



The functions of the Board of Directors shall be met with a business–group focus and developed through general policies, guidelines or requests for information that respect the balance between the interests of the Parent Company and the subsidiaries, and *Grupo Empresarial* as a whole.

## **ARTICLE 10 – BOARD OF DIRECTORS SUPPORT COMMITTEES**

The Board of Directors has planning and finance functions, enabling it to establish the Company’s strategic vision; it has functions to identify risks and establish policy to mitigate them; and it has the function of establishing and modifying Company accounting policies, pursuant to law.

To fulfill its functions, the Board of Directors will rely the following Committees, which will be integrated taking into account the profiles, professional knowledge and experience of the members in relation to the subject matter of the Committee, allowing the members to make rigorous pronouncements on matters within its competence:

### **a. The Finance, Audit and Risk Committee**

The Board of Directors will form a Finance, Audit and Risk Committee with at least four (4) of its members. All the independent members of the Board must be members of this Committee, and one of them shall be its Chairman. In light of the foregoing, the Committee could be composed of up to seven (7) members, if all of the members of the Board were independents.

The Committee will usually meet every three (3) months and may meet extraordinarily when deemed necessary or upon a notice by the Manager of Internal Auditing to discuss relevant issues; it may also meet in private if the circumstances require this. The Fiscal Auditor and the Manager of Internal Auditing will attend the meetings; they will have the right to state their opinion but not the right to vote. The decisions made by a simple majority vote will be recorded in Committee meeting minutes. Its functions will be to:

1. Assist the Board of Directors in its supervisory function through the evaluation of the accounting procedures and the relationship with the Fiscal Auditor.
2. Review the Control Architecture of the Company<sup>2</sup> including the auditing of the risk–management system implemented by the Company and ensure its effectiveness. To do

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<sup>2</sup> A comprehensive concept encompassing everything related to the control, risk–management, internal–control, information and communication and surveillance systems. It allows the Company to have a structure, policies and procedures exercised throughout the Organization (from the Board of Directors and Senior



this, it will have the support of the *Grupo Empresarial* Internal Auditing and the Fiscal Auditor.

3. Inform the Shareholders' Assembly on questions raised by shareholders regarding its powers.
4. Inform the Shareholder's Assembly, at the request of its President, on specific aspects of work done by the Committee.
5. Propose to the Board of Directors, for submission to the Shareholders' Assembly, the candidates for the appointment as Fiscal Auditor and the conditions of his or her hiring, and, where appropriate, the revocation or non-renewal thereof, using for this purpose the result of the evaluation referred to in the following point.
6. Oversee the services of the Fiscal Auditor, including evaluating the quality and effectiveness thereof.
7. Interact and have regular relations with the Fiscal Auditor, and especially to assess and inform the Board of Directors of all those situations that could limit his access to information or put his independence at risk and any others related to the auditing plan and the development of the financial auditing, as well as those other communications foreseen in the financial-auditing legislation and in the technical auditing regulations.
8. Receive the final report from the Fiscal Auditor and study the financial statements in order to submit them to consideration of the Board of Directors, without jeopardizing the functions legally attributed to the Fiscal Auditor and Senior Management, and in the event of there being unfavorable qualifications or opinions, issue a decision on its content and scope, which shall be made known to shareholders and the market public by the Company Chief Executive Officer through the Company's Webpage, as well as verify that Senior Management takes into consideration the Fiscal Auditor's recommendations and, if appropriate, lead the process to respond to the observations included in his report.

When, in the event of qualifications or paragraphs of emphasis by the Fiscal Auditor, the Board of Directors considers that its criterion must prevail, this position shall be explained and justified through a written report to the Shareholders' Assembly.



9. Ensure that the accounting criteria are adequately applied at all times in elaborating the Financial Statements that the Board of Directors presents to the Shareholders' Assembly, and in the preparation of the reliable internal information for decision making.
10. Know and evaluate the process to prepare, present and disclose the financial information.
11. Monitor the efficiency of the function regulatory and Money Laundering and the Financing of Terrorism (ML/FT) compliance.
12. Verify that the regular information that is offered to the market is prepared in accordance with the same professional principles and practices as the annual accounts, overseeing such information prior to its dissemination.
13. Propose the structure, procedures and methodologies necessary for the operation of the internal-control system to the Board of Directors.
14. Know and evaluate the Company's internal-control system.
15. Oversee and periodically report to the Board of Directors on the effective application of the Company's Risk Policy, the principal financial and non-financial risks, in the balance sheet and off the balance sheet are identified, managed and made known properly.
16. Oversee the internal auditing services and report to the Board of Directors.
17. Review and approve the Internal Auditing Statutes of the Company.
18. Propose the selection, appointment, retribution, re-election and removal of the person responsible for the internal auditing service to the Board of Directors. His or her removal or resignation shall be communicated to the market through the Company's Webpage.
19. Analyze and approve the internal audit Annual Work Plan and the annual report of activities. This implies a formal analysis of the coverage of the auditing universe to determine if the resources (human, financial, IT, etc.) are appropriate for the implementation of the annual plan within the criticality of the auditable units. Each semester or more frequently, if so required, the progress in the implementation and modifications, if necessary, to the work plan will be presented. In addition, the annual report of activities of Internal Auditing will be analyzed and approved.



20. Ensure the independence and effectiveness of Internal Auditing; receive regular information on its activities, including reports on any situation of risk tolerance that is unacceptable for the Organization; and verify that Senior Management takes into account its conclusions and recommendations.
21. Review compliance of the actions and measures that result from the reports or inspection activities of the supervision and control authorities.
22. Evaluate the temporary or permanent situations of conflict of interest, in which a Significant Shareholder, members of the Board of Directors and Senior Management could be directly or indirectly immersed or through a Related Party and to report them to the Board, making the proposals necessary to administer the situation.
23. Evaluate and report to the Company's Board of Directors on the possible conflicts of interest that could arise between the Company and its subsidiaries or among the subsidiaries, or with its Administrators and Related Parties, making the proposals necessary to administer the situation.
24. Examine and report to the Board of Directors on the operations that the Company directly or indirectly conducts with members of the Board, Controlling and Significant Shareholders, members of Senior Management, operations among *Grupo Empresarial* companies or persons related thereto, which, because of their amount, nature or conditions, are a risk for the Company or *Grupo Empresarial*.
25. Regularly monitor the degree of compliance of the Rules of Conduct for Directors and Employees established in this Code, and the effectiveness of the anonymous complaint system, evaluating unethical actions that are presented and the content of the denouncements made, making the relevant recommendations to the Board of Directors.
26. Review the content of the Corporate Governance Report and emit a favorable concept for its approval by the Board of Directors.
27. Establish the guidelines, standards and directives that the Company will take into account to invest in financial assets.
28. Study, analyze and approve the corporate financing projects.
29. Assist the Board of Directors in the compliance of its supervisory responsibilities related to risk management.



30. Review and evaluate the integrity of the Company's function in risk management.
31. Review the adequacy of economic and regulatory capital, in the cases in which it is necessary to do so, of each company and its allocation to the different business lines and/or products.
32. Review the risk limits and the risk reports, making the relevant recommendations to the Board of Directors.
33. Propose the Company's Risk Policy to the Board of Directors.
34. Systematically assess the risk strategy and general policies in the Company and establish the limits by type of risk and business, with the level of disaggregation established for businesses, business or economic groups, clients and areas of activity.
35. Analyze and assess ordinary risk management in the Company, in terms of limits, risk profile (expected loss), profitability and capital map (at-risk capital).
36. Analyze and evaluate the Company's risk-control systems and tools.
37. Formulate the improvement initiatives that are considered necessary on the infrastructure and the internal-control and risk-management systems.
38. Submit the proposals for rules of delegation to the Board of Directors to approve the different types of risks that apply to it or to other lower levels of the Organization.
39. Report to the Board of Directors on the operations that it must authorize, when the operations exceed the powers awarded to other levels of the Company.
40. At the Boards' request, report to it on the operations that it must authorize by law or internal or external regulation or provision.
41. Assess and implement the indications formulated by supervisory authorities in exercising its function.
42. Adapt risk management in the Company to an advanced model that allows the configuration of a risk profile in line with the strategic objectives and monitor the adaptation of the risks assumed to that profile.

**b. The Appointment and Retribution Committee**