees and at the meetings of the Company's other corporate bodies, when their presence is requested by the board of directors, its chairman, or the chairman of the corresponding committee.

## **Article 15. Rights of directors**

1. Directors may exercise the rights and powers attaching to their position by law or by virtue of the corporate by-laws and these rules and regulations.
2. The right of directors to request that items be included on the agenda of board meetings shall be subject to the requirements and conditions set out in this document.

- 3.** Aside from the meetings of the board of directors and its committees, the chairman, vice-chairman or chief executive officer may invite directors to attend other meetings in order to prepare for meetings of the board or of its committees or to gain further insight into specific businesses, area or projects of the Company.
- 4.** Unless an urgent board meeting has been held or called, directors must be apprised, sufficiently ahead of meetings, of the information needed to deliberate and carry resolutions on the matters to be addressed at the meeting. The chairman of the board shall ensure that this right of directors is fulfilled and will be aided in this task by the secretary.
- 5.** Directors have the right to be informed of any aspect of the Company and to collect such additional information as they judge necessary on matters that fall within the board's remit, provided they genuinely need that information to discharge their functions. Consequently, directors may access minutes, reports and presentations of the board and its various committees, with authority to request any explanations they deem necessary and to contact Bank executives to request any information that falls within the board's remit.
- 6.** Directors will have an organisational chart of the Bank, which is regularly updated, showing the names, functions and contact addresses of the executives responsible for all the different Bank departments and services, to which the directors will also have access.
- 7.** The right to obtain information may be exercised by approaching the chairman, the chief executive officer, or the secretary of the board of directors, or in any other manner established by the board. The requested information shall be delivered to the inquiring directors directly, along with the names of the relevant contact persons at the Bank, or by taking the steps needed to furnish the information in some other way.
- 8.** For matters that fall within the remit of committees attached to the board of directors, directors sitting on them may ask the Company to engage the services of auditors, consultants, advisers or independent experts, so that they may assist a given committee on such matters (with the ultimate say resting with the committee).
- 9.** Directors have the right to insist that their concerns about a given motion or the Company's performance be recorded in the minutes of the related board meeting, along with any reservations they have about certain motions or decisions.

**Article 16. General duties of directors**

1. A director's duty is to steer and oversee the Company's management so as to maximise the creation of long-term value for shareholders, the Company, employees, customers and society in general.
2. Directors must discharge their duties with the loyalty of faithful representatives, acting in good faith and in the Company's best interests. If directors breach their duty of loyalty, they will have to compensate the Company for any damage caused to its assets or value and also repay or return any unjust enrichment they may have gained.
3. Directors must observe the duties imposed on them by current legislation, the corporate by-laws, the rules and regulations of general meetings of shareholders and these rules and regulations, while faithfully serving the Company's best interests.
4. In particular, directors shall have the following duties:
  1. Confidentiality, faithfulness, loyalty, compliance with internal rules of conduct within both the Company and the securities market, in addition to other duties and obligations laid down in these rules and regulations. The duty of confidentiality will be enforced under the terms of article 16 of these rules and regulations. The duty of loyalty includes the non-compete obligation and the undertaking to prevent conflicts of interest.
  2. Devoting the necessary time and effort to ensuring the effective performance of their position as director, and complying at all times with legal limits on the maximum number of boards on which company directors may sit.
  3. Diligently obtaining information and acquiring knowledge about the running of the Company and its position and performance.
  4. Ensuring that they are sufficiently prepared ahead of meetings of the board of directors and of any board committees on which they sit.
  5. Attending meetings of the Company's governing bodies to which they belong, actively taking part in discussions and providing valuable input so that the right decisions can be reached. Directors who, for exceptional and duly justified reasons, are unable to attend a meeting to which they had been called, must provide pertinent instructions to any director to whom they may have conferred their proxy.

6. Being aware of any obligations or constraints that may affect them and honouring their legal obligation to report and disclose information to Banco de España, the Spanish National Securities Market Commission, and other competent supervisory and control bodies.
7. Carrying out any specific task entrusted to them by the board of directors or the relevant board committee.

Directors shall abstain from discussing and voting on motions regarding their appointment, re-election or dismissal, or any other proposals or motions in which the director has a personal interest.

**Article 17. Duty of professional secrecy and confidentiality**

1. Directors shall ensure the secrecy of all deliberations that take place at meetings of the board of directors, board committees and other bodies on which they sit. Further, they shall refrain from disclosing any confidential information, data, reports or background information to which they may be privy while exercising their duties, if disclosing such information to third parties or otherwise may harm the Company's interests.
2. In particular, directors must honour their duty of confidentiality when making decisions that involve inside or material information, in accordance with the Company's internal rules of conduct and prevailing legislation.
3. This duty of confidentiality shall not extend to cases in which the law permits the disclosure of information to third parties, or where a director is required to send information to the competent authority in the situations and circumstances dictated by law.
4. Breach of the duty of professional secrecy and confidentiality shall constitute valid grounds for the director's removal from office.
5. For legal person directors, the duty of secrecy and confidentiality shall apply to their natural person representative, without prejudice to the latter's obligation to relay information to their principal (the legal person director).
6. The duty of confidentiality will persist indefinitely, even when directors have vacated their posts.

## **Article 18. Duty of non-competition**

1. Directors must inform the audit committee of any stakes they hold in the share capital of companies engaged in activities that are the same as, or similar or complementary to those of the Bank. They must likewise disclose any changes in those stakes.
2. Directors must also inform the audit committee of any activities they perform on their own account or on behalf of other persons in which the circumstances described in the preceding section are met.
3. Directors must inform the audit committee before accepting their appointment or re-election as officers, board members or senior managers at any company, entity or institution domiciled in Spain or in any other country.
4. In any of the situations described in the preceding sections, the audit committee may request a report from the appointments, sustainability and corporate governance committee or from the remuneration committee if it considers such a report necessary. If the audit committee or any other board committee becomes aware of any potentially serious cause or ground for prohibition or ineligibility, or any serious conflict of interest, it must inform the director concerned and notify the board of directors.
5. The stakes and duties discussed in this article shall be made public when required by law and in the manner prescribed by law.
6. Pursuant to these rules and regulations, structural conflicts of interest shall render the affected person ineligible for appointment to the post of director, or to remain in office as director.

A conflict of interest shall be considered structural when it poses or may pose a present or future risk that the Company's activities, or those of companies belonging to Bankinter Group, will compete with those of directors or related parties; and entails the risk that directors will breach their duty of loyalty to the Company. The following factors, among others, will be taken into account when deciding whether a structural conflict of interest exists: the activity of the director or related party and related companies, their business background, relations with third parties, whether those aspects are compatible with the Bank's business model and strategic project, the nature and purpose of their investment in the Company (where applicable), and any other relevant circumstance that lead to the conclusion that a conflict is likely to arise.

**Article 19. Conflicts of interest and general reporting duties**

- 1.** Directors must notify the audit committee of any conflict of interest they may encounter with the Company and, more specifically, of any remunerated activities they perform at other companies or entities –including the roles of director or manager– or of their own accord. More generally, they must disclose any other situations that might interfere with the commitment expected of them as board members and with the faithful performance of their duties as Company directors. They must disclose this information as soon as they become aware of the situation or of the possibility that a conflict will arise. The corporate website shall contain information on any other boards of directors on which the Company's directors may sit, whether or not at listed companies.
- 2.** In the event of a conflict, the director it concerns shall abstain from all related discussions, decisions and transactions.
- 3.** Directors must inform the audit committee of any majority or controlling stakes held in other companies (as defined in these rules and regulations), in addition to any changes in those stakes.
- 4.** Transactions between directors and the Company must be arranged at arm's length, with the utmost transparency and in strict compliance with the rules of conduct in the securities market contained in the Company's internal code of conduct, subject also to any other restrictions imposed by law.
- 5.** With the exception of typical bank transactions, directors must notify the audit committee of any professional, commercial or financial transactions arranged directly or indirectly with the Company.
- 6.** In addition, executive directors must report to the audit committee on their general investments or financial transactions if the committee requests that information.
- 7.** Directors may not use the Company's name or rely on their position as Company directors to perform transactions on their own account or for related persons; nor may they use the Bank's information or assets or avail themselves of their position at the Bank to secure economic or financial benefit or gain, unless they provide adequate consideration at arm's length or where the information concerned is already public domain.

**8.** Directors may not, whether for their own benefit or for that of related persons, make investments or carry out transactions related to the Company that came to their knowledge while serving as director and where such investment or transaction was offered to the Company or where the Company had some interest in it. This prohibition shall not apply where the Company rejects the investment or transaction without any influence from the director. A business opportunity for directors means any potential financial, industrial, commercial or property investments or transactions that have arisen in connection with their performance of duties as directors or through the use of Company information; or under circumstances where it is reasonable to assume that the third party's offer was meant for the Company.

**9.** Directors must inform the audit committee whenever their activities or circumstances may harm the Company's good name or reputation; and must likewise disclose any criminal proceedings in which they are involved as defendants.

**10.** The situations and transactions discussed in this article must be disclosed publicly as and when required by law.

**11.** Parties related to directors who are, or should be, classified as proprietary directors under the terms of these rules and regulations, shall mean any shareholder or shareholders who have appointed or proposed the appointment, ratification or renewal of a director, as well as all persons related to directors by law, any persons who a director may represent on the board for any reason, and any persons acting in a concerted manner with any such parties in accordance with prevailing law.

**12.** The audit committee may request a report from the other board committees in any of the situations described in the above sections, if it deems such a report necessary. If the audit committee or any other board committee spots potential cause or grounds for prohibition or ineligibility, or any conflict of interest, it must inform the director concerned and notify the board of directors.

**13.** Pursuant to these rules and regulations, a structural conflict of interest shall render the affected person ineligible for appointment as director, or to remain in office as director.

A conflict of interest shall exist in those situations where there is the risk of a conflict directly or indirectly emerging between the interests of the Company or Bankinter Group companies and directors' own personal interests, those of the shareholder who appointed or nominated them to be appointed or those of any related persons.

A conflict of interest shall be considered structural in nature when it affects or has the capacity to affect the Company's corporate interest or strategy in any shape or form, whether now or in future, thus posing the risk of the director breaching his or her duty of loyalty to the Company. Directors shall be deemed to have a personal interest when the matter concerns or affects them or any of their related persons or, in the case of a proprietary director, the shareholder or shareholders that appointed them or proposed their appointment, or persons directly or indirectly related to those directors or shareholders. The very same factors explained in these rules and regulations will be taken into account when determining whether a structural conflict of interest exists.

**Article 20. Authorising loans and other financial risks. Related-party transactions**

1. When extending credit facilities, loans and other forms of financing and surety to directors or their related persons, the Bank must comply with all rules and instructions emanating from the regulatory body and with the provisions of this article, which shall also apply to any other transactions undertaken by directors that carry any kind of financial risk for the Company.

2. All such transactions must be authorised or ratified by the board of directors or, in urgent cases, by the executive committee, the audit committee or another board committee or person or persons delegated that power by the board, or the competent committee, even if, in such cases, the transaction may still be subject to the board's ultimate approval. The affected director shall abstain from voting on the resolution.

3. Temporary transactions such as account overdrafts and credit card utilisations are excepted, provided the overdrawn or utilised amount falls within normal limits. In the case of executive directors, transactions covered by collective bargaining arrangements, agreements, or similar regulations are likewise exempted, as are the transactions excluded under the terms of paragraph 1 of this article.

4. The board of directors must approve all other related transactions between the Company and its directors, significant shareholders or shareholders represented on the board, or persons related thereto, pursuant to paragraph 2 of this article, on the basis of a preliminary report from the audit committee. This approval requirement shall not apply in the case of transactions performed under standard form contracts large numbers of customers are regularly required to sign, provided the amount granted to the same person, to his or her relatives up to the second degree, or to companies in which that person holds a controlling



interest or a stake of fifteen per cent or more, or at which that person sits on the board, does not exceed the amount prescribed by law.

## **Article 21. Rules of conduct in the securities market**

### **General rules**

1. In accordance with securities market legislation, directors must observe the rules of conduct found in the Bankinter Group internal code of conduct when carrying out transactions on own account in the securities market.
2. With regard to directors who are not resident in Spain, the obligations set out in the internal code of conduct shall apply only in respect of transactions carried out on the Spanish securities markets.

## **Article 22. Duty to disclose information on shares and securities held**

1. The audit committee may request further information from directors and prohibit or limit transactions for which no advance funds or margin have been posted, or that are performed under conditions other than those that usually apply for the average customer, without prejudice to the situations explained in article 19 of these rules and regulations.
2. The general secretary may request information from directors on transactions involving any shares they may hold in securities investment firms or listed companies in general.
3. The general secretary may request information about transactions involving other listed securities issued by Bankinter or other Bankinter Group companies other than the covered securities described in the Bankinter Group internal code of conduct.
4. All communications discussed in this chapter between directors and the audit committee may be sent through the general secretary.
5. The above communications may also be made at board meetings.
6. The general secretary shall keep a record of all communications discussed in this article; and regularly report to the audit committee on how it is kept.

## **Article 23. Exceptions**

1. The audit committee may, in exceptional and justified cases and only insofar as legally admissible, waive compliance with the duties set out in these rules and regulations and in the Bankinter Group internal code of conduct; or ratify compliance with such obligations after the fact. The committee's decisions in this regard shall be expressly recorded in the minutes of the meetings at which they are made and disclosed to the board of directors. In urgent cases, the board of directors or the chairman of the board may waive compliance with these duties, provided they then inform the audit committee or, as the case may be, the board of directors.

For the obligations found in these rules and regulations on the subject of inside information, the waiver discussed in the preceding paragraph shall be conditional on a prior statement made by the interested party effectively confirming that he or she is not in possession of any inside or material information.

Directors not resident in Spain shall be exempt from the duty to channel transactions ordered and executed outside Spain through the Bank. However, they must notify the general secretary of all such transactions within 10 business days. Directors shall be also exempt from this duty where the transaction involves securities not listed on Spanish markets or that cannot be carried out through the Bank for reasons of urgency or need, or where it is technically impossible to complete the transaction through the Bank. In these cases, directors must inform the Office of the General Secretary in the manner just described.

## **Article 24. Director remuneration**

1. Directors shall be entitled to receive remuneration for discharging their duties as board members, whether they are nominated by shareholders at a general meeting or by the board by virtue of its co-option powers.

This remuneration will be a fixed annual amount to be determined at a general meeting of shareholders.

This amount will remain in effect until shareholders at a general meeting resolve to change it, although the board also has authority reduce the amount in any years in which it considers such a reduction justified.

2. This remuneration shall be paid as follows: (a) an annual allowance, (b) attendance expenses, and/or (c) delivery of shares, stock options or remuneration pegged to the share price. A resolution must be carried in general meetings in order for any such remuneration system (delivery of shares, share options and any others established by law) to be implemented. Such a resolution carried at a general meeting shall state the number of shares to be allocated, the price for exercising share options and any other information required by law. It may also take retroactive effect back to start of the financial year to which the remuneration relates.

The board of directors shall determine the specific amount pertaining to each director for the concepts and items just mentioned. In doing so, it shall take account of the positions held by each director on the board, as well as their membership and/or attendance of one or more board committees.

3. Notwithstanding the terms of the preceding paragraphs, directors shall be entitled to any further remuneration (wages, incentives, bonuses, pensions, insurance and severance payments) that may be deemed appropriate in exchange for the performance of other functions and duties at the Company, whether as executive director or in some other capacity, but excluding their joint supervisory and decision-making functions as board members. The board of directors shall determine the amount or extent of this further remuneration after receiving a report from the remuneration committee.

The variable items of director remuneration shall be fixed such that there is an appropriate ratio between fixed and variable items of the total remuneration.

Variable items shall not exceed one hundred per cent of the fixed items of each director's total remuneration, unless shareholders at a general meeting approve a higher ratio. This higher ratio may never exceed the legal limit of two hundred per cent of the fixed items of their total remuneration.

The Company shall take out a civil liability insurance policy for its directors, to be arranged at arm's length and to be proportionate in light of the Company's current circumstances.

#### **Article 25. Approval of the director remuneration policy**

1. The board of directors shall, at least once every three years, submit a director remuneration proposal for approval by shareholders at the general meeting, as a separate item on the agenda.

2. The director remuneration policy must be suitably aligned with the remuneration system set out in the corporate by-laws and these rules and regulations; and compliant also with prevailing legislation.

3. When submitting the proposed remuneration policy, the board must include arguments in support of the policy, including a specific report drawn up by the remuneration committee. Both documents shall be made available to shareholders on the Company's corporate website.

## **Article 26. Information on director remuneration**

### 1. Annual report on director remuneration

(a) The board of directors shall approve and publish an annual report on director remuneration, which must include full, clear and comprehensive information about the director remuneration policy, including the itemised information required by law.

(b) In each financial year, shareholders at the general meeting shall be asked to vote on the annual report on director remuneration in a consultative capacity and as a separate item on the agenda. The report shall also be made available to shareholders ahead of the general meeting and shall be posted on the Company's website by no later than the meeting announcement date.

(c) If the annual report on director remuneration is rejected by shareholders during a consultative voting process at any general meeting, the remuneration policy to be applied in the financial year following the year in which that general meeting was held may not take effect until it is duly approved by shareholders at a general meeting, even if the maximum term of that policy had yet to expire. There will be no need to re-approve the policy if it was already approved at the same general meeting that rejected the annual remuneration report via a consultative vote.

(d) The report shall also include all legally required information about the preliminary tasks and about the decision-taking process used to establish the director remuneration policy, including the functions and composition of the remuneration committee. It shall also name any external advisers whose services may have been used when drawing up the remuneration policy.

### 2. Annual report

The annual report shall provide individualised information on the remuneration received by each and every director, in his or her capacity as such, showing the amounts corresponding to each remuneration item. The report shall also provide individualised and itemised information on the remuneration paid for executive duties entrusted to the Bank's executive directors.

The report shall also contain charts and diagrams comparing the total remuneration of executive directors over the last year, differentiating between amounts they have received in exchange for joint supervisory and decision-making functions as board members and amounts paid for functions other than those performed as board members. The report must likewise show the Group's consolidated earnings and the Company's share price over that same period.

#### **CHAPTER IV. LEGAL STATUS OF THE CHAIRMAN AND OTHER CORPORATE OFFICERS**

##### **Article 27. Chairman**

- 1.** The board of directors shall appoint a chairman from among its ranks, on the basis of a positive opinion from the appointments, sustainability and corporate governance committee.
- 2.** If an executive chairman is to be appointed, two thirds of board members will need to vote in favour.
- 3.** The chairman of the board of directors is ultimately responsible for the effective operation of the board of directors. In doing so, he or she shall perform the functions and be vested with the powers conferred upon the chairman by law, the corporate by-laws, the rules and regulations of general meetings of shareholders and these rules and regulations. The chairman's duties and authority shall include:
  - a) convening and presiding over board meetings, establishing the meeting agenda and steering discussions and deliberations;
  - b) presiding over general meetings of shareholders, unless the corporate by-laws state otherwise;
  - c) ensuring that directors receive sufficient information ahead of the meeting to be able to deliberate on the items included on the agenda;

d) encouraging directors to debate and actively take part in board meetings, while safeguarding their freedom of opinion;

e) ensuring that the board devotes sufficient time to discussing strategic issues.

f) approving and reviewing programmes to update and refresh the skills of each director as and when required.

g) any other duties or powers the board of directors may ascribe or delegate to the chairman.

**4.** Under no circumstances may the posts of chairman and chief executive officer be held by the same person at the same time.

**5.** If the post of chairman falls vacant, the board of directors shall be promptly convened by the acting chairman, following the procedure set out in the corporate by-laws, these rules and regulations and the succession policy approved by the board, in order to appoint a new chairman of the board of directors.

#### **Article 28. Vice chairman**

**1.** The board of directors may choose to appoint one or more executive or non-executive vice chairmen from among its ranks, on the basis of a preliminary report from the appointments, sustainability and corporate governance committee. The vice chairman or vice chairmen shall discharge their entrusted duties and powers in accordance with the corporate by-laws, the rules and regulations of general meetings of shareholders, and these rules and regulations, as well as any further duties or powers delegated to them by the board of directors. If the post of chairman is vacant, or if the chairman is absent or ill, the vice chairman or vice chairmen shall step in as acting chairman, with full authority to perform the functions entrusted to the chairman of the board of directors, in his or her capacity as such.

**2.** The chairman shall be substituted first by the vice chairman named as first vice chairman; or, if he or she is absent or indisposed, by the vice chairman who has held that office for the longest time and, lastly, by the oldest vice chairman.

## **Article 29. Chief executive officer**

1. The board of directors may delegate all or some of its powers to one or more chief executive officers.
2. Two thirds of directors must vote in favour in order to permanently delegate the powers of the board of directors and to appoint the director or directors who are to serve as chief executive officer.
3. Under no circumstances may the posts of chairman and chief executive officer be held by the same person at the same time.
4. The chief executive officer appointed by, and reporting to, the board of directors shall be responsible for running the Bank's business and shall discharge the highest management and executive functions at the Company, regardless of any duties reserved for the chairman or the vice chairman if they wield executive powers.

## **Article 30. Executive directors**

When a director is granted executive powers, he or she will be asked to sign a contract with the Company, which will need to have been previously approved by two thirds of board members. The director in question must leave the meeting when deliberating and voting on the matter. The contract, once ratified, shall be attached to the minutes of the meeting. The contract shall clearly set out each and every concept for which the director is to receive remuneration, including, as the case may be, possible compensation for having to step down from office prematurely and the amounts payable by the Company in the form of insurance premiums or pension plan contributions. The director may not receive any remuneration for discharging executive duties corresponding to amounts or items not envisaged in their contract. The contract must meet the terms of any remuneration policy to have been approved by shareholders at a general meeting.

## **Article 31. Lead director**

When the chairman of the board of directors is executive, the board must appoint a lead director from amongst its independent directors, and executive directors must abstain from the vote. The lead director shall have special powers to:

- a) preside over the board of directors in the absence of the chairman and vice chairman, if any;
- b) request that a board meeting be convened or that new items be added to the agenda for a board meeting already convened;
- c) coordinate and arrange meetings of non-executive directors, and voice their concerns;
- d) coordinate the succession plan of the chairman of the board of directors; and
- e) oversee, where necessary, the regular process of assessing the performance of the chairman of the board of directors.

However, the board of directors may decide to appoint a lead director even when the chairman is not executive, and to ascribe to the lead director any powers the board thinks fit.

**Article 32 - Secretary**

1. The duties of secretary and advisory counsel of the Board of Directors shall be held by the person appointed by the board for that purpose, who may or may not be a director.
2. To ensure the independence, impartiality and professionalism of this post:
  - The secretary of the board, acting in his or her position as such, shall only report to the board of directors and its chairman.
  - The appointment and removal of the secretary of the board will be subject to a preliminary report from the appointments, sustainability and corporate governance committee and must be approved by all board members.
3. In addition to the duties ascribed by law, the corporate by-laws and the rules and regulations of the board of directors, the secretary shall also:
  - a) safeguard the documentation of the board of directors, take minutes of all business discussed at board meetings and issue certificates confirming the business discussed at meetings and the resolutions carried;
  - b) ensure that all actions of the board of directors comply with applicable legislation and the corporate by-laws and other internal rules and regulations, and that they consider



national and international recommendations on good governance, particularly those of the good governance code that apply to the company;

c) assist the chairman in ensuring that directors receive sufficient information in due course so that they may discharge their duties.

4. The board of directors may also appoint a vice secretary, who need not be director, to stand in for the secretary of the board of directors if that post falls vacant, or if the regular secretary is absent or ill or encounters a conflict of interest. This substitution process shall also apply for the various committees attached to the board of directors.

5. If no vice secretary has been appointed, the secretary of the board shall be replaced in his or her duties by the youngest director from among all board members in attendance.

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

### **Article 33. Meeting announcement and agenda**

1. Before the start of every financial year, the board of directors shall approve a calendar of meetings for the coming year and set a provisional agenda for those meetings. Directors will be entitled to propose additional items for inclusion on the agenda. The calendar and the agenda may be amended via a board resolution or a decision by the chairman, who shall make the amendment known to directors sufficiently in advance, unless the urgency of the amendment renders this impossible. There shall be a minimum of 10 meetings per year and at least one meeting shall be held every quarter.

2. The announcement of ordinary board meetings shall be delivered by letter, fax, telegram, e-mail, or by any other valid means providing proof of sending, and shall be authorised by the signature of the chairman or such person as may replace the chairman, or by the secretary acting on the chairman's orders. The announcement must be delivered sufficient ahead of the date of the meeting, except this proves impossible due to the urgency of the matter or some other pressing need. Meeting announcements must always include the agenda and shall be sent together with any documentation or information that the board may have previously stipulated or that the chairman deems appropriate in each case. Directors may ask the chairman or the secretary of the board of directors to provide them with any reasonable information they may need to appraise the corresponding business or decisions and to prepare for the meeting and actively take part in discussions.

**3.** The chairman shall decide on the final meeting agenda and on any possible changes. The vice chairman, chief executive officer or other directors may ask the chairman to include other business on the agenda.

**4.** Extraordinary board meetings shall be held at the behest of the chairman or vice-chairman, once the meeting has been duly announced by the chairman or the chairman's replacement. They may also be held at the request of the lead director (where this role exists), subject to the following rules:

- The meeting proposal must be approved beforehand by the independent directors.
- The lead director shall instruct the chairman of the board of directors to announce the board meeting following normal procedure within the maximum term of seven business days. The meeting will be held on an urgent basis.
- If the chairman of the board of directors fails to convene the meeting as just stipulated, the board may be convened directly by the lead director, who shall contact all directors through the secretary of the board of directors.

The lead director's authority to call board meetings may be exercised in exceptional circumstances only.

If the chairman fails to call a meeting within the maximum term of seven business days after being requisitioned to that effect, an extraordinary meeting of the board of directors may be called by directors representing at least one third (in whole numbers) of all board members. In this case, the announcement must set out the agenda and the meeting will be held in the town or city where the Company's registered offices are located.

**5.** Extraordinary board meetings may be convened by telephone, telegram, e-mail, or any other valid means that provides proof of sending. The requirements set out in paragraphs 2 and 3 of this article will not apply where the chairman or the chairman's replacement believes that prevailing circumstances warrant this.

**6.** No prior meeting announcement shall be required where all directors are present and decide to hold a meeting of the board of directors.

**7.** Meetings of the board of directors and of its committees may be validly held by video conference, conference call, exchange of e-mails, or any other remote communication

method, without requiring the physical attendance of directors. All reports, discussions, presentations, votes and all resolutions carried shall be recorded in the minutes of the meeting, either in writing or by recording, computer record or any other valid channel or electronic format, in accordance with the corporate by-laws.

## **Article 34. Quorum, proxies, and voting**

1. Meetings of the board of directors shall be quorate when attended by half plus one of its directors, either in person or by proxy.
2. Directors may confer a proxy upon any other director to vote on their behalf at any meeting, with explicit instructions on how to vote. Proxies may be granted by letter, fax, telegram, email or any other means considered valid under these rules and regulations. Non-executive directors may only grant their proxy to a fellow non-executive director. Proxies must be delivered to the chairman or secretary of the board before the start of the meeting. A single director may hold one or more proxies. Directors must endeavour to attend the meeting themselves wherever possible.
3. Unless an urgent board meeting has been convened, directors must receive sufficient information well in advance of the meeting so that they may deliberate and vote on the business to be addressed. The chairman, aided by the secretary, shall ensure that all such information is sent out ahead of the meeting.
4. Resolutions shall be carried by an absolute majority of directors attending the meeting, either in person or by proxy, unless the law or the Corporate Bylaws insist on a supermajority.
5. If all the directors are in agreement, voting may take place without holding an actual meeting, either in writing or through any other remote communication method envisaged in these rules and regulations.
6. The chairman is authorised to hold secret ballots when the board of directors is to vote on the appointment, re-election or removal from office of directors, or any other matter considered particularly important.
7. Directors affected by a conflict of interest in connection with an order of business must abstain from discussing and voting on the motion in question.

8. If there is any doubt, the chairman shall decide whether the proxies granted by the directors are valid. The chairman shall also steer proceedings, give the floor, end discussions and ask the meeting to vote as and when, and in any order he or she sees fit. The chairman shall have the casting vote in the event of a tie.

9. The chairman shall ensure at all times that the board operates efficiently and that directors vote and take part in discussions and are free to adopt any stance they wish, while also ensuring that directors contribute valuable expertise and input when reaching decisions.

**Article 35. Minutes and certificates**

1. Board resolutions shall be recorded in a book of minutes, to be signed by the chairman and by the secretary, without prejudice to the Company's electronic filing of meetings, which will be equally valid. Minutes will be approved by the board at the end of a meeting or at the following meeting.

2. The secretary, or the person acting in his or her stead, shall issue certificates of the minutes of board meeting, subject to the approval of the chairman or the person acting in his or her stead. The secretary shall see to it that the minutes reflect the stances or positions taken by directors, particularly when they have clearly voiced their objection to, or disagreement about, a proposal submitted to the board.

**Article 36. Evaluation of the board and its committees**

The board of directors will meet in plenary session to evaluate its operation and that of its committees once a year. Said evaluation process will be led by the appointments, sustainability and corporate governance, with the involvement of the lead director, where this figure exists. The results of said evaluation will be submitted by said committee to the board of directors for approval, together with a proposal for an action plan or with recommendations to correct any deficiencies detected or improve the functioning of the board or its committees.

The evaluation may be based on questionnaires or evaluation systems with more personal and direct participation and involvement of the directors and must encompass at least the following:

- a) the quality and efficiency of the operation of the board of directors and the board committees, including the degree to which the board and its committees effectively rely

on the contributions made by its members, making any recommendations to the board with regard to possible changes, as applicable;

b) the structure, size, composition and diversity of the board and board committees;

c) the performance of the chairman of the board of directors and, where appropriate, the Company's chief executive and other directors with executive duties;

d) the performance and contribution made by each director, paying close attention to the chairmen of the various board committees;

e) meeting frequency and length;

f) the content of the agenda and the adequacy of the time devoted to dealing with the various items, according to their importance (taking into account specific examples or cases);

g) the quality of the information received; h) the scope and extent of debate; and

i) whether the decision-making process within the board is dominated or strongly influenced by one member or a small group of members.

Every three years, the board of directors shall rely upon the assistance of an external advisor for its evaluation, whose independence shall be verified by the appointments, sustainability and corporate governance committee.

The process followed and areas evaluated shall be disclosed in the annual corporate governance report.

## **CHAPTER VI. COMMITTEES OF THE BOARD OF DIRECTORS**

### **Article 37. Committees of the board of directors**

**1.** To ensure the utmost efficiency when discharging the duties ascribed to it, the board of directors shall organise its work by setting up committees. Board committees will be vested with decision-making powers as well as the authority to provide expertise and propose motions in relation to specific matters, while subjecting the board to additional scrutiny and control.

2. The following committees shall be set up without fail, irrespective of the board's power to set up other committees (with or without delegated powers):

1. The executive committee.
2. The audit committee.
3. The risk and compliance committee.
4. The remuneration committee.
5. The appointments, sustainability and corporate governance committee.

The board shall ensure a proper rotation of directors across the various committees.

The audit committee, the risk and regulatory compliance committee, the appointments, sustainability and corporate governance committee and the remuneration committee shall be composed exclusively of non-executive directors, with a majority of independent directors. The chairman of all these committees must always be independent.

The chairman of each committee shall report to the board of directors on all business conducted by their committee at the first meeting of the board to be held. The board of directors must always scrutinise the proposals, motions and reports received from the various committees.

## **Article 38. Executive committee**

1. The rules and regulations of the board of directors provide that the executive committee shall consist of no fewer than three and no more than seven directors, at least two of whom must be non-executive directors and at least one of must be independent. They must all be appointed by the board of directors, on the recommendation of the appointments, sustainability and corporate governance committee. Committee members shall be appointed for such term as the board of directors sees fit.
2. The board of directors chooses one of the members to act as committee chairman, while the secretary of the board acts as the committee secretary.
3. The permanent delegation of powers to the executive committee and the resolutions to appoint its members require the vote of at least two thirds of the board members.

4. All powers vested in the board of directors may be permanently delegated to the executive committee, save for those that may not be delegated by law, the corporate by-laws, or these rules and regulations.

Irrespective of this delegation of powers, the executive committee is expressly and permanently empowered to:

1. Generally authorise credit transactions up to the limit set by the board of directors. Transactions involving directors, senior officers and other related transactions are excluded from this delegation of powers and must be approved by a fully-formed board of directors.
2. Authorise new businesses and individual transactions, provided they are non-strategic and do not carry any special tax risk for the Company or its group.
3. Monitor the different businesses, types of customers and their segmentation across the Bank, the Bank's sales networks and organisations, as well as the products and services offered, all in line with the strategic plan or business plan approved by the board of directors for such purpose.
4. Monitor any significant changes in the shareholding structure.
5. The executive committee shall meet as often as called by its chairman. The executive committee may also be called at the request of three or more directors who sit on the committee.
6. The secretary shall take minutes of the meetings, which shall be signed by the secretary and approved by the committee chairman and subsequently sent out to all board members; however, resolutions carried by the committee will be effective regardless, without requiring subsequent ratification by the Board of Directors. The secretary of the committee shall be responsible for calling meetings and filing the minutes and any documentation submitted to the committee.

The executive committee shall report to the board of directors on all matters discussed and all decisions taken at its meetings, and it shall make copies of the minutes of all its meetings available to board members.

7. Any matters not explicitly envisaged in this article shall be governed by these rules and regulations for the board of directors, insofar as applicable.

**Article 39. Audit committee.**

1. The audit committee shall comprise a minimum of three and a maximum of seven directors, to be appointed by the board of directors on the recommendation of the appointments, sustainability and corporate governance committee. Committee members shall be appointed for such term as the board of directors sees fit. The chairman of the committee must be replaced at least once every four years, but may be re-elected once one year has passed from the time he or she last stood down.

2. The chairman of the committee shall be an independent director and must, in particular – like the other members of this committee– possess knowledge and experience in matters of accountancy, auditing or risk management, both financial and non-financial. All committee members shall be non-executive directors, with a majority of independent directors.

3. The secretary of the committee shall be the secretary of the Board of Directors.

4. The committee may instruct its own chairman to invite the Bank's chairman, vice-chairman, chief executive officer, or other executive directors or managers, to attend committee meetings.

5. The head of the Audit division may attend committee meetings as a speaker (but not as a member) as often as the committee sees fit. The committee's chairman may invite other people from the Audit division to attend committee meetings, as well as any Company manager or employee, even without the presence of any other manager.

6. External auditors shall attend committee meetings whenever the committee's chairman deems this necessary. They must always attend any meeting held to scrutinise their audit report on the Bank and its Group's annual and half-yearly financial statements and annual control report, as well as any other meetings that may be held to verify earnings before those reports are released.

7. As a general rule, the committee's remit will be to formulate good practice recommendations addressed to the pertinent areas of the Bank. However, it may also carry resolutions on other matters that fall within its remit, without prejudice to those reserved to



the board of directors, the executive committee, or other Company bodies in accordance with the law and the corporate by-laws.

These rules and regulations on the operation of the board of directors shall also govern the operation of the audit committee. These rules must be applied so as to ensure the independence of the committee when going about its duties.

**8.** Broadly speaking, the committee shall meet as often as the board of directors. It shall also meet whenever convened by its chairman, or when requisitioned by two or more committee members. In the absence of its chairman, the meeting shall be chaired by the independent director appointed for that purpose by the committee.

**9.** The secretary shall take minutes of meetings. Meeting minutes shall be signed by the secretary with the counter-signature of the committee's chairman, and then sent out to all board members. The secretary shall convene committee meetings and file the minutes and any documents presented at the meeting.

**10.** The board of directors has entrusted the audit committee with the task of supervising and controlling the Company's operations; ensuring the accuracy, objectivity and transparency of the Company's accounts and economic and financial information; and enforcing compliance with all applicable law and regulations.

The Bank's Audit division will be attached to the audit committee but shall report functionally to the chairman of the board of directors.

**11.** The audit committee shall have the following remit, in accordance with the law and the corporate by-laws:

1. Reporting to general meetings, through its chairman, on the current situation of control at the Company, on the committee's activities over the course of the financial year, and on any matters raised by shareholders that fall within the committee's remit.
2. Proposing the selection, appointment, re-election or replacement of external account auditors to the board of directors, so that the board may lay the matter before for shareholders at a general meeting. The committee may also propose the terms and conditions and scope of their engagement.

3. Supervising and overseeing non-audit activities and ensuring that the Company notifies the market, via a significant event filing (hecho relevante), of any change of auditor, accompanied by a statement explaining any disagreement that may exist between the Company and the outgoing auditor.
4. Ensuring that the external auditor holds an annual meeting with the board of directors to report on its work and discuss any relevant changes in the Company's accounts and risk position.
5. Submitting the annual report of the audit committee to the board of directors for its approval.
6. Supervising the efficacy of internal controls, internal auditing services at the Company and systems to control risks, financial and non-financial (including tax risks), so as to safeguard the independence and effectiveness of the internal audit function, while also discussing with the auditors any significant weaknesses in the internal control systems that may have been detected while conducting the audit.
7. Understanding and supervising the process of drawing up financial information and ensuring the integrity of that information and the Company's internal control systems and, as the case may be, those of the Group. The committee shall also review compliance with regulatory requirements, the accurate mapping of the consolidation perimeter, and the proper application of accounting standards and principles.
8. Ensuring that adequate internal control systems are in place to guarantee sound management of the Company's financial and non-financial risks, while regularly reviewing the proper operation of those systems.
9. Safeguarding the independence of the external auditor, while ensuring that the auditor's fees for its work will not compromise the auditor's independence or the quality of its work. The committee shall also receive and scrutinise information from the auditor on matters that may jeopardise the latter's independence; any other matters relating to auditing the accounts; and on all other communications envisaged in applicable legislation on accounts auditing and technical auditing rules. The committee must also receive a written statement from the account auditor each year, confirming its independence from the Company or companies related directly or indirectly to the Company, and containing information on any non-audit services the auditor, or any

persons or entities related to the auditor in accordance with applicable legislation on accounts auditing, may have provided to those companies.

10. Ensuring that the Company and the external auditor comply with applicable rules on the provision of non-audit services, the restrictions on auditor business concentration and, generally, all other rules related to the independence of the auditors. In doing so, the committee shall, before issuing the audit report, release a separate report containing its opinion on the independence of the auditors or audit firms. This report must, without fail, describe any non-audit services to have been provided, as mentioned in the previous section and discussed individually and as a whole, other than legal audit services and in relation to the independence regime or auditing regulations.
11. To make a prior report to the board of directors on all the matters established by law, the Bylaws and these regulations, and specifically on:
  - a) the financial information that the Company must periodically disclose;
  - b) the issue or acquisition of shares in special purpose vehicles or entities domiciled in jurisdictions or territories classified as tax havens; and
  - c) related-party transactions.
12. Analysing any restructurings or other corporate changes the Company may be planning, and reporting its findings to the board in relation to the financial and economic ramifications and any impact the transaction may have on the accounts and, generally, on the proposed exchange ratio.
13. Acting as a conduit for communication between the board of directors and the external and internal auditors, evaluating the results of audit reports and compliance with the observations and conclusions formulated, and discussing with the auditors any significant weaknesses they may have detected in the internal control system while performing the audit.
14. Supervising compliance with the terms of the audit agreement and ensuring that the opinion on the annual accounts and the main contents of the audit report are both accurate and transparent.

15. If the external auditor resigns, examining the circumstances to have prompted its resignation.
16. Helping to ensure that the Group's auditor also audits the Group's other companies.
17. Reporting to the board on the imminent or planned incorporation of companies, businesses, associations, foundations, or any other kind of legal entity (including special purpose vehicles), as well as any other similar transactions or operations that may make the Group less transparent due to their complexity. All such information must be provided before the board makes a decision on whether to proceed.
18. Scrutinising any reports that the supervisory bodies may issue in relation to the Company following inspection proceedings, and seeing to it that the Company implements the measures and acts on the recommendations found in those inspection reports.
19. Ensuring the reliability and transparency of all internal and external information on the Bank's earnings and activities and, in particular, verifying the integrity and consistency of the Bank's and the Group's quarterly and half-yearly financial statements, as well as the annual accounts, annual report and management report prior to their approval by or submission to the board of directors and subsequent release; and supervising the Bank's policy in relation to prospectuses and other forms of public information.
20. Receiving information on any disciplinary measures that may affect the Bank's executives and managers as a result of breaches of employment obligations or the internal rules of conduct, while relaying the pertinent policies and instructions to the relevant Company bodies and having the final say where the committee considers the matter to be of particular importance.
21. Upholding the independence, autonomy, and Group-wide scope of the internal audit function, and proposing the internal auditing budget.
22. Supervising the Bank's and the Group's internal audit function and, therefore, approving its annual work schedule and annual activities report, and ensuring that the main risk areas and internal control systems and procedures are duly reviewed. Receiving periodic information on the Bank's activities and checking that the senior management is mindful of the conclusions and recommendations set out in the committee's reports.

23. Approving or modifying the by-laws of the internal audit function, which shall contain its duties and remit.
24. Approving the appointment or replacement of the head of the audit division, based on a proposal received from the chairman of the board, the vice-chairman (if executive), or the chief executive officer.
25. Ensuring the adequacy of the resources allocated to the Audit division.
26. Monitoring compliance with the internal code of conduct in the securities market and the Bankinter Group's code of professional ethics by the crime prevention and professional ethics committee and the areas responsible for personal data protection; and hearing any reports or recommendations that such units and areas may submit.
27. Reporting on related transactions involving directors and significant shareholders, including the power, if needed, to authorise such transactions under the terms laid down in these rules and regulations.
28. Reviewing any other matter within its remit that the board of directors, the chairman, the vice chairman (if executive), or the chief executive officer may bring to its attention.
29. Performing such other duties as may be delegated to the committee under these rules and regulations or by the board of directors.

**12.** The audit committee shall supervise and ensure the effectiveness of the whistleblowing procedure, whereby employees may report any potentially significant irregularities or breaches they may notice within the Company, particularly those relating to finances and accounting.

**13.** The audit committee shall have access to all information and documents needed to properly discharge its duties and will be free to engage the services of advisers, consultants, experts and other independent professionals. If previously authorised by the committee, the committee chairman may, directly or acting through the Audit division, procure the services of any such professionals, who shall work directly and exclusively for the committee.

If the audit report contains any significant reservations or qualifications, the committee chairman shall report on the committee's findings concerning the content and scope of such matters at a general meeting of shareholders.

The terms of this article may be further specified in a set of specific rules and regulations for the audit committee.

## **Article 40. Risk and compliance committee.**

1. The risk and compliance committee shall comprise a minimum of three, and a maximum of seven directors, to be appointed by the board of directors on the recommendation of the appointments, sustainability and corporate governance committee. Committee members shall be appointed for such term as the board of directors sees fit.

2. The risk and compliance committee shall exercise supervisory powers over risk-related matters.

3. The individual acting as committee chairman shall be an independent director who (like the other committee members) must have particular expertise and experience in matters relating to risk. All committee members shall be non-executive directors, with a majority of independent directors.

4. The committee's meetings may be attended, as speakers but not as members, by the chief risk officer and by the head of control and compliance, who shall attend whenever they are invited by the committee. At the decision of the committee chairman, other persons from the Risk division and/or any manager or employee of the Company may be asked to attend meetings.

5. The committee shall ensure the independence and effectiveness of the risk and compliance control function on the basis of the information it hears directly from the head of control and compliance of Bankinter Group. Bankinter Group's Control and Compliance division shall report to the risk and compliance committee with regard to the functions of risk control, regulatory compliance and anti-money laundering.

6. The risk and compliance committee has the following remit in accordance with the law and the corporate by-laws:

- a) Advising the board of directors on the Company's overall current and future risk exposure and propensity, and on its strategy regarding this, while aiding the board of directors with the effective implementation of that strategy. However, the board of directors will remain ultimately responsible for all matters relating to risk.

- b) Assessing whether the prices for the assets and liabilities offered to customers fully take into account the institution's business model and risk strategy. If this is not the case, the risk committee shall submit a corrective plan to the board of directors.
- c) Determining, together with the board of directors, the nature, quantity, format and frequency of the information on risk to be received by the committee itself and the board of directors.
- d) Jointly establishing rational remuneration policies and practices. To this end, and notwithstanding the duties ascribed to the remuneration committee, the risk committee shall examine whether the incentives provided for in the remuneration system take due account of risk, capital, liquidity, and probability and opportunity of benefits.
- e) Approving the appointment or replacement of the chief risk officer, on the recommendation of the chairman of the board, the vice chairman (if executive) or the chief executive officer.
- f) Reviewing the general risks map for both the Bank and the Group, and submitting the corresponding recommendations to the board.
- g) Approving or amending the charter of the Risk Control function, the charter of the Regulatory Compliance function, the anti-money laundering handbook and the rules and regulations of the internal control body on matters relating to anti-money laundering and counter terrorist financing.
- h) Approving the appointment or replacement of the head of Control and Compliance on the recommendation of the chairman of the board, the vice chairman (if executive), the chief executive officer or the General Manager under whose supervision the Corporate Control and Compliance Department falls, and following a positive assessment of that person's fitness for office by the appointments, sustainability and corporate governance committee; setting his or her remuneration and proposing budgets for the position and approving his or her annual work plan and annual activity report; receiving regular information on the officer's activities; and checking that senior management is mindful of the conclusions and recommendations set out in the committee's reports.

- i) Scrutinising any reports that the supervisory bodies may issue in relation to the Bank following inspection proceedings, and seeing to it that the Bank implements the measures and acts on the recommendations found in those inspection reports.
- j) Receiving information and hearing reports on any material irregularities, breaches or risks observed during the control actions undertaken by the Bank's competent departments.
- k) Ensuring the adequacy of the resources assigned to the Control and compliance division.
- l) Supervising the activities of the risk control unit, which is attached to the control and compliance division and reports regularly to the committee.
- m) Supervising the performance of the duties ascribed to the Regulatory Compliance unit and the anti-money laundering and terrorism financing unit, which are both attached to the Control and Compliance division; n) Periodically reviewing the internal control and risk management systems, so that the main risks are properly identified, managed and disclosed.
- n) Submitting the annual report of the risk and compliance committee to the board of directors for approval.

**5.** To discharge its duties properly, the risk committee shall have unhindered access to information on Bankinter's risk situation and (if necessary) to the risk management unit and specialised external advice.

**6.** The risk and compliance committee shall meet as often as called by the committee itself or by its chairman. Any person belonging to the Company or from outside the Company may attend meetings as the committee sees fit.

**7.** The secretary shall take meeting minutes, which shall be signed by the secretary and counter-signed by the committee chairman and sent to all members of the board of directors. The secretary of the committee shall be responsible for calling meetings and filing the minutes and any documents submitted to the committee.



8. The chairman of the risk and compliance committee shall report to the board on its activities and work, doing so at meetings held for that specific purpose or at the next board meeting if the chairman deems this necessary.

9. Any matters not explicitly envisaged in this article shall be governed by these rules and regulations for the board of directors, insofar as applicable.

**Article 41. Remuneration committee**

1. The remuneration committee shall comprise a minimum of three and a maximum of seven directors, all appointed by the board of directors on the recommendation of the appointments, sustainability and corporate governance committee. These directors shall possess the necessary knowledge, skills and experience to exercise the duties ascribed to this committee. Committee members shall be appointed for such term as the Board of Directors sees fit.

2. The chairman of the committee shall be an independent director. All committee members shall be non-executive directors, with a majority of independent directors.

3. The committee's secretary will be the secretary of the board of directors.

4. The committee may instruct its own chairman to invite the Bank's chairman, vice chairman (if executive), chief executive officer, or any other executive directors or senior officers to attend committee meetings called to discuss and vote on executive directors or senior officers other than those in attendance, or to discuss matters concerning the remuneration of senior officers. The committee must always consult the chairman, vice chairman (if executive) and the chief executive officer before carrying any resolution or drawing up any report in relation to those matters.

5. All decisions taken by the committee on matters that fall within its remit shall be treated as motions to be laid before the Board of Directors. The provisions of these rules and regulations on the operation of the board of directors shall also govern the operation of the remuneration committee. These rules must be applied so as to ensure the independence of the committee when going about its duties.

6. The remuneration committee shall also meet whenever convened by its chairman or when requisitioned by two or more committee members. In the absence of its chairman, the

meeting shall be chaired by the independent director appointed for that purpose by the committee.

7. The secretary shall take minutes of meetings, signing them with the counter-signature of the committee's chairman. Once signed, the minutes shall be reported to the Board of Directors and delivered to all board members. The secretary shall be responsible for filing the minutes and all documents laid before the committee, except where the committee decides that certain information should be filed differently to ensure its absolute confidentiality.

8. The remuneration committee shall, acting through its chairman, report to the board of directors on its activities and work, doing so at meetings called for that specific purpose or at the next board meeting where the chairman deems this necessary. It shall also make copies of the minutes of such meetings available to board members.

9. The remit of the remuneration committee is as follows:

1. Submitting the director remuneration policy and the individual remuneration of directors to the board of directors for its approval, along with the corresponding annual director remuneration report (which the board shall then lay before shareholders at a general meeting for a consultative vote).
2. Submitting a proposal to the board of directors on the individual remuneration of executive directors and, as the case may be, external directors, for the performance of duties other than those of a director and other terms and conditions of their contracts.
3. Proposing the remuneration policy for the senior management, including managing directors or those who perform senior management duties and report directly to the board, to executive committees or to chief executive officers, as well as their individual remuneration and other basic terms and conditions of their contracts.
4. Setting the remuneration of members who do not belong to the senior management but who receive significant remuneration (especially variable remuneration), and whose activities may have a significant impact on the Group's risk profile.
5. Verifying the extent of compliance with the remuneration policy in general during the financial year and enforcing compliance.

6. Conducting regular reviews of remuneration programmes; assessing their implementation and effectiveness; and ensuring that directors' remuneration conforms to standards of moderation and the Bank's results.
7. Ensuring transparent remuneration and its inclusion in the annual report and in any other annual reports containing information on directors' remuneration; and, to this end, submitting relevant information to the Board.
8. Reporting on incentive plans for senior managers or employees that are pegged to the performance of the Bank's listed share price or other variable indices, as well as on remuneration systems for the Bank's management team based on collective insurance systems or deferred remuneration systems, if applicable.
9. Performing such other duties as may be delegated to the committee under these rules and regulations or by the board of directors.
10. The remuneration committee shall have access to all information and documentation needed to properly discharge its duties and will be free to engage the services of advisers, consultants, experts and other independent professionals. If authorised by the committee, the committee chairman may procure the services of such professionals, who shall work directly and exclusively for the committee.
11. Any matters not explicitly envisaged in this article shall be governed by these rules and regulations for the board of directors, insofar as applicable.

**Article 42. Appointments, sustainability and corporate governance committee**

1. The appointments, sustainability and corporate governance committee shall comprise a minimum of three and a maximum of seven directors, all appointed by the board of directors on the recommendation of the committee itself. These directors must possess the necessary knowledge, skills and experience to exercise the duties ascribed to this committee. Committee members shall be appointed for such term as the board of directors sees fit.
2. The chairman of the committee shall be an independent director. All committee members shall be non-executive directors, with a majority of independent directors.
3. The committee's secretary will be the secretary of the board of directors.

**4.** The committee may instruct its chairman to invite the Bank's chairman, vice chairman (if executive), chief executive officer or any other executive directors or senior managers to attend committee meetings. In general, the Bank's chairman, vice chairman (if executive) and/or chief executive officer will be called to attend committee meetings that are convened to discuss and vote on matters regarding executives or senior managers other than those in attendance, or regarding the appointment of senior executives. The committee must always consult the chairman, vice chairman (if executive) and the chief executive officer before carrying any resolution or drawing up any report in relation to those matters.

**5.** All decisions taken by the committee on matters that fall within its remit shall be treated as motions to be laid before the board of directors. These rules and regulations on the operation of the board of directors shall also govern the operation of the appointments, sustainability and corporate governance committee. These rules must be applied so as to ensure the independent operation of the committee.

**6.** The appointments, sustainability and corporate governance committee shall meet whenever convened by its chairman, or when requisitioned by two or more members. In the absence of its chairman, the meeting shall be chaired by the independent director appointed for that purpose by the committee.

**7.** The secretary shall take minutes of meetings, signing them with the counter-signature of the committee's chairman. Once signed, the minutes shall be reported to the board of directors and delivered to all board members. The secretary shall be responsible for filing the minutes and all documents laid before the committee, except where the committee decides that certain information should be filed differently to ensure its absolute confidentiality.

**8.** The chairman of the appointments, sustainability and corporate governance committee shall report to the board of directors on all activities and work performed by the committee at specific meetings called for that purpose or at the next board meeting if the chairman deems this necessary. The committee shall provide board members with copies of the minutes of such meetings.

**9.** The remit of the appointments, sustainability and corporate governance committee is as follows:

1. Nominating independent directors and board advisers for appointment, ratification, re-election and removal. In the case of independent directors, it shall indicate the nature of their appointed role on the board. As regards the appointment of directors, the committee shall ensure that selection procedures for filling vacancies are free from

implicit biases that might hinder the selection of female directors, seeking to find and include, among potential candidates, women who meet the desired professional profile when the number of female directors is already low or non-existent.

2. Proposing the appointment, re-election and removal of the chairmen and members of committees attached to the board of directors.
3. Determining whether a suitable and necessary balance of powers, expertise, diversity and experience exists within the board of directors and its committees. For this purpose, it shall define the functions and aptitudes necessary in the nominees who are to fill each vacancy, and assess the time and commitment required for them to properly discharge their duties.
4. Assessing, at least once a year, the suitability of the various board members and of the board as a whole, and reporting its findings to the board of directors.
5. Setting a representation target for the less represented gender on the board of directors, and drawing up guidelines on how to achieve that target, with the specific objective of ensuring the company has a significant number of women in senior management roles.
6. Having its chairman report to shareholders at general meetings (before they are held) on the committee's activities during the financial year and responding to any questions raised by shareholders on matters that fall within the committee's remit, in accordance with the rules and regulations of general meetings of shareholders.
7. Determining whether current and up-to-date succession plans exist for the chairman, vice chairman (where appropriate) and chief executive officer and other senior officers of the Company on a yearly basis; and, if necessary, escalating its findings to the board of directors so as to ensure an organised and well-planned succession process.
8. Reporting on proposals for the appointment, discharge and removal of the Company's senior officers.
9. Regularly reviewing the board of directors' policy on the selection and appointment of the members of senior management and submitting recommendations.

10. Reporting on appointments and removals of directors or senior managers at subsidiaries or affiliates who act on behalf of, or who have been nominated by, the Bank.
11. Submitting an onboarding programme to the board of directors to provide new directors with adequate information about the Bank, its operations and its corporate governance rules, including the possible implementation of refresher programmes for serving directors if deemed advisable in the circumstances.
12. Monitoring corporate governance at the Company so as to enforce compliance with the rules approved by the Company and ensure a suitable balance of powers, the sound running and operation of the Bank's administrative and management bodies, the independence of directors; and adjusting the system accordingly in response to new rules and recommendations and best national and international practices.
13. Checking that conditions remain conducive to the effective independence of independent directors, and ensuring their ongoing independence in such fundamental aspects as attitude, debating capacity and effective participation.
14. Ensuring that the atmosphere on the board of directors and relations between directors are conducive to debate and the unhindered participation of all board members, and that board meetings give the matters debated and resolved the importance and scrutiny they deserve.
15. Ensuring that the calendar of annual meetings of the board of directors and its committees covers key matters of the most importance to the Company.
16. Presenting the Company's Annual Corporate Governance Report to the board of directors for approval.
17. Reporting on the Company's main projects and regulations on corporate governance for approval by the board of directors.
18. Submitting proposals to the board of directors on any practices it believes would improve corporate governance at Bankinter; and advising the chairman of the board of directors on such matters.

19. Supervising the strategy for communicating and maintaining relations with shareholders and investors, including small and medium-sized shareholders.
20. Reviewing the Company's sustainability policy and ensuring that it is aimed at creating value.
21. Monitoring the sustainability strategy and practices and evaluating their level of achievement.
22. Reviewing any matters within its remit that the board of directors, the chairman, the vice chairman or the chief executive officer may bring to its attention.
23. Performing such other duties as may be delegated to the committee under these rules and regulations or by the board of directors.

**10.** The appointments, sustainability and corporate governance committee shall have access to all information and documents it needs to discharge its duties. It may request the assistance of advisers, consultants, experts and other independent professionals. If authorised by the committee, the committee chairman may procure the services of such professionals, who shall work directly and exclusively for the committee.

**11.** Any matters not explicitly envisaged in this article shall be governed by the provisions of these rules and regulations governing the board of directors, insofar as applicable.

## **CHAPTER VII. RELATIONS OF THE BOARD OF DIRECTORS WITH SHAREHOLDERS AND OTHER STAKEHOLDERS**

### **Article 43. Relationship with shareholders and other stakeholders**

1. The board of directors shall define and champion a policy on communication and relations with shareholders, institutional investors and proxy advisers. The Company shall post this policy on its website.
2. In accordance with the policy mentioned in the preceding article, the board of directors shall also put adequate mechanisms in place to exchange information regularly with institutional investors who are Company shareholders and with proxy advisers.

3. Under no circumstances may the board of directors' relations with those stakeholders entail the disclosure to them of any inside or other information that might afford them privileges or advantages over other shareholders.

**Article 44. Policy for the communication of economic-financial, non-financial, risk management and corporate information**

1. The board of directors, notwithstanding the legal obligations to disseminate inside information and other types of regulated information, shall also define and promote internally a general policy regarding the communication of economic-financial, non-financial and corporate information through the channels it deems appropriate (press and media, social networks or other channels) so as to help maximise the dissemination and quality of the information made available to the market, investors and other stakeholders.
2. The board of directors shall keep an updated website for the Company that complies with current legislation and contains all information required by law, regulations and the corporate by-laws.

**CHAPTER VII. FINAL PROVISIONS**

**Article 45. Definitions**

1. For the purposes of these rules and regulations, the term 'senior executives' means all Company executives who report directly to the board of directors, the chairman, the vice chairman (if executive) or the chief executive officer, including the head of internal audit.
2. Persons related to directors are as defined under article 231 of the Spanish Companies Act.
3. All references contained in these rules and regulations to Bankinter, S.A. "Bankinter" or "the Bank") or Bankinter Group ("the Group") also extend to any subsidiaries and investees in which the Bank may hold a majority shareholding, or those in which the subsidiaries hold a majority shareholding, as well as the boards of directors of those investees. All references herein to Bankinter, S.A. and the Bank shall be equivalent to references made to Bankinter Group or the Group, unless indicated otherwise. The term "Company" refers indistinctly to the Bank and to its Group.



4. Inside information and material information is as defined in the internal rules of conduct in the securities market approved by the board of directors.

**Article 46. Remote communications**

In accordance with the corporate by-laws, communication by telephone, electronic channels or other remote communication methods will be fully effective for all forms of communication with the Company, the board of directors, board committees, directors and shareholders, whether those communications are compulsory or voluntary. The e-mail addresses exchanged by the Company and each director shall be valid for those purposes.