

ANNEX I

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED PUBLIC LIMITED COMPANIES

IDENTIFYING DATA OF THE ISSUER

FINAL DATE OF THE REFERENCE YEAR	31/12/2017
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TAX IDENTIFICATION CODE (C.I.F.)	A-82473018
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COMPANY NAME
RENTA 4 BANCO, SA.

REGISTERED OFFICE
PS. DE LA HABANA N.74, (MADRID)

ANNUAL CORPORATE GOVERNANCE REPORT

OF LISTED PUBLIC LIMITED COMPANIES

A STRUCTURE OF THE PROPERTY

A.1 Complete the following chart on the company's social capital:

Date of last modification	Social capital (€)	Number of shares	Number of voting rights
27/09/2011	18,311,941.35	40,693,203	40,693,203

Indicate if there are different types of shares with different associated rights:

Yes ☐

No ☒

A.2 List the direct and indirect holders of significant shares of your company at the closing date of the year, excluding the directors:

Name or corporate name of the shareholder	Number of direct voting rights	Number of indirect voting rights	% of total voting rights
INDUMENTA PUERI S.L.	0	2,131,232	5.24%
MRS. MARIA BEATRIZ LOPEZ PERERA	0	2,044,590	5.02%

Name or corporate name of the indirect owner of the participation	Through: Name or corporate name of the direct owner of the participation	Number of voting rights
INDUMENTA PUERI S.L.	GLOBAL PORTFOLIO INVESTMENTS SL	2,131,232
MRS. MARIA BEATRIZ LOPEZ PERERA	CONTRATAS Y SERVICIOS EXTREMEÑOS, S.A.	2,044,590

Indicate the most significant movements in the shareholding structure during the year:

A.3 Complete the following tables about the members of the board of directors of the company, who hold voting rights for the shares of the company:

Name or corporate name of the Director	Number of direct voting rights	Number of indirect voting rights	% of total voting rights
MR JOSE RAMON RUBIO LAPORTA	361,429	0	0.89%
MR JUAN CARLOS URETA DOMINGO	12,672,766	5,493,930	44.64%
MR. EDUARDO TRUEBA CORTÉS	72,787	0	0.18%
MR. PEDRO ANGEL NAVARRO MARTINEZ	150,946	45,900	0.48%
MR. JUAN LUIS LOPEZ GARCIA	71,943	0	0.18%
MR. FRANCISCO DE ASIS GARCÍA MOLINA	28,163	47,404	0.19%
MR JESÚS SANCHEZ-QUIÑONES GONZALEZ	291,228	0	0.72%
MR. SANTIAGO GONZALEZ ENCISO	562,676	1,228,418	4.40%
MR PEDRO FERRERAS TENZ	77,682	0	0.19%
MUTUALIDAD GENERAL DE LA ABOGACIA	2,800,650	0	6.88%
MS SARAH MARIE HARMON	5,267	0	0.01%
MS INES JUSTE BELLOSILLO	1,905	0	0.00%
MR EDUARDO CHACON LOPEZ	2,182	0	0.01%

Name or corporate name of the indirect owner of the share	Through: Name or corporate name of the direct owner of the share	Number of voting rights
MR JUAN CARLOS URETA DOMINGO	INVERSIONES FINANCIERAS E INMOBILIARIAS A.R. SANTAMARIA, SL	2,376,802
MR JUAN CARLOS URETA DOMINGO	SURIKOMI S.A	2,113,366
MR JUAN CARLOS URETA DOMINGO	MS MATILDE ESTADES SECO	987,791
MR JUAN CARLOS URETA DOMINGO	MS MATILDE URETA ESTADES	5,027
MR JUAN CARLOS URETA DOMINGO	MR. JUAN CARLOS URETA ESTADES	8,163
MR JUAN CARLOS URETA DOMINGO	MS INES ASUNCIÓN URETA ESTADES	2,781
MR. PEDRO ANGEL NAVARRO MARTINEZ	KURSAAL 2000 SICAV, SA	45,900
MR FRANCISCO DE ASIS GARCÍA MOLINA	HELP INVERSIONES SICAV, S. A	47,404
MR SANTIAGO GONZALEZ ENCISO	MS MATILDE FERNANDEZ DE MIGUEL	361,462
MR SANTIAGO GONZALEZ ENCISO	MR SANTIAGO GONZALEZ-ENCISO FERNANDEZ	30,739
MR SANTIAGO GONZALEZ ENCISO	MS MARIA GONZALEZ-ENCISO FERNANDEZ	30,739
MR SANTIAGO GONZALEZ ENCISO	MS CRISTINA GONZALEZ-ENCISO FERNANDEZ	30,739
MR SANTIAGO GONZALEZ ENCISO	MR IGNACIO GONZALEZ-ENCISO FERNANDEZ	30,739
MR SANTIAGO GONZALEZ ENCISO	MS MATILDE GONZALEZ-ENCISO FERNANDEZ	30,739
MR SANTIAGO GONZALEZ ENCISO	IGE-6, SL	260,439
MR SANTIAGO GONZALEZ ENCISO	FUNDACION GONZALEZ ENCISO	452,822

Total % of voting rights held by the board of directors	58.77%
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Complete the following tables about the members of the board of directors of the company, which hold rights over shares of the company

A.4 Indicate, if applicable, the family, commercial, contractual or corporate nature relationships that exist among the holders of significant shareholdings, insofar as they are known by the company, unless they are scarcely relevant or derive from the ordinary business line or commercial traffic:

A.5 Indicate, if applicable, the commercial, contractual or corporate nature relationships that exist between the holders of significant shareholdings, and the company and / or its group, unless they are scarcely relevant or derive from ordinary commercial business:

A.6 Indicate whether any parasocial agreements have been communicated to the company that affect it, as established in articles 530 and 531 of the Capital Companies Act. If so, describe them briefly and list the shareholders bound by the agreement:

Yes ☐

No ☒

Indicate whether the company is aware of the existence of concerted actions among its shareholders. In such case, describe them briefly:

Yes ☐

No ☒

In the event that during the year there has been any modification or break in said agreements or deals or concerted actions, indicate it expressly:

They have not occurred.

A.7 Indicate whether there is any individual or legal entity that exercises or may exercise control over the company in accordance with article 4 of the Securities Market Law. In such case, identify it:

Yes ☒No ☐

Name or corporate name
MR JUAN CARLOS URETA DOMINGO

Observations
The direct and indirect participation on the social capital is 44.643%

A.8 Complete the following tables on the treasury stock of the company:

At the closing of the fiscal year:

Number of direct shares	Number of indirect shares (*)	Total % on social capital
108,740	0	0.27%

(*) Through:

Detail the significant variations, in accordance with the provisions of Royal Decree 1362/2007, made during the year:

Explain the significant variations

A.9 Detail the conditions and term of the current mandate of the shareholders' meeting to the board of directors to issue, repurchase or transfer own shares.

The General Shareholders' Meeting held on April 29, 2013 adopted the following agreement: "The Board of Directors is hereby authorized, with the express power of substitution - even though it could have an effect on self-contracting or there are competing interests - so that, in accordance with the provisions of Article 146 et seq. of the consolidated text of the Companies Capital Act and other applicable regulations, may be carried out, directly or indirectly, through entities of the Renta 4 Group, and in the measure that it deems appropriate in light of the circumstances, the derivative acquisition of shares of the Company itself. The minimum acquisition price or consideration shall be equivalent to the nominal value of the own shares acquired, and the maximum acquisition price or consideration shall be the equivalent to the market price of the treasury shares acquired in an official secondary market at the time of acquisition. At no time can the nominal value of the shares acquired, directly or indirectly, be added to those already held by the Company and its subsidiaries, which may exceed 10% of the subscribed capital or the maximum amount that may be legally established. The acquisition modalities may consist of purchase, exchange, donation, adjudication or payment in kind or any other form of business for consideration, as the circumstances advise. This authorization is granted for a period of 5 years. It is hereby stated that the authorization granted to acquire own shares can be used, totally or partially, for delivery or transmission to administrators or workers of the Company or of companies of its Group, directly or as a consequence of the exercise by those of rights. of option, all within the framework of the remuneration systems referenced to the market price of the shares of the Company approved in due form. Likewise, in connection with the issuance of the convertible and/or exchangeable bonds for shares of Renta 4 Banco, S.A. carried out under the Sixth agreement of the General Shareholders' Meeting of the Company in April 2010 and the agreement of the Board of Directors of the Company of February 2011 and which was the object of the corresponding note on the obligations registered in the official registers of the CNMV, expressly empowers the Board of Directors, with express powers of substitution, so that it may acquire shares of the Company, up to the maximum legally permitted, to be able to attend, as provided for in the note on the obligations, the conversion requests in the periods foreseen in the issuance, included in the New Voluntary Conversion Date approved under Item 4 of the agenda of the General Meeting of Shareholders held on April 27, 2012, as well as any other new conversion date that may be agreed upon, through the delivery of own shares. For all this, the Board of Directors is authorized, with express authority to substitute the Board members it deems appropriate, including the Secretary and Deputy Secretary of the Board, as broadly as necessary to request as many authorizations and adopt as many agreements as necessary or convenient in compliance with current legal regulations for the execution and good purpose of this agreement."

A.9.bis Estimated free float:

	%
Estimated Free Float	27.43

A.10 Indicate whether there are any restrictions on the transfer of securities and/or any restriction on the right to vote. In particular, the existence of any type of restrictions that may hinder the takeover of the company through the acquisition of its shares in the market will be communicated.

Yes ☐

No ☒

A.11 Indicate whether the general meeting has agreed to adopt neutralization measures against a public tender offer pursuant to the provisions of Law 6/2007.

Yes ☐

No ☒

If applicable, explain the approved measures and the terms under which the restrictions will be ineffective:

A.12 Indicate whether the company has issued securities that are not traded on a regulated community market.

Yes ☐

No ☒

Where appropriate, indicate the different classes of shares and, for each class of shares, the rights and obligations that it grants.

B GENERAL MEETING

B.1 Indicate and, if applicable, detail, if there are differences with the minimum regime established in the Capital Companies Act (LSC) with respect to the quorum for the constitution of the general meeting.

Yes ☐

No ☒

B.2 Indicate and, if applicable, detail if there are differences with the regime established in the Capital Companies Act (LSC) for the adoption of corporate resolutions:

Yes ☐

No ☒

Describe how it differs from the regime provided in the LSC.

B.3 Indicate the rules applicable to the modification of the company's articles of association. In particular, the majorities foreseen for the modification of the articles of association will be communicated, as well as, where appropriate, the rules foreseen for the protection of the rights of the partners in the modification of the articles of association.

In accordance with what is stated in article 21 ("Constitution") of the Articles of association, in order for the Meeting to validly agree on the amendment of the Articles of association it will be necessary, on first call, the concurrence of shareholders present or represented that have at least fifty percent (50%) of the subscribed capital with the right to vote, and second call will be sufficient the concurrence of twenty-five percent (25%) of said capital.

Likewise, for the valid adoption of the corresponding agreement, the aforementioned article of the Articles of association indicates that when the second call is attended by shareholders representing twenty-five percent (25%) or more of the subscribed capital with voting rights without reaching fifty percent (50%), agreements can only be validly adopted with the favourable vote of two thirds of the capital present or represented at the Meeting.

Likewise, article 12 ("Constitution") of the Regulations of the General Shareholders' Meeting contains the same norms that are indicated in the Articles of association regarding their modification. Also, article 25.3. c) ("vote on the proposed resolutions") of the aforementioned Regulation indicates that, in order for shareholders to be able to exercise their voting preferences separately, those matters that are substantially independent must be voted separately, among them, the amendment of Social Statutes. Finally, article 26 of the Regulations of the General Shareholders' Meeting ("Adoption of resolutions and proclamation of results") states that, in order to agree on any amendment to the Articles of association, if the capital present or represented exceeds fifty percent (50%) it will be enough for the agreement to be adopted by an absolute majority. However, a favourable vote of two thirds of the capital will be required present or represented at the General Meeting when shareholders representing twenty-five percent (25%) or more of the subscribed capital with voting rights are present at the second call without reaching fifty percent (50%).

B.4 Indicate the attendance data in the general meetings held in the year to which this report refers and those of the previous year:

	Attendance data				
General meeting date	% Physical presence	% in representation	% distance vote		Total
			Electronic voting	Others	
28/04/2015	39.71%	28.71%	0.00%	0.00%	68.42%
29/04/2016	42.65%	18.04%	7.09%	0.00%	67.78%
28/04/2017	47.24%	22.22%	0.00%	0.00%	69.46%

B.5 Indicate if there are any statutory restrictions that establish a minimum number of shares required to attend the general meeting:

Yes ☐

No ☒

B.6 Section repealed.

B.7 Indicate the address and mode of access to the company's website to the information on corporate governance and other information about the general meetings that must be made available to shareholders through the Company's website.

Corporate website: www.renta4banco.com

The information on corporate governance and other information about the general meetings can be found on the corporate website, in the menu located on the left side of the web, in the section "Corporate Governance" where all the corporate information on the subject about the provisions of current legislation is collected.

C STRUCTURE OF THE ADMINISTRATION OF THE COMPANY

C.1 Board of directors

C.1.1 Maximum and minimum number of directors provided in the articles of association:

Maximum number of directors	15
Minimum number of directors	5

C.1.2 Complete the following chart with the board members:

Name or company name of the director	Representative	Director category	Position in the board	Date First appoint	Date Last appoint	Election procedure
MR JOSE RAMON RUBIO LAPORTA		Independent	DIRECTOR	28/04/2015	28/04/2015	AGREEMENT GENERAL MEETING OF SHAREHOLDERS
MR JUAN CARLOS URETA DOMINGO		Executive	PRESIDENT	20/08/1999	28/04/2017	AGREEMENT GENERAL MEETING OF SHAREHOLDERS
MR. EDUARDO TRUEBA CORTÉS		Independent	INDEPENDENT COORDINATOR DIRECTOR	29/09/2007	28/04/2017	AGREEMENT GENERAL MEETING OF SHAREHOLDERS

Name or company name of the director	Representative	Director category	Position in the board	Date First appoint	Date Last appoint	Election procedure
MR. PEDRO ANGEL NAVARRO MARTINEZ		Other External	DIRECTOR	27/11/2013	28/04/2017	AGREEMENT BOARD OF DIRECTORS
MR. JUAN LUIS LOPEZ GARCIA		Executive	DIRECTOR	27/09/2011	28/04/2017	AGREEMENT GENERAL MEETING OF SHAREHOLDERS
MR. FRANCISCO DE ASIS GARCÍA MOLINA		Independent	DIRECTOR	04/12/2008	29/04/2013	AGREEMENT GENERAL MEETING OF SHAREHOLDERS
MR JESÚS SANCHEZ-QUIÑONES GONZALEZ		Executive	DIRECTOR	04/12/2008	28/04/2017	AGREEMENT GENERAL MEETING OF SHAREHOLDERS
MR. SANTIAGO GONZALEZ ENCISO		Executive	DIRECTOR	20/08/1999	28/04/2017	AGREEMENT GENERAL MEETING OF SHAREHOLDERS
MR PEDRO FERRERAS TENZ		Other External	DIRECTOR	18/07/2005	28/04/2017	AGREEMENT GENERAL MEETING OF SHAREHOLDERS
FUNDACION OBRA SOCIAL DE LA ABOGACIA ESPAÑOLA	MR. RAFAEL NAVAS LANCHAS	Proprietary	DIRECTOR	27/11/2012	27/11/2012	AGREEMENT GENERAL SHAREHOLDERS 'MEETING
MUTUALIDAD GENERAL DE LA ABOGACIA	MR ANTONIO DE ARCOS BARAZAL	Proprietary	DIRECTOR	24/05/2011	28/04/2017	AGREEMENT GENERAL MEETING OF SHAREHOLDERS
MRS SARAH MARIE HARMON		Independent	DIRECTOR	29/04/2016	29/04/2016	AGREEMENT GENERAL MEETING OF SHAREHOLDERS
MRS INES JUSTE BELLOSILLO		Independent	DIRECTOR	28/04/2017	28/04/2017	AGREEMENT GENERAL MEETING OF SHAREHOLDERS
MR. EDUARDO CHACON LOPEZ		Proprietary	DIRECTOR	28/04/2017	28/04/2017	AGREEMENT GENERAL MEETING OF SHAREHOLDERS

Total number of directors	14
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Indicate the terminations that have occurred in the board of directors during the period subject to information:

C.1.3 Complete the following tables on the members of the board and their different categories:

EXECUTIVE DIRECTORS

Name or company name of the director	Position in the organization chart of the company
MR JUAN CARLOS URETA DOMINGO	PRESIDENT
MR. JUAN LUIS LOPEZ GARCIA	CHIEF EXECUTIVE OFFICER
MR JESÚS SANCHEZ-QUIÑONES GONZALEZ	GENERAL MANAGER
MR. SANTIAGO GONZALEZ ENCISO	REGIONAL MANAGER

Total number of executive directors	4
% of the total board	28.57%

EXTERNAL PROPRIETARY DIRECTORS

Name or company name of the director	Name or corporate name of the significant shareholder who represents or has proposed his/her appointment
FUNDACION OBRA SOCIAL DE LA ABOGACIA ESPAÑOLA	MUTUALIDAD GENERAL DE LA ABOGACIA
MUTUALIDAD GENERAL DE LA ABOGACIA	MUTUALIDAD GENERAL DE LA ABOGACIA
MR. EDUARDO CHACON LOPEZ	CONTRATAS Y SERVICIOS EXTREMEÑOS, S.A.
Total number of proprietary directors	3
% of the total board	21.43%

INDEPENDENT EXTERNAL DIRECTORS

Name or corporate name of the director:

MR JOSE RAMON RUBIO LAPORTA

Profile:

Mr. Rubio has held various positions of responsibility throughout his career, specifically he began his professional career at the headquarters of "Marks & Spencer" in London. Also, from 1975 to 1982 he was General Secretary and of the Board of Directors, as well as Administration and Legal Advisory Director of a group of family companies in the construction, promotion, mining and power supply sector with more than 700 employees. In 1982 he was a founding partner of the law firm "Mateu de Ros, Ramón y Cajal Rubio y asociados", today "Ramón y Cajal Abogados", where he remained until 1994, where he mainly developed the international business, participating in different operations of public release in stock market of Spanish companies in London, presentation of foreign investors in listed Spanish companies, organization of presentations of the Spanish Chamber of Commerce in London, advice to different firms including "BNP Securities", "Ask Securities" and "Map Securities", all from London. He has been a board member of entities such as "Mediterranean Fund" managed by "Lombard Odier y Cia" and Secretary of the Board of Directors of "Ascorp, SA." a listed company of the "Grupo Cooperativo Mondragón", as well as different positions of Director in other companies dedicated to strategic management, real estate services and the health sector. In addition, from 1995 to 1998 he was Chief Executive Officer of the Previa insurance group. Since 1998 he has been Vice President and CEO of Grupo Hospitalario Quirón. In June 2012, he was named President of the Institute for the Development and Integration of Health (IDIS) and in July 2012 Vice President of USP Hospitales.

Mr. Rubio has a Law Degree from the Complutense University of Madrid (1974), completed his training with various disciplines of Political Science from the Complutense University of Madrid (1975) and courses on Urban Law. He speaks English and German.

Name or corporate name of the director:

MR. EDUARDO TRUEBA CORTÉS

Profile:

Degree in Law and Business Management from ICADE.

He worked as a Financial Advisor at Merrill Lynch in 1986 and 1987. After his time at Merrill Lynch, he was a member of the Board of Directors of Inversión, S.A for two years and after completing that stage he spent 3 years at the company Urquijo Gestión as Investment Director managing Collective Investment Institutions.

Since 1992 he joined the Family Office of the Family del Pino.

He is responsible for the Asset Allocation and the investment decision making process for the Simcav Chart, Allocation and Beeper.

Name or corporate name of the director:

MR. FRANCISCO DE ASIS GARCÍA MOLINA

Profile:

Bachelor in Economic and Business Sciences from the Autonomous University of Madrid. After working for Unilever/Elida Gibbs in Spain and London for almost nine years in the Marketing Department, between 1985 and 1989 he held the position of Marketing Director of the Koipe Group.

Between 1990 and 1991 he was General Manager of Neisa, SA., Afterwards, he held the position of Marketing and Strategy Manager in Spain, in the first place, and of Marketing Director for Europe later. Since 1995 he joined Diageo Spain as General Director, where he held the position of non-executive President of the Board of Directors between the years 2003-2005.

Since 2005 he has held the position of non-executive Director in the Board of Directors of different companies, among which stand out Bodegas LAN y VIESA, a company belonging to the VARMA Group. Likewise, he is currently a member of the Disciplinary Committee of the AUTOCONTROL Advertising Association.

Name or corporate name of the director:

MS SARAH MARIE HARMON

Profile:

Major in Journalism from the University of Kansas in 1990 and Master in Health Administration from the University of North Carolina in 1995.

Between 1995 and 1998 she was the Manager of the Customer Service of United Healthcare. From 1998 to 2000 she was Senior Manager of Cerner Corporation. She held the position of Practice Manager at EHealth (Entensity Inc.) between 2000 and 2001, the year in which she was incorporated as Director of Business Development to Medem, Inc. until 2003.

In 2004 she joined Microsoft Ibérica, holding different positions of responsibility, until being Director of Business Development between 2011 and 2013.

From 2013 to the present she has been working in the position of General Director of LinkedIn Iberia.

Name or corporate name of the director:

MS INES JUSTE BELLOSILLO

Profile:

Degree in Business Studies from the Autonomous University of Madrid in 1997 and Master in Business Administration and Management (MBA.) by the Instituto de Empresa in 1998.

In 1999, she was the Export Manager in charge of the European market and responsible for opening new markets, establishing contacts with new partners and attending international fairs in Perfumería GAL, S.A. From 1999 to 2001, she was an external consultant at DPB Consultores, holding the position of Financial Manager at the NGO-German Agro Action (Luanda, Angola) during 2003 and 2004.

In 2011 (to date) she was named President of the JUSTE Group, being this an Industrial Group of Spanish family capital, with more than 90 years of experience in research, development, manufacture and marketing of pharmaceutical and chemical-pharmaceutical products.

Total number of independent directors	5
Total % of the board	35.71%

Indicate whether any director qualified as independent receives from the company or from its group any amount or benefit for a concept different from the remuneration of a director, or maintains or has maintained, during the last financial year, a business relationship with the company or with any company in its group, either in his/her own name or as a significant shareholder, director or senior manager of an entity that maintains or has maintained such relationship.

Where appropriate, a reasoned statement by the board on the reasons why it considers that said director can perform his/her duties as an independent director will be included.

OTHER EXTERNAL DIRECTORS

The other external directors will be identified and the reasons why they cannot be considered proprietary or independent and their links, either with the company, its directors or its shareholders, will be detailed:

Name or company name of the director:

MR. PEDRO ANGEL NAVARRO MARTINEZ

Company, director or shareholder with whom he has the link:

RENTA 4 BANCO S.A.

Reasons:

For having exceeded the maximum term of 12 years to maintain the status of independent director.

Name or company name of the director:

MR PEDRO FERRERAS DIEZ

Company, director or shareholder with whom he has the link:

RENTA 4 BANCO S.A.

Reasons:

For having exceeded the maximum term of 12 years to maintain the status of independent director.

Total number of other external directors	2
Total % of the board	14.29%

Indicate the variations that, if applicable, have occurred during the period in the category of each director:

Name or company name of the director	Date of change	Previous category	Current category
MR. PEDRO ANGEL NAVARRO MARTINEZ	28/04/2017	Independent	Other External
MR PEDRO FERRERAS DIEZ	28/04/2017	Independent	Other External

C.1.4 Complete the following table with information regarding the number of female directors during the last 4 years, as well as the nature of such directors:

	Number of female directors				% of the total number of directors of each type			
	Year 2017	Year 2016	Year 2015	Year 2014	Year 2017	Year 2016	Year 2015	Year 2014
Executive	0	0	0	0	0.00%	0.00%	0.00%	0.00%
Proprietary	0	0	0	0	0.00%	0.00%	0.00%	0.00%
Independent	2	1	0	1	40.00%	16.66%	0.00%	20.00%
Other External	0	0	0	0	0.00%	0.00%	0.00%	0.00%
Total:	2	1	0	1	14.29%	8.33%	0.00%	8.33%

C.1.5 Explain the measures that, if applicable, would have been adopted to try to include in the board of directors a number of women that allows reaching a balanced presence of women and men.

Explanation of the measures

The Regulations of the Board of Directors determine in article 9 section 5 that the Board must ensure that the selection procedures of its members favour diversity of gender, experience and knowledge and do not suffer from implicit biases that may imply any discrimination and, in particular, to facilitate the selection of Directors.

The Board of Directors has entrusted the Appointments and Remuneration Committee with the responsibility of ensuring that the procedures for the selection of directors do not discriminate on the basis of gender diversity, establishing a representation objective for the less represented gender and preparing guidelines on how to achieve this objective, in accordance with the provisions of article 32.3, letter g) of the Regulations of the Board of Directors.

The General Meeting of April 28, 2017 appointed, on the proposal of the Appointments and Remuneration Committee Ms. Inés Juste Bellosillo as a director with the status of independent, thus advancing in the goal of incorporating a greater number of women to the Board of Directors of the Company.

C.1.6 Explain the measures that, in each case, the appointments committee would have agreed so that the selection procedures do not suffer from implicit biases that hinder the selection of female directors, and the company deliberately seeks and includes among the potential candidates, women who meet the professional profile sought:

Explanation of the measures

In accordance with article 32 of the Regulations of the Board of Directors, the Appointments and Remuneration Committee is entrusted with developing the following actions so that the selection procedures do not suffer from implicit biases that hinder the selection of Directors:

- Evaluate the necessary competencies, knowledge and experience in the Board of Directors, defining, consequently, the functions and aptitudes necessary in the candidates who must cover each vacancy and evaluating the time and dedication required so that they can perform their duties in a correct way.

Any Director may request from the Appointments and Remuneration Committee to take into consideration, in case it considers them suitable, potential candidates to fill Director vacancies.

- Submit to the Board the proposals for the appointment of independent directors so that the latter may directly designate them (co-optation) or make them their own to be submitted to the Board for decision, as well as proposals for the re-election or removal of said directors by the General Meeting of Shareholders.

- To inform the appointment proposals of the remaining Directors for their designation by co-optation or for submission to the decision of the General Shareholders' Meeting, as well as the proposals for their re-election or separation by the same.

- Ensure that the procedures for the selection of directors do not discriminate on the basis of gender diversity, establish a representation goal for the less represented gender, and prepare guidelines on how to achieve this goal.

In this regard, the Appointments and Remuneration Committee prepared the proposal for the Board Selection Policy based on the principles of diversity and balance in the composition of the Board of Directors of the Company, and with the aim of ensuring that the proposals for appointment and re-election of directors should be based on a prior analysis of the needs of the Board of Directors. Thus, the Appointments and Remuneration Committee has sought, through the establishment of the basic objectives and principles applicable to the selection process of directors and a series of conditions that candidates must meet in the Director Selection Policy (i) favour diversity and integration of knowledge, experiences and gender, ensuring that in 2020 the number of female directors represents at least 30 percent of the total of members of the Board of Directors; and (ii) achieve an adequate balance in the Board of Directors that enriches the decision-making and provides plural points of view to the debates of the matters of its competence.

When, in spite of the measures that have been adopted, there are few or no female directors, explain the reasons that justify it:

Explanation of the reasons

In the current financial year, Ms. Inés Juste Bellosillo has been appointed as a director with the status of independent, thus advancing in the objective of incorporating a greater number of women to the Board of Directors of the Company, after an adequate evaluation by the Appointments and Remuneration Committee, of compliance with the requirements of experience, technical competence and knowledge that candidates for the Company's director must meet, pursuant to article 32 of the Regulations of the Board of Directors. The fact that there is not a greater number of female directors is not due to the existence of discrimination based on gender in the procedure that hinders the selection of the same, as it has been demonstrated with this appointment in the year referred to in this Annual Corporate Governance Report.

C.1.6 bis Explain the conclusions of the appointments committee regarding the verification of compliance with the director selection policy. And in particular, on how this policy is promoting the goal that in 2020 the number of female directors represents at least 30% of the total number of members of the board of directors.

Explanation of the conclusions
<p>In 2016, the Appointments and Remuneration Committee established the basic principles and/or guidelines on which the policy for appointing directors should be based, contained in the proposal for the Board Selection Policy that has been submitted for approval by the Board of Directors. This Policy, based on the principles of diversity and balance in the composition of the Board of Directors of the Company, is expressly aimed at favouring the diversity and integration of knowledge, experiences and gender, ensuring that in 2020 the number of female directors represents, at least 30 percent of the total number of members of the Board of Directors.</p> <p>On the other hand, in the year 2017 Ms. Inés Juste Bellosillo was appointed as a director of the Company, having previously been favourably evaluated by the Appointments and Remuneration Committee</p>

C.1.7 Explain the form of representation on the board of shareholders with significant participations.

In accordance with the provisions of article 9 of the Regulations of the Board of Directors of Renta 4 Banco, S.A., the Board of Directors, in the exercise of its powers of proposal to the General Meeting and of co-option for the appointment of directors, will consider the existence within its ranks of a series of categories of directors, among which are Proprietary Directors, understood as such:

- (i) those that have a shareholding equal to or greater than that which is legally considered significant or that would have been designated by their status as shareholders, although their shareholding does not reach that amount; or
- (ii) who represent shareholders of those indicated in section (i) above. It is also stated in said article that when a director performs senior management functions and, at the same time, is or represents a significant shareholder or represented in the Board of the Company, it will be considered as an executive.

For the purposes of this definition, it will be presumed that a director represents a shareholder when:

- (i) would have been appointed in exercise of the right of proportional representation in the Board of Directors;
- (ii) is a Director, senior manager, employee or non-occasional provider of services to said shareholder, or to companies belonging to the same group;
- (iii) from the corporate documentation it appears that the shareholder assumes that the Director has been appointed by him or represents him;
- (iv) is a spouse, a person bound by an analogous affective relationship, or a relative up to the second degree of a significant shareholder.

It is also determined that the number of proprietary and independent external Directors will constitute a large majority of the Board, with the number of Executive Directors being the minimum necessary taking into account the complexity of the Company and the percentage of participation of the executive Directors in the capital of the Company. The percentage of proprietary directors over the total of non-executive Directors will not be greater than the proportion existing between the capital of the company represented by said Directors and the rest of the capital, with the number of independent directors being at least one third of the total of the Directors. The Board of Directors will take into account these guidelines in the exercise of its powers to propose appointments to the General Board and co-option for vacancy coverage.

C.1.8 Explain, if applicable, the reasons why proprietary directors have been appointed at the request of shareholders whose shareholding is less than 3% of the capital:

Indicate whether formal requests for presence on the board have been answered from shareholders whose shareholding is equal to or greater than that of others at whose request proprietary directors have been appointed. If so, explain the reasons why they were not attended:

Yes ☐

No ☒

C.1.9 Indicate if any director has ceased in his/her position before the end of his/her term, if he/she has explained his/her reasons and through which means, to the board, and, if he/she has done so in writing to the entire board, explain then, at least the reasons that he/she has given:

C.1.10 Indicate, if any, the powers delegated to deputy director/s:

Name or company name of the director:

MR. JUAN LUIS LOPEZ GARCIA

Short description:

All the powers held by the Board of Directors, except those legally or statutorily non-delegable.

C.1.11 Identify, where appropriate, the members of the board that assume positions of administrators or directors in other companies that are part of the group of the listed company:

Name or company name of the director	Corporate name of the group entity	Position	Do they have executive functions?
MR. JUAN LUIS LOPEZ GARCIA	RENTA 4 PENSIONES, S.G.F.P., S. A	DIRECTOR	NO
MR. FRANCISCO DE ASIS GARCÍA MOLINA	RENTA 4 CORPORATE, S.A	DIRECTOR	NO
MR. FRANCISCO DE ASIS GARCÍA MOLINA	RENTA 4. SV., S.A	DIRECTOR	NO
MR JESÚS SANCHEZ-QUIÑONES GONZALEZ	RENTA 4 CORPORATE, S.A	PRESIDENT/CHIEF EXECUTIVE OFFICER	YES
MR JESÚS SANCHEZ-QUIÑONES GONZALEZ	RENTA 4. S.V., S. A	DIRECTOR	NO
MR. SANTIAGO GONZALEZ ENCISO	RENTA 4. SV., S. A	DIRECTOR	NO
MR PEDRO FERRERAS TENZ	RENTA 4 CORPORATE, S. A	DIRECTOR	NO

C.1.12 Detail, where appropriate, the directors of your company that are members of the board of directors of other companies listed on official securities markets other than your group, which have been notified to the company:

C.1.13 Indicate and, if applicable, explain if the company has established rules on the number of boards that its directors can be part of:

Yes ☐

No ☒

C.1.14 Section repealed.

C.1.15 Indicate the overall remuneration of the board of directors:

Remuneration of the board of directors (thousands of euros)	1,505
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Amount of the rights accrued by the current directors in matter of pensions (thousands of euros)	4
Amount of rights accrued by the former directors in matter of pensions (thousands of euros)	1,509

C.1.16 Identify the members of senior management who are not in turn executive directors, and indicate the total remuneration accrued in their favour during the year:

Name or corporate name	Position
MR JOSÉ IGNACIO GARCÍA-JUNCEDA FERNÁNDEZ	PRESIDENT/GENERAL MANAGER OF RENTA 4 S. V

Total remuneration at senior management (in thousands of euros)	190
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C.1.17 Indicate, if applicable, the identity of the board members who are, in turn, members of the board of directors of significant shareholder companies and/or entities of their group:

Name or company name of the director	Name of the significant shareholder	Position
MR. FRANCISCO DE ASIS GARCÍA MOLINA	HELP INVERSIONES SICAV, S. A	PRESIDENT
MR. SANTIAGO GONZALEZ ENCISO	IGE-6, SL	SOLIDARY ADMINISTRATOR
MR. EDUARDO CHACON LOPEZ	CONTRATAS Y SERVICIOS EXTREMEÑOS, S.A.	PRESIDENT-CHIEF EXECUTIVE OFFICER

Detail, if applicable, the relevant relationships other than those contemplated in the previous section, of the members of the board of directors that link them with significant shareholders and/or entities of their group:

C.1.18 Indicate whether any modification in the board's regulations has occurred during the year:

Yes ☐

No ☒

C.1.19 Indicate the procedures for selecting, appointing, re-electing, evaluating and removing directors. Detail the competent bodies, the procedures to be followed and the criteria to be used in each of the procedures.

The appointment of the Directors corresponds to the Meeting, without prejudice to the right of proportional representation that corresponds to the shareholders in the terms established in the Law.

If vacancies occur during the term for which the Directors were appointed, the Board by co-option may designate the persons who will occupy them until the first Meeting is held, unless it has already been convened, in which case the Board may designate to a Director until the next Board meeting to the one already convened.

The proposals for the appointment, ratification or re-election of Directors shall be made by persons of recognized good repute, solvency, technical competence and experience, and shall be approved by the Board at the proposal of the Appointments and Remuneration Committee ("CNR"), in the case of the independent Directors, and on the proposal of the Board itself following a report from the CNR, in the case of the remaining Directors, in any case the proposal or report of the CNR must assign the new Director within one of the director classes contemplated in the Regulations of the Board of the Company. The proposal must be accompanied by a justifying report from the Board assessing the competence, experience and merits of the proposed candidate, which will be attached to the minutes of the Board or the Board itself. When the Board separates from the proposals of the CNR, it will have to motivate the reasons, recording them in the minutes. The Directors may be individuals or legal entities. In the case of a legal entity, it will be necessary for the latter to designate a single individual for the permanent exercise of the duties inherent to the position. The natural person must gather the legal requirements established for administrators, will be subject to the same duties and will respond jointly and severally with the legal entity administrator. The proposal of individual representative must be submitted to the report of the CNR. The revocation of your representative by a legal entity Director will not take effect until you designate the substitute person.

From the publication of the announcement of the call and until the holding of the Meeting, the Company must continuously publish on the website, at least, the following information on the persons proposed for the appointment, ratification or re-election of Board members: identity, curriculum and category to which each of them belongs, as well as the proposal and reports mentioned. If it were a legal person, the information must include the corresponding to the individual to be appointed for the permanent exercise of the functions of the position.

No Directors of the Company may be appointed, those persons who hold positions or functions of representation or management in other credit institutions or hold a significant participation in their capital stock, unless expressly authorized by the Board.

Annually, the Board will evaluate (i) its operation and the quality of its work, (ii) the performance of its duties by the President and, by the CEO, based on the report submitted by the CNR, (iii) the operation and composition of its Committees, based on their report, (iv) diversity in the composition and powers of the Board, based on the report submitted by the CNR, and (v) the performance and contribution of each Board Member, paying special attention to those responsible for the different committees of the Board, based on the reports that the Committees submit. For this purpose, the President will organize and coordinate with the Presidents of the Commissions the evaluation of the Board.

The Directors shall hold office for a period of four years, while the Board does not agree to their separation or resign from office, and may be re-elected one or more times for periods of four years.

The Directors shall cease to hold office when the term for which they were appointed expires, the Meeting has been held or the term for the holding of the Meeting that has to resolve on the approval of the accounts of the previous year has expired or when the Board so decides in use of the powers conferred by law and the articles of association.

The CNR may propose the dismissal of the independent Directors prior to the fulfilment of the statutory period for which they were appointed, when there is just cause, appreciated by the CNR. In particular, it shall be understood that there is just cause when the director has breached the duties inherent to his position or incurred in some of the circumstances described in article 9.2.a of the Regulations of the Board that prevent his appointment as an independent Director when the director becomes employed in new positions or contract new obligations that prevent him from devoting the time necessary to carry out the functions of the position of director.

It may also be proposed to terminate as a result of Public Offerings of Acquisition, mergers or other similar corporate operations that involve a change in the capital structure of the Company when such changes in the structure of the Board are favoured by the proportionality criterion indicated in the Regulations of the Board.

When, due to resignation or for any other reason, a Director leaves office before the end of his term, he shall explain the reasons in a letter sent to all the members of the Board.

C.1.20 Explain to what extent the annual evaluation of the board has led to important changes in its internal organization and on the procedures applicable to its activities:

Description of modifications
They have not occurred, since the self-evaluation has been satisfactory.

C.1.20.bis Describe the evaluation process and the areas evaluated by the board of directors assisted, where appropriate, by an external consultant, regarding the diversity in its composition and competences, the operation and the composition of its committees, the performance of the President of the board of directors and the chief executive of the company and the performance and contribution of each director.

The Board of Directors has proceeded to the evaluation of its composition and powers, of the functioning and composition of the committees, and of the performance of the President, the Chief Executive Officer, the Coordinating Director as well as the Secretary of the Company, by means of the referral to all Directors of the corresponding evaluation questionnaires related to the Board of Directors, Appointments and Remuneration Committee and Audit and Control Committee.

Once the replies were received, the CNR proceeded to draw up the corresponding evaluation reports on the Board of Directors, the President, the Chief Executive Officer, the Independent Coordinating Director and the Secretary of the Board. It also proceeded to the preparation of the evaluation report on its composition, competencies and operation. In the same way, the CAC proceeded to the preparation of the evaluation report on its composition, competencies and functioning.

After the evaluation made, the Board of Directors approved the evaluation reports corresponding to the Board, its committees and the President, the Chief Executive Officer, the Coordinating Director and Secretary, concluding that: (i) the Board of Directors has an adequate composition and efficiently assumes and exercises the powers and competencies attributed to it by the articles of association and the regulations of the board of directors, making prevail at all times in its performance the interest of the Company and the maximization of the economic value of the Company; (ii) the Appointments and Remuneration Committee and the Audit and Control Committee each have an adequate composition and efficiently assume and fulfil the competences attributed to them by the applicable regulations and by the different corporate texts of the Company; and (iii) the President, the Chief Executive Officer, the Coordinating Director and the Secretary have effectively and diligently fulfilled their duties.

C.1.20.ter Breakdown, as the case may be, of the business relationships that the advisor or any company of its group maintains with the company or any company of its group.

The Company has external legal advisors who, on an annual basis, supervise and support the CNR in the procedure for reviewing the directors' evaluation procedure. Likewise, they provide the Company with legal advisory services mainly in the commercial and procedural field.

C.121 Indicate the cases in which the directors are obliged to resign.

In accordance with Article 12 of the Regulations of the Board, the directors must present their resignation in the following cases:

- a) When they reach the age of 75 years.
- b) When they cease to hold positions, roles or functions to which their appointment as executive directors are associated.
- c) In the case of proprietary directors, when the shareholder in whose appointment they are appointed fully transfers the shareholding held in the Company or reduces it to a level that requires a reduction in the number of its proprietary directors.
- d) When they are involved in any of the cases of incompatibility or prohibition provided for in the Law, in the Articles of association or in the Regulations of the Board.
- e) When the Board itself so requests by a majority of at least two thirds of its members, for having violated its obligations as a director, prior proposal or report of the Appointments and Remuneration Committee, or when its permanence in the Board can put in risk the credit and reputation of the Company.
- f) When they have been seriously reprimanded by the Audit and Control Committee.
- g) When the contractual or organic relationship has ended for any other fair cause with one of the shareholders of the Company that has motivated his designation as a Director.

In the event that a natural person representative of a legal entity Director incurred in any of the cases foreseen in section 2 above, that person must be replaced immediately by the legal entity Director.

C.122 Section repealed.

C.123 Are reinforced majorities, other than legal ones, required in any kind of decision?

Yes ☐

No ☒

In such case, describe the differences.

C.124 Explain if there are specific requirements, different from those relating to directors, to be appointed as President of the board of directors.

Yes ☐

No ☒

C.125 Indicate if the President has a casting vote:

Yes ☒

No ☐

Matters where there is a casting vote
--

In accordance with the provisions of articles 38 and 40 of the Articles of association, the President of the Board of Directors has a casting vote in the votes held in the Board of Directors and, if an Executive Committee is established, will assume its presidency and it will also have a casting vote in the deliberations of said body.

C.126 Indicate whether the articles of association or the regulations of the board establish any limit on the age of the directors:

Yes ☒

No ☐

President age limit: 75 years

Deputy Director age limit: 75 years

Director age Limit: 75 years

C.127 Indicate whether the articles of association or the board's regulations establish a limited mandate for independent directors, different from that established in the regulations:

Yes ☐

No ☒

C.128 Indicate whether the articles of association or the regulation of the board of directors establish specific rules for the delegation of the vote in the board of directors, the way to do it and, in particular, the maximum number of delegations that a director can have, as well as if established some limitation regarding the categories in which it is possible to delegate, beyond the limitations imposed by legislation. In such case, detail these rules briefly.

Delegation of vote is included in article 38.2 of the Articles of association. To this effect, "(...) all the Directors may be represented by another Director. The representation will be granted on a special basis for the meeting of the Board of Directors in question and may be communicated by any of the means provided in section 2 of the previous article. Non-executive directors may only delegate their representation to another non-executive one".

In relation to the means foreseen by which the delegation of vote may be communicated, article 37.2 of the Articles of association indicates that "the convening of meetings of the Board of Directors will be carried out by letter, fax, telegram, e-mail or by any other means, and will be authorized with the signature of the President, or that of the Secretary or Deputy Secretary, by order of the President. The call will be issued with the necessary notice so that the Directors receive it no later than the third day prior to the date of the session, except in the case of sessions of an urgent nature that may be called for its immediate conclusion. The cases in which the Regulations of the Board of Directors require a specific call for tenders are an exception. The call will always include, unless justified cause, the Agenda of the session and will be accompanied, where appropriate, by the information deemed necessary".

C.129 Indicate the number of meetings held by the Board of Directors during the year. Also indicate, in your case, the times that the board has met without the assistance of its President. In the computation, representations made with specific instructions will be considered as attendance.

Number of board meetings	13
Number of board meetings without the President's assistance	0

If the President is an executive director, indicate the number of meetings held, without the attendance or representation of any executive director and under the presidency of the coordinating director

Number of meetings	0
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Indicate the number of meetings held during the year by the different board committees:

Commission	No. of Meetings
AUDIT COMMITTEE	7
APPOINTMENTS AND REMUNERATION COMMISSION	4

C.1.30 Indicate the number of meetings held by the Board of Directors during the year with the attendance of all its members. In the computation, representations made with specific instructions will be considered as attendance:

Number of meetings with the attendance of all the directors	13
% of attendance on total votes during the year	100.00%

C.1.31 Indicate if the individual and consolidated annual accounts that are submitted to the board for approval are previously certified:

Yes ☐

No ☒

Identify, if applicable, the person(s) who has/have certified the individual and consolidated annual accounts of the company, for its formulation by the board:

C.1.32 Explain, if any, the mechanisms established by the Board of Directors to prevent the individual and consolidated accounts formulated by it from being presented at the general meeting with qualifications in the audit report.

The Audit and Control Committee analyses the quarterly, semi-annual and annual financial statements and maintains systematic meetings with the External Auditor, reviewing, as the case may be, any change in accounting criteria that may affect the financial statements, ensuring that there are no qualifications part of the Auditor and that the Board of Directors formulates the accounts without any exceptions.

For these purposes, as stated in article 31 of the Regulations of the Board of Directors, the Audit and Control Committee has the power to review the Company's accounts, monitor compliance with legal requirements and correct application of the generally accepted accounting principles, as well as information on the proposals for the modification of accounting principles and criteria suggested by management.

C.1.33 Does the secretary of the board have the status of a director?

Yes ☐

No ☒

If the secretary does not have the status of a director, complete the following table:

Name or corporate name of the secretary	Representative
MR PEDRO ALBERTO RAMON Y CAJAL AGÜERAS	

C.1.34 Section repealed.

C.1.35 Indicate, if any, the mechanisms established by the company to preserve the independence of the external auditors, financial analysts, investment banks and rating agencies.

The competence to preserve the independence of the External Auditors is attributed to the Audit and Control Committee pursuant to article 31.3 b) of the Regulations of the Board of Directors. In this regard, the following are foreseen as powers of the Audit and Control Committee:

"Regarding the external auditor: (i) submit to the Board of Directors, for submission to the General Shareholders' Meeting, proposals for selection, appointment, re-election and replacement of the external auditor, as well as conditions of their hiring, the scope of their professional mandate and the revocation or renewal of their appointment; (ii) regularly gathering information from the external auditor on the audit plan, in addition to preserving its independence -monitoring that the remuneration of the external auditor for their work does not compromise their quality or independence-, and on those issues that may jeopardize their independence and the results of their execution, for consideration by the Committee, and any other related with the process of developing the audit of accounts, as well as receiving information and maintain with the external auditor the notices provided for in the audit of accounts and in the auditing standards, as well as verify that senior management takes its recommendations into account; (iii) receive annually from the external auditors the declaration of its independence in relation to the Company or its related companies directly or indirectly, as well as the information of the additional services of any kind rendered and the corresponding fees received from these entities by the external auditor, or by the persons or entities linked to it in accordance with the provisions of the legislation on account auditing and , for this purpose, that the Company notifies the CNMV as a significant event of the change of auditor and accompanies it with a statement on the possible existence of disagreements with the outgoing auditor and, if there were any, and in case of resignation of the external auditor examine the circumstances that may have motivated it; (iv) issue annually, prior to the issuance of the audit report, a report in which an opinion on the independence of the account auditors will be expressed. This report must contain, in any case, the valuation of the provision of the additional services referred to in the previous section, individually considered and as a whole, other than the legal audit and in relation to the independence regime or with the regulatory regulations for auditing, ensuring that the Company and the external auditor respect the regulations in force regarding the provision of services other than auditing, the limits on the concentration of the auditor's business and, in general, the other regulations on independence of the auditors, (v) encouraging the Company auditor to assume responsibility for the audits of the companies that, if applicable, are part of the group, and (vi) ensuring that the external auditor holds an annual meeting with the plenary of the auditor Board of Directors to inform them of the work done and the evolution of the accounting and risk situation of the Company."

C.1.36 Indicate whether during the year the Company has changed its external auditor. Where appropriate, identify the incoming and outgoing auditor:

Yes ☐

No ☒

In the event that there were disagreements with the outgoing auditor, explain the content thereof:

C.1.37 Indicate whether the audit firm performs other work for the company and/or its group other than the audit and in that case declare the amount of the fees received for such work and the percentage that it represents on the fees invoiced to the company and/or your group:

Yes ☒

No ☐

	Company	Group	Total
Amount of work other than audit (thousands of euros)	83	12	95
Amount of works other than those of audit / Total amount billed by the audit firm (in %)	52.86%	13.64%	38.78%

C.1.38 Indicate whether the audit report of the annual accounts of the previous year has reservations or qualifications. If so, indicate the reasons given by the President of the audit committee to explain the content and scope of said reservations or qualifications.

Yes ☐

No ☒

C.1.39 Indicate the number of years that the current audit firm has been conducting the audit of the annual accounts of the company and/or its group without interruption. Also, indicate the percentage that represents the number of years audited by the current audit firm on the total number of years in which the annual accounts have been audited:

	Company	Group
Number of uninterrupted years	1	1
Number of years audited by the current audit firm / No. of years that the company has been audited (in %)	6.25%	6.25%

C.140 Indicate and, if applicable, detail, if there is a procedure for directors to obtain external advice:

Yes ☒

No ☐

Detail the procedure

The right of the Directors to have external advice is regulated in article 23 of the Regulations of the Board of Directors, which is transcribed below:

1. "In order to be assisted in the exercise of their functions, the Directors have the right to obtain from the Company the necessary advice for the fulfilment of their duties and when it is necessary the advice paid to the Company by legal experts, accountants, financial or other experts, provided that it deals with concrete issues of a certain importance and complexity that arise in the performance of the position.
2. The request to hire external advisors or experts must be made to the President of the Board of Directors and be authorized by the full Board if, in his opinion:
 - a) It is necessary for the full performance of the functions entrusted to the Directors;
 - b) its cost is reasonable, in view of the importance of the problem and of the assets and income of the Company;
 - c) the technical assistance received cannot be adequately provided by experts and technicians of the Company; and
 - d) it does not jeopardize the confidentiality of the information that must be provided to the expert.
3. In the event that the request for expert assistance is made by any of the Board Committees, it cannot be denied, unless the Board, by a majority of its members, considers that the circumstances set forth in section 2 of this article do not apply."

C.141 Indicate and, if applicable, detail, if there is a procedure for directors to have the necessary information to prepare the meetings of the administrative bodies with sufficient time:

Yes ☒

No ☐

Detail the procedure

The right of information of the Directors in relation to the meetings of the Board of Directors is regulated in article 22 of the Regulations of the Board, which establishes the following:

- "1. In the performance of its duties, the Director has the duty to demand and the right to obtain from the Company the adequate and necessary information to fulfil its obligations. In this regard, the Director may inquire about any aspect of the Company and its subsidiaries. For this purpose, it will be able to examine its books, records, documents and other antecedents of the social operations, being able to inspect all its facilities and communicate with the senior executives of the Company. Likewise, the Directors will have the right to be informed periodically of the movements in the shareholding and of the opinion that the significant shareholders, investors and rating agencies have on the Company and its group.
2. In order not to disturb the ordinary management of the Company, the exercise of the information powers will be channelled through the President of the Board of Directors, who will attend the requests of the Director, providing him with the information directly or offering him the appropriate interlocutors at the level of the organization that proceeds.
3. On the other hand, unless the Board of Directors has been constituted or has been exceptionally convened for reasons of urgency, the President of the Board of Directors, with the Secretary's collaboration, will ensure that the Directors have prior and in advance with the information necessary for the deliberation and adoption of agreements on the matters to be discussed."

In turn, article 28.4 of the Regulations of the Board of Directors adds that the meeting of the Board of Directors meeting will be accompanied by the information necessary for it.

C.142 Indicate and, if applicable, detail, whether the company has established rules that oblige directors to report and, where appropriate, resign in those cases that could harm the credit and reputation of the company:

Yes ☒

No ☐

Explain the rules

In accordance with article 12 of the Regulations of the Board of Directors:

"1. The directors will be removed from the position when the term for which they were appointed expires, the General Meeting has been held or the term for the holding of the Meeting that has to decide on the approval of the accounts of the previous year has expired or when the General Meeting decides it in use of the powers granted to it by law and the articles of association.

2. The directors must present their resignation in the following cases:

- a) When they reach the age of 75 years.
- b) When they cease to hold positions, roles or functions to which their appointment as executive directors are associated.
- c) In the case of proprietary directors, when the shareholder in whose appointment they are appointed fully transfers the shareholding held in the Company or reduces it to a level that requires a reduction in the number of its proprietary directors.
- d) When they are involved in any of the cases of incompatibility or prohibition provided for in the Law, in the Articles of association or in these Regulations.
- e) When the Board itself so requests by a majority of at least two thirds of its members, for having violated its obligations as a director, prior proposal or report of the Appointments and Remuneration Committee, or when its permanence in the Board can put in risk the credit and reputation of the Company.
- f) When they have been seriously reprimanded by the Audit and Control Committee.
- g) When the contractual or organic relationship has ended for any other fair cause with one of the shareholders of the Company that has motivated his designation as a Director."

In relation to this last aspect, article 21.2, letter b), of the Regulations of the Board of Directors, establishes the following: "The Director must also inform the Company [...] Of the judicial, administrative or any other procedure that is initiated against the Director and that, due to its importance or characteristics, could affect seriously in the reputation of the Company. In particular, any Director must inform the Company, through its President, in the event that he is charged or prosecuted or ordered against the order to open an oral proceeding for any of the crimes indicated in Article 213 of the consolidated text of the Capital Companies Law. In this case, the Board will examine the case as soon as possible and adopt the decisions it deems most appropriate in the interest of the Company."

C.143 Indicate whether any member of the board of directors has informed the company that he/she has been prosecuted or has been ordered to open a trial for any of the crimes indicated in article 213 of the Capital Companies Act:

Yes ☐

No ☒

Indicate if the board of directors has analysed the case. If the answer is affirmative, explain in a reasoned manner the decision taken on whether or not the director continues in his/her position or, where appropriate, state the actions taken by the board of directors up to the date of this report or that he intends to carry out.

C.144 Detail the significant agreements entered into by the company that come into force, are modified or terminated in the event of a change in control of the company as a result of a public takeover bid, and its effects.

They do not exist.

C.145 Identify in an aggregate form and indicate, in detail, the agreements between the company and its management and management positions or employees that provide indemnities, clauses

of guarantee or armoring, when these resign or are dismissed in an irrelevant manner or if the contractual relationship comes to an end due to a public offer of acquisition or other type of operations.

Number of beneficiaries: 3

Type of beneficiary:

CEO (Mr. Juan Luis López García), Director and General Manager (Mr. Jesús Sánchez- Quiñones González), and the member of the Management Committee, President of Renta 4 Gestora SGIIC, S.A. and Renta 4 Pensiones EGFP, S.A. (MR. Antonio Fernández Vera).

Description of the Agreement:

The Chief Executive Officer and the Director and General Director have, in the event of dismissal declared inadmissible, the right to receive compensation equivalent to the legal compensation foreseen for unfair dismissal under the common labour regime.

On the other hand, the member of the Management Committee, President of Renta 4 Gestora SGIIC, S.A. and Renta 4 Pensiones EGFP, S.A. is entitled, in the event of withdrawal or unfair dismissal, to receive the compensation equivalent to the legal compensation provided for unfair dismissal of the common labour regime.

Indicate whether these contracts have to be communicated and/or approved by the bodies of the company or its group:

	Board of directors	General meeting
Body that authorizes the clauses	Yes	No

	Yes	No
Is the general meeting informed about the clauses?		X

C.2 Commissions of the board of directors

C.2.1 List all the committees of the board of directors, their members and the proportion of executive, proprietary, independent and other external directors that comprise them:

AUDIT COMMITTEE

Name	Position	Category
MR JOSE RAMON RUBIO LAPORTA	PRESIDENT	Independent
MR. FRANCISCO DE ASIS GARCÍA MOLINA	DIRECTOR	Independent
FUNDACION OBRA SOCIAL DE LA ABOGACIA ESPAÑOLA	DIRECTOR	Proprietary

% of proprietary directors	33.33%
% of independent directors	66.67%
% of other external	0.00%

Explain the functions attributed to this committee, describe the procedures and rules of organization and operation of the same and summarize its most important actions during the year.

A) Composition.

It is composed of a minimum of 3 Directors, who will be appointed by the Board of Directors, at the proposal of its President, from among its non-executive members, with at least two of them being independent. The committee shall appoint, from among its members, the President, who in all cases shall be an Independent Director, who shall be replaced every 4 years, without prejudice to his continuity or re-election as a member of the Committee. Likewise, the

Committee will appoint its Secretary, and, if applicable, a Vice-President. Likewise, all the members of the Audit and Control Committee must have the knowledge, professional experience and dedication necessary for the performance of the functions entrusted to them.

B) Competences.

Article 42 of the Articles of Association and Article 31 of the Regulations of the Board.

C) Operation.

It will meet at least quarterly and, in any case, whenever it is convened by its President, or at the request of the President of the Board of Directors. The conclusions obtained in each meeting will be taken to an act that will be reported to the Board meeting. They will be obliged to attend the meetings of the Committee and to provide their collaboration and access to the information available to any member of the management team or personnel of the Company that is required for this purpose, as well as the auditors of accounts.

In fiscal year 2017, the CAC has carried out, among others, the following functions:

- Serve as a communication channel between the Board and the external auditor, evaluating the results of each audit.
- Report the election of KPMG Auditores, S.L. as auditor for the fiscal year ended on 12/31/2017.
- Issue, prior to the audit report, a report on whether the independence of the auditors or audit companies is compromised.
- Approve the Action Plan of the Internal Audit for the year 2017.
- Supervise the effectiveness of the internal control, internal audit and risk management systems of the Company, as well as discuss with the auditor any significant weaknesses of the internal control system detected.
- Approve the reports on the control and risk management policy, corporate governance and treasury stock for its elevation to the Board.
- Supervise compliance with the rules of the internal codes of conduct and the Corporate Social Responsibility policy.
- Supervise the preparation and presentation of the mandatory financial information and, in particular, the annual, individual and consolidated accounts.
- Report on the Annual Corporate Governance Report.
- Evaluate its own operation within the framework of the process of self-evaluation of the functioning of the Board of Directors and its internal Committees.

Identify the member of the audit committee that has been appointed, taking into account their knowledge and experience in accounting, auditing or both, and report on the number of years that the President of this committee has been in office.

Name of experienced director	MR JOSE RAMON RUBIO LAPORTA
No. of years of the President in charge	1

APPOINTMENTS AND REMUNERATION COMMITTEE

Name	Position	Category
MR. EDUARDO TRUEBA CORTÉS	PRESIDENT	Independent
MR. PEDRO ANGEL NAVARRO MARTINEZ	DIRECTOR	Other External
MRS SARAH MARIE HARMON	DIRECTOR	Independent

% of proprietary directors	0.00%
% of independent directors	66.67%
% of other external	33.33%

Explain the functions attributed to this committee, describe the procedures and rules of organization and operation of the same and summarize its most important actions during the year.

A) Composition.

It is composed of a minimum of 3 members, who must be all of them non-executive Directors, and at least one third of them must be independent Directors, who will cease in their position when they do so in their capacity as Directors or when the Board of Directors so decides. The Board of Directors shall appoint from among its members the President, who shall meet the condition of independent Director, and the Secretary thereof.

B) Competences.

The functions of the Commission are set out in article 32 of the Regulations of the Board of Directors.

C) Operation.

The Committee will meet as many times as necessary for the fulfilment of its functions. It must also meet when convened by its President, the President of the Board of Directors, and at least once a quarter. The Appointments and Remuneration Committee will be validly constituted when the majority of its members attend. The Committee will have access to the information and documentation necessary for the exercise of its functions. The conclusions obtained in each meeting will be taken to a minute book, which will be signed by the President and the Secretary.

In fiscal year 2017, the CNR has carried out, among others, the following functions:

-To watch over the observance of the remuneration policy established by the Company.

-To direct the evaluation process of its own functioning, of the functioning of the Board and of the performance of its functions by the President, the Secretary, the Independent Coordinating Director and the Chief Executive Officer, and inform the Board of the results achieved.

-Propose to the Board the content of the Annual Remuneration Report of the Directors.

- Report favourably to the Board on the valuation of Ms. Inés Juste Bellosillo as an independent director of the Company so that it may raise, at the General Shareholders' Meeting, the proposal for her appointment.

- Propose to the Board the re-election of Mr. Eduardo Trueba Cortés as independent director.

- Report favourably to the Board on the re-election of Mr. Juan Carlos Ureta Domingo as executive director; MR. Jesús Sánchez - Quiñones González as executive director; MR. Santiago González Enciso as executive director; MR. Pedro Ferreras Díez as another external director; MR. Pedro Ángel Navarro Martínez as another external director; MR. Juan Luis López García as executive director and of the Mutualidad General de la Abogacía as proprietary director.

- Report favourably to the Board on the appointment of Mr. Eduardo Chacón López, as proprietary director of the Company.

C.2.2 Complete the following table with the information regarding the number of female directors that make up the committees of the board of directors during the last four years:

	Number of female directors							
	Year 2017		Year 2016		Year 2015		Year 2014	
	Number	%	Number	%	Number	%	Number	%
AUDIT COMMITTEE	0	0.00%	0	0.00%	0	0.00%	0	0.00%
APPOINTMENTS AND REMUNERATION COMMISSION	1	0.00%	0	33.33%	1	33.33%	1	33.33%

C.2.3 Section repealed

C.2.4 Section repealed.

C.2.5 Indicate, if applicable, the existence of regulations for board committees, the place where they are available for consultation, and the modifications made during the year. At the same time, it will be indicated whether a yearly report on the activities of each committee has been voluntarily prepared.

APPOINTMENTS AND REMUNERATION COMMITTEE.

The regulations of the Appointments and Remuneration Committee can be found in article 42 bis of the Articles of Association and in article 32 of the Regulations of the Board of Directors. Both corporate texts are available for consultation on the Company's website.

The Board of Directors, in order to comply with the duty imposed on said body by article 28 of the Regulations of the Board of Directors through which it incorporates recommendation 36 of the Code of Good Governance of Listed Companies of February 2015 approved by the Board of the National Securities Market Commission (CNMV), evaluates once a year (i) its own functioning and the quality of its work, (ii) the performance of the functions of the President of the Board and the Chief Executive Officer of the Company based on the report submitted by the Appointments and Remuneration Committee, (iii) the functioning and composition of its Committees, based on the report they give them, (iv) the diversity in the composition and powers of the Board of Directors, based on the report that the Appointments and Remuneration Committee has raised; and (v) the performance and contribution of each director, with a special attention to the heads of the different committees of the Board, based on the reports submitted by the Audit and Control Committee and the Appointments and Remuneration Committee in each case. In this sense, each of the committees of the Board of Directors has made a report on its own operation, so that the Board of Directors can evaluate its operation during the year.

AUDIT AND CONTROL COMMITTEE

The regulation of the Audit and Control Committee is found in article 42 of the Articles of association and in article 31 of the Regulations of the Board of Directors. Both corporate texts are available for consultation on the Company's website. The Board of Directors, in order to comply with the duty imposed on said body by article 28 of the Regulations of the Board of Directors through which it incorporates recommendation 36 of the Code of Good Governance of Listed Companies of February 2015 approved by the Board of the National Securities Market Commission (CNMV), evaluates once a year (i) its own functioning and the quality of its work, (ii) the performance of the functions of the President of the Board and the Chief Executive Officer of the Company based on the report submitted by the Appointments and Remuneration Committee, (iii) the functioning and composition of its Committees, based on the report they give them, (iv) the diversity in the composition and powers of the Board of Directors, based on the report that the Appointments and Remuneration Committee has raised; and (v) the performance and contribution of each director, with a special attention to the heads of the different committees of the Board, based on the reports submitted by the Audit and Control Committee and the Appointments and Remuneration Committee in each case. In this sense, each of the committees of the Board of Directors has made a report on its own operation, so that the Board of Directors can evaluate its operation during the year.

In this regard, the Committee has drawn up an annual activity report, in compliance with the provisions of the aforementioned precepts.

C.2.6 Section repealed.

D LINKED OPERATIONS AND INTRAGROUP OPERATIONS

D.1 Explain, if applicable, the procedure for the approval of transactions with related parties and intra-group.

Procedure to report the approval of related operations

As indicated in article 5 of the Regulations of the Board of Directors, it will be competent to "adopt resolutions on all kinds of matters that are not attributed by the Law or the Articles of association to the General Meeting, with the highest powers and powers to manage, manage and represent the Company in and out of court, without prejudice to which it will focus its activity essentially in the supervision and control of the management and ordinary management of the Company entrusted to the executive directors and senior management, as well as in the consideration of all those matters of particular importance for the Company or that are necessary for a correct exercise of the aforementioned general supervisory function. In any case, the following catalogue of matters that may not be subject to delegation shall be reserved for the plenary session of the Board of Directors: [...]

t) The approval, after a favourable report from the Audit and Control Committee, of the operations that the Company carries out with directors, under the terms of the Capital Companies Act, or with the shareholders, individually or in concert with others, of significant participation, including shareholders represented on the Board of Directors of the Company or with persons linked to them. The directors affected or who represent or are related to the affected shareholders must abstain from participating in the deliberation and voting of the agreement in question. Only transactions that simultaneously meet the following three characteristics will be exempt from this approval: i) that are carried out under contracts whose conditions are standardized and applied en masse to a large number of clients; ii) that they be made at prices or rates established in general terms by who acts as supplier of the good or service in question; and iii) that its amount does not exceed one percent (1%) of the Company's annual revenues.

[...]

3. The powers mentioned in the previous section may be exercised for reasons of urgency by the Executive Committee or, as the case may be, by the Chief Executive Officer, provided that the law allows it, with subsequent ratification by the meeting of the Board of Directors.

4. The Board of Directors will perform its functions with a unity of purpose and independent judgment, treating all shareholders in the same position equally, in accordance with the corporate interest, which should not prevent the consideration of other legitimate interests, public or private, that come together in the development of all business activities, and especially those of workers. In this context, it should be understood as a social interest, such as the achievement of a profitable and sustainable business in the long term, that promotes its continuity and the maximization of the company's economic value.

D.2 Detail those operations that are significant due to their amount or relevant for their matter made between the company or entities of its group, and the significant shareholders of the company:

Name or corporate name of the significant shareholder	Name or company name of the company or entity of its group	Nature of the relationship	Type of operation	Amount (thousands of euros)
CONTRATAS Y SERVICIOS EXTREMEÑOS, S.A.	CONTRATAS Y SERVICIOS EXTREMEÑOS, S.A.	Corporate	Dividends and other benefits distributed	601
CONTRATAS Y SERVICIOS EXTREMEÑOS, S.A.	CONTRATAS Y SERVICIOS EXTREMEÑOS, S.A.	Contractual	Other	109
INDUMENTA PUERI S.L.	INDUMENTA PUERI, S.L.	Corporate	Dividends and other benefits distributed	627

D.3 Detail the significant transactions by their amount or relevant by their matter made between the company or entities of its group, and the administrators or directors of the company:

Name or corporate name of administrators or directors	Name or corporate name of the related party	Link	Nature of the operation	Amount (thousands of euros)
MUTUALIDAD GENERAL DE LA ABOGACIA	RENTA 4 BANCO S.A.	CONTRACTUAL	Reception of services	14
MR JUAN CARLOS URETA DOMINGO	RENTA 4 BANCO S.A.	CONTRACTUAL	Provision of services	63
MR JOSE RAMON RUBIO LAPORTA	RENTA 4 BANCO S.A.	CONTRACTUAL	Provision of services	2
MR. EDUARDO TRUEBA CORTÉS	RENTA 4 BANCO S.A.	CONTRACTUAL	Provision of services	2
MR. EDUARDO TRUEBA CORTÉS	RENTA 4 BANCO S.A.	CONTRACTUAL	Interest paid	1
MR JUAN CARLOS URETA DOMINGO	RENTA 4 BANCO S.A.	CONTRACTUAL	Interest paid	31
MR. FRANCISCO DE ASIS GARCÍA MOLINA	RENTA 4 BANCO S.A.	CONTRACTUAL	Interest paid	3
MR. PEDRO ANGEL NAVARRO MARTINEZ	RENTA 4 BANCO S.A.	CONTRACTUAL	Interest paid	10
MR JOSÉ IGNACIO GARCÍA-JUNCEDA FERNÁNDEZ	RENTA 4 BANCO S.A.	CONTRACTUAL	Interest paid	2
MUTUALIDAD GENERAL DE LA ABOGACIA	RENTA 4 BANCO S.A.	CORPORATE	Dividends and other benefits distributed	823
MR. EDUARDO TRUEBA CORTÉS	RENTA 4 BANCO S.A.	CORPORATE	Dividends and other benefits distributed	22
MR JUAN CARLOS URETA DOMINGO	RENTA 4 BANCO S.A.	CORPORATE	Dividends and other benefits distributed	3,712
MR JOSE RAMON RUBIO LAPORTA	RENTA 4 BANCO S.A.	CORPORATE	Dividends and other benefits distributed	104
MR PEDRO FERRERAS TENZ	RENTA 4 BANCO S.A.	CORPORATE	Dividends and other benefits distributed	22
MR. PEDRO ANGEL NAVARRO MARTINEZ	RENTA 4 BANCO S.A.	CORPORATE	Dividends and other benefits distributed	43
MR JESÚS SANCHEZ-QUIÑONES GONZALEZ	RENTA 4 BANCO S.A.	CORPORATE	Dividends and other benefits distributed	85
MR. JUAN LUIS LOPEZ GARCIA	RENTA 4 BANCO S.A.	CORPORATE	Dividends and other benefits distributed	21
MR. FRANCISCO DE ASIS GARCÍA MOLINA	RENTA 4 BANCO S.A.	CORPORATE	Dividends and other benefits distributed	11

Name or corporate name of administrators or directors	Name or corporate name of the related party	Link	Nature of the operation	Amount (thousands of euros)
MR. SANTIAGO GONZALEZ ENCISO	RENTA 4 BANCO S.A.	CORPORATE	Dividends and other benefits distributed	165
MR. PEDRO ANGEL NAVARRO MARTINEZ	RENTA 4 BANCO S.A.	CONTRACTUAL	Financing agreements: loans	653
MR. FRANCISCO DE ASIS GARCÍA MOLINA	RENTA 4 BANCO S.A.	CONTRACTUAL	Financing agreements: loans	196
MR JOSÉ IGNACIO GARCÍA-JUNCEDA FERNÁNDEZ	RENTA 4 BANCO S.A.	CONTRACTUAL	Financing agreements: loans	429
MR. JUAN LUIS LOPEZ GARCIA	JUAN LUIS LOPEZ	CONTRACTUAL	Provision of services	1
MR PEDRO FERRERAS TENZ	PEDRO FERRERAS DIEZ	CONTRACTUAL	Other	2
MR. FRANCISCO DE ASIS GARCÍA MOLINA	FRANCISCO DE ASIS GARCÍA MOLINA	CONTRACTUAL	Other	1
MR. SANTIAGO GONZALEZ ENCISO	SANTIAGO GONZALEZ ENCISO	CONTRACTUAL	Other	96
MR. JUAN LUIS LOPEZ GARCIA	JUAN LUIS LOPEZ	CONTRACTUAL	Other	31
MR JOSE RAMON RUBIO LAPORTA	JOSE RAMÓN RUBIO LAPORTA	CONTRACTUAL	Other	14
MR JESÚS SANCHEZ-QUIÑONES GONZALEZ	JESÚS SÁNCHEZ-QUIÑONES GONZÁLEZ	CONTRACTUAL	Other	3
MR. EDUARDO TRUEBA CORTÉS	EDUARDO TRUEBA CORTÉS	CONTRACTUAL	Other	53
MR. PEDRO ANGEL NAVARRO MARTINEZ	PEDRO ANGEL NAVARRO MARTINEZ	CONTRACTUAL	Provision of services	4
MR JOSÉ IGNACIO GARCÍA-JUNCEDA FERNÁNDEZ	RENTA 4 BANCO SA	CONTRACTUAL	Other	15
MRS SARAH MARIE HARMON	RENTA 4 BANCO SA	CONTRACTUAL	Other	1
MUTUALIDAD GENERAL DE LA ABOGACIA	RENTA 4 BANCO SA	CONTRACTUAL	Other	146
MR JUAN CARLOS URETA DOMINGO	RENTA 4 BANCO SA	CONTRACTUAL	Other	445
MS SARAH MARIE HARMON	RENTA 4 BANCO SA	CORPORATE	Dividends and other benefits distributed	1

D.4 Report of significant operations carried out by the company with other entities belonging to the same group, provided they are not eliminated in the process of preparing consolidated financial statements and do not form part of the company's habitual traffic in terms of its purpose and conditions.

In any case, any intra-group transaction will be reported with entities established in countries or territories considered being a tax haven:

D.5 Indicate the amount of transactions carried out with other related parties.

8,107 (in thousands of Euros).

D.6 Detail the mechanisms established to detect, determine and resolve possible conflicts of interest between the company and/or its group, and its directors, executives or significant shareholders.

The Regulations of the Board establish (art. 17) that there is a conflict of interest in situations in which the interests of the Company or its group and the personal interest of the director come into direct or indirect collision, the latter being understood as cases in which the matter affects him or her or to a person with him linked.

The following are persons linked to the physical person advisor:

- a) spouse or persons with analogous relationship of affectivity.
- b) his ascendants, descendants and siblings or the spouse (or person with analogous relationship of affectivity).
- c) The spouses of ascendants, descendants and siblings.
- d) The societies in which, by itself or by interposed person, is in any of the situations of Art. 42.1 of C.Com. Regarding the legal entity director:
 - a) partners that are, with respect to the legal entity, in any of the situations of Art. 42.1 of C.Com.
 - b) companies of the same group, and their partners.
 - c) representative of natural person, administrators, de jure or de facto, liquidators and general attorneys of the director.
 - d) persons who, with respect to the representative of the director, are considered as related persons in accordance with the provisions of points a) to d) above.

Conflict of interest situations will be governed by the following rules:

- a) Notice: the director must communicate to the other directors and, where appropriate, to the Board, through the President or the Secretary, any situation of conflict in which he or related parties are.
 - b) Abstention: the director may not directly or indirectly carry out professional or commercial transactions with the Company unless he first reports the conflict of interest situation, and the Board approves the transaction. Shall refrain from attending and intervening in the deliberation and voting in such matters. In the case of proprietary directors, they must abstain from participating in the voting on matters that may involve a conflict between the shareholders they represent and the Company.
 - c) Transparency: Report in the memo and in the Annual Corporate Governance Report on any situation of conflict of interest.
- The RIC regulates conflicts of interest in articles 21, 22 and 23. In this sense, there is a conflict between the Company and one of its clients or between two clients of the same, when in a particular situation, the Company may obtain a benefit, provided that there is also a possible correlative loss for a client or when a client You can make a profit or avoid a loss, and there is the possibility of concomitant loss of another customer. In order to identify these situations, attention will be paid to whether the Company, a person subject to the RIC ("Affected Person") or another person directly or indirectly linked to it through a relationship of control, is in any of the following situations:

*The Company or the person in question can obtain a financial benefit, or avoid a financial loss, at the client's expense;
*has an interest in the result of the service provided or of the operation carried out on behalf of the client, other than the client's own interest;

*has financial or other incentives to favour the interests of third parties, against the interests of the client in question;

*the professional activity is identical to that of the client;

*receives, or will receive, from a third party an incentive in relation to the service provided to the client, in money, goods or services, other than the usual commission or remuneration for the service in question.

The Company may determine other conflicts that may be incurred by the Affected Persons by virtue of their family, economic or professional ties or for any other reason.

All employees and Affected Persons, must inform the same, through the Monitoring Body of the RIC, of any personal or family situation, economic or otherwise, that may constitute a conflict of that person and those of a client of the Company or of the company itself. It is considered, at least, that this situation of conflict occurs, when the Affected Person or any person or entity with which he has a kinship or close link is in one of the following cases:

*Membership of the Board of Directors or Senior Management of a company with a scope of activity concurrent with that of the Company.

*Significant shareholding in companies with a scope of activity concurrent with that of the Company.

*Significant shareholding or other type of personal interest with respect to a client of the Company.

The Affected Persons will abstain from intervening in the preparatory acts and from deciding or casting their vote, warning of it to those who will make the corresponding decision. Likewise, they will indicate the clients of portfolio management, of the conflicts that may arise in the development of their activity.

In case of doubt about the existence of a conflict, the Affected Persons have the obligation to report this to the Monitoring Body of the RIC, as well as the specific circumstances of the operation, for the determination by it of an appropriate action. The resolution of conflicts will always be carried out under the following principles:

*In all cases priority must be given to the legitimate interests of the clients, without prejudice to the respect due to the integrity of the market.

*Efforts will be made to minimize conflicts between customers and between the Company and its customers.

*The interests of the Company will not be put before those of the clients in the operations with identical characteristics.

*They should not privilege any client when there is conflict between several.

*They will not multiply the transactions unnecessarily and without benefit for the client.

D.7 More than one company of the Group is listed in Spain?

Yes ☐

No ☒

Identify the subsidiary companies listed in Spain:

Listed subsidiary company

Indicate whether they have publicly defined with precision the respective areas of activity and possible business relationships between them, as well as those of the listed dependent subsidiary with the other companies in the group;

Define the possible business relationships between the parent company and the listed subsidiary, and between it and the other companies in the group

Identify the mechanisms foreseen to resolve any conflicts of interest between the listed subsidiary and the other companies in the group:

Mechanisms to resolve possible conflicts of interest
--

E CONTROL AND RISK MANAGEMENT SYSTEMS

E.1 Explain the scope of the Company's Risk Management System, including tax matters systems.

The different risks implicit in the activity carried out by the Renta 4 Group are managed with prudential criteria, preserving their level of solvency, profitability, efficiency and adequate liquidity. The Renta 4 Group maintains a system of continuous management and control of all the risks assumed in the activity it carries out, covering all the companies that make up the Group, as well as all areas or business units, with special emphasis on those most sensitive to the risks inherent to the activity developed.

E.2 Identify the bodies of the company responsible for the preparation and execution of the Risk Management System, including the fiscal one.

BOARD OF DIRECTORS

Description of functions:

- Approval of the risk control and management policy, including fiscal ones, identifying the main risks of the Company and implementing and supervising the internal information and control systems, monitoring them.

AUDIT AND CONTROL COMMITTEE

Description of functions:

- Supervision of the effectiveness of the Company's internal control, risk management systems, including tax systems, the management of internal audit services that ensure the proper functioning of information and internal control systems, in particular with respect to the preparation processes in integrity and presentation of the regulated financial information related to the Company and, to its group, reviewing compliance with the regulatory requirements, the adequate delimitation of the consolidation perimeter and the correct application of the accounting criteria, giving an account of this is the responsibility of the Board of Directors, the person responsible for the internal audit function being obliged to present to the Committee its guidance and work plans for its approval by the Committee, ensuring that its activity is mainly focused on the relevant risks of the Company, and to inform directly of the incidents that arise in its development, as well as to submit a report on its activities at the end of each year. Likewise, the Audit Committee will discuss with the Auditor the significant weaknesses of the internal control system detected in the performance of the audit.

- Supervise the process of preparation and presentation of the mandatory financial information and internal control and risk management systems associated with the relevant risks of the Company so that they are identified (operational, technological, financial, legal or reputational), manage and adequately disclose, establishing the level of risk that the Company considers acceptable, the measures to mitigate the impact of the risks identified, as well as the determination of the control and information systems that will be used to control and manage them, ensuring the independence and effectiveness of the internal audit function, proposing the selection, appointment, re-election and removal of the person responsible for the internal audit service, as well as the budget of said service, receiving periodic information on their activities and verifying that senior management take into account the conclusions and recommendations of their reports.

- Supervise the development of the functions attributed to the area responsible for the prevention of money laundering and know the reports and proposals submitted in this respect.

INTERNAL AUDIT

Description of functions:

- Review of established risk control procedures and systems.

RISK DEPARTMENT

Description of functions:

- It is a body dependent on the Board of Directors.
- The Risk department exercises its functions over all entities included in the consolidation perimeter of the Renta 4 Group and is in charge of monitoring the established risk control systems.

DEPARTMENT OF REGULATORY COMPLIANCE

Description of functions:

- It is a body dependent on the Board of Directors.
- The purpose of the regulatory compliance function is to identify and periodically assess the risks of regulatory non-compliance in the different business areas and to contribute to their management in an efficient manner.

E.3 Indicate the main risks, including tax risks, which may affect the achievement of business objectives.

The Renta 4 Group is a group of companies dedicated to providing specialized savings and investment services independently from any financial or industrial group, which is particularly affected by the evolution of the financial sector, which can have a significant impact on their results.

In accordance with the above, the basic risks that may affect the Renta 4 Group are the following:

1. Credit risk: Credit risk is defined as the possibility of suffering losses arising from the debtor's default on its contractual obligations, including counterparty risk.
2. Market risk: Market risk represents the possibility of suffering losses due to adverse movements in the prices of the assets that make up the Group 4 trading portfolio.
3. Operational risk: Operational risk refers to possible losses resulting from a lack of adaptation or a possible failure of processes, personnel and internal systems, or due to external events, in particular, the materialization of possible natural disasters, errors of information and price providers, intrusions in technological systems that could jeopardize the security of the Group 4 infrastructure.
4. Liquidity risk: Liquidity risk refers, as the name suggests, to a lack of cash, normally produced as a result of mismatches of cash flow entries and exits.
5. Regulatory risk: This risk refers to the probability of incurring losses as a result of the lack of adequacy of the Group 4 policies to the regulations to which its activity is subject, badly documented transactions and claims or actions against the Group.
6. Reputational risk: The reputational risk is derived from the actions of the Renta 4 Group that allow negative publicity related to the practices and business relationship, which may cause a loss of confidence in the Group, and in this way, affect its solvency.

E.4 Identify if the entity has a risk tolerance level, including the tax one.

The risk management strategy of the Renta 4 Group is based on the implementation of measures that mitigate or dilute the defined risks, establishing limits specifically for each line of business, market and products.

The objective of this system is to preserve the credit-worthiness and liquidity of the Group, ensuring that the exposure to risk is within the pre-established limits and with a balanced profile.

E.5 Indicate which risks, including tax risks, have materialized during the year.

No risk has materialized during the year.

E.6 Explain the response and supervision plans for the main risks of the entity, including tax risks.

The measures adopted to mitigate the impact of the basic risks that could affect the Renta 4 Group, if materialized, are the following:

1. Credit risk: To mitigate this risk, specific procedures and limits are established that seek to avoid overdrafts of cash and/or securities in the operations of intermediation and liquidation of client operations. However, exceptionally, individual situations of overdraft can be allowed whenever they occur with the mandatory authorizations. These situations, in any case, are limited according to the customer's credit guarantee and are monitored by the Risk Department and the Audit Unit.

The exposure to credit risk of balance sheet exposures is mainly focused on liquid investments (current accounts, deposits and public debt issues of the Spanish government in the short term), all in line with the limits of the degree of investment concentration established the current regulations.

The counterparty risk assessment against credit institutions is done based on credit ratings (ratings) of the main agencies that provide this information, selecting those with greater solvency, experience and recognition in the markets.

2. Market risk: In order to control this type of risk, limits are established so that, at all times, in the event of changes in market prices, losses are limited to the pre-set maximums. The established controls are set according to the conditions of the different assets and the importance of the inherent risk of each market. Within this type of risk acquires special relevance the concept of VaR (Value at Risk or maximum potential loss that a portfolio can experience under current market conditions), which is incorporated into risk detection systems. The department of Risks and the Audit Unit are responsible for supervising the adequate compliance with the established limits.

3. Operational risk: To mitigate this risk, the Company has imposed minimum training requirements for employees, in addition to primary controls in the different jobs, in such a way that the control routines are integrated in each task developed. The improvements in the computer systems implemented contribute to establish better controls and manual processes are less and less numerous, reducing human errors.

The department of Risks and the Audit Unit perform a continuous monitoring and evaluation to detect any materialization of risk derived from possible errors, mainly derived from the intermediation of operations of the clients, verifying the correct functioning of the control system.

4. Liquidity risk: To control this risk and to comply with all the requirements established in the legislation regarding legal coefficients and payment commitments with third parties, the residual maturity dates of the assets and liabilities are reviewed.

The monitoring and control of liquidity risk is performed by the Treasury Department on a daily basis, in coordination with the Financial Department, supervised by the Risks Department of the Renta 4 Group. In any case, the policy of mitigating this risk focuses on the current policy of investing in short-term assets and liquids that may be available in the face of any tension that may materialize.

5. Regulatory risk: The Renta 4 Group has a Regulatory Compliance Unit responsible for the adequacy of the procedures to the regulatory requirements, as well as the monitoring and control of its correct application.

6. Reputational risk: The Renta 4 Group has established a series of regulatory compliance policies, through which a direct follow-up is carried out on the most significant aspects that may cause the materialization of this risk, which are for example:

- Prevention of money laundering.
- Code of conduct in the securities market (Internal Code of Conduct).
- Marketing of products and MIFID regulations.
- Market abuse in intermediation operations in the capital markets.
- Customer complaints.

F INTERNAL CONTROL SYSTEMS AND RISK MANAGEMENT IN RELATION TO THE PROCESS OF ISSUING FINANCIAL INFORMATION (ICFR)

Describe the mechanisms that make up the control and risk management systems in relation to the process of issuing financial information (ICFR) of your entity.

F.1 Entity control environment

Report, indicating its main characteristics of, at least:

F.1.1. What bodies and/or functions are responsible for: (i) the existence and maintenance of an adequate and effective ICFR; (ii) its implementation; and (iii) its supervision.

Board of Directors

The Board of Directors of Renta 4 Banco has the ultimate responsibility for the existence and maintenance of an adequate and effective ICFR that, in accordance with its Regulations, has its supervision delegated to the Audit and Control Committee.

Audit and Control Committee

The Regulation of the Board of Directors of Renta 4 Banco establishes in its article 31 that the basic responsibilities of the Audit and Control Committee, in relation to the information and internal control systems, are as follows:

1. Supervision of the effectiveness and direction of the internal audit services of the Company that ensure the proper functioning of the information and internal control systems, in particular with respect to the preparation processes in integrity and presentation of the regulated financial information regarding the Company and its group, reviewing compliance with the regulatory requirements, the adequate delimitation of the consolidation perimeter and the correct application of the criteria

of accounting, reporting to the Board of Directors, the person responsible for the internal audit function being obliged to present his annual work plan to the Committee and to inform him directly of the incidents that arise in its development, as well as to submit it to each year a report on its activities.

2. Supervise the process of preparing and presenting the regulated financial information and the internal risk management and control systems associated with the relevant risks of the Company so that they are identified (operational, technological, financial, legal or reputational), manage and adequately disclose, establishing the level of risk that the Company considers acceptable, the measures to mitigate the impact of the risks identified, as well as the determination of the control and information systems that will be used to control and manage them, ensuring independence and effectiveness of the internal audit function, proposing the selection, appointment, re-election and dismissal of the person responsible for the internal audit service, as well as the budget of said service, receiving periodic information about its activities and verifying that top management takes into account the conclusions and recommendations of their reports.

3. Review the accounts of the Company, monitor compliance with legal requirements and the correct application of generally accepted accounting principles, as well as report on proposals for the modification of accounting principles and criteria suggested by management.

4. Review and inform the Board of Directors in advance regarding: (i) the financial information that, as a listed company, the Company must periodically make public, ensuring that the intermediate accounts are formulated with the same accounting criteria as the annual ones and, to that end, consider the appropriateness of a limited review from the external auditor of the Company; (ii) the creation or acquisition of interests in purpose entities special or domiciled in countries or territories that are considered to be tax havens, as well as any other transactions or operations of a similar nature that, due to their complexity, could undermine the transparency of the group to which the Company belongs; (iii) and related operations.

5. Receive from employees, confidentially but not anonymously, and in writing, communications about possible irregularities of potential importance, especially financial and accounting, that may be noticed within the Company or its group companies.

6. Ensure compliance with the internal codes of conduct and the rules of corporate governance, as well as regulations on markets in the sector.

7. Supervise the development of the functions attributed to the area responsible for the prevention of money laundering and know the reports and proposals submitted in this respect.

The members of the Audit and Control Committee are appointed taking into account their knowledge and experience in accounting, auditing or risk management, being all of its members external directors, and they are kept adequately informed of all the regulatory changes that can produce in the aforementioned subjects. Among them, the Board of Directors appoints the President, who is an independent director and who will hold office for a period not exceeding four years, without prejudice to his continuity or re-election as a member of the Committee.

Internal audit.

The Group has an Internal Audit area that is subject to the control and supervision of the Audit and Control Committee. Within the functions developed by the Internal Audit area, among others, are those of:

1. Supervise the compliance and effectiveness of the internal control systems and procedures, as well as assist the organization in the improvement of the same and of the control activities.

2. Ensure the sufficiency, integrity and reliability of financial and management information.

3. Examine the systems established to ensure compliance with the applicable internal and external regulations, evaluating the suitability and effectiveness thereof.

For the fulfilment of its objectives it combines the activity of face-to-face audit with that of remote audit. Management committee.

The functions of the Management Committee are the management, control and monitoring of the Bank and the Group; the monitoring, control and evaluation of the business areas; the establishment of the commercial strategy and monitoring of its activity; the implementation of the objectives and the common commercial policy; the evaluation of investments, operations in the stock markets and financing structure; the analysis of prices and proposals for tariffs and intra-group prices; the evolution of the Group's technological needs and proposals for improving the system; the coordination of the Bank with the different areas of the Group; and, finally, carry out the subsidiaries management policies and follow-up of the results.

Regulatory compliance.

The Renta 4 Group has an independent function of Regulatory Compliance that, through appropriate policies and procedures, detects and manages the risk of non-compliance with the obligations in this area, both internal and external, that the organization has. It also informs and advises management and employees, and monitors compliance with internal rules throughout the entire organization. The risk of regulatory non-compliance may have an impact on financial information.

In addition, the Renta 4 Group offers its customers a Customer Service, whose purpose is to know, study and resolve complaints and claims that customers have with respect to operations, contracts or financial services and, in general, with respect to its relations with the different entities that make up the Group Renta 4. This Customer Service Centre supposes an additional control in the detection of possible errors in the financial information after the corresponding analysis of the submitted claims.

Administration and Accounting Area.

The Administration and Accounting area of Renta 4 Banco, is the area responsible for the preparation and direct control over Financial Information, reporting directly to Senior Management and the Board.

In this area, the following functions fall into the process of preparing the financial information:

1. Accounting: responsible for the accounting of the Bank and for verifying compliance with the control procedures on the quality and reliability of the information generated from the different areas of the Group.
2. Consolidation: responsible for the process of consolidation and monitoring of the information of subsidiaries and affiliates.

F.1.2. If there are, especially in relation to the process of preparing financial information, the following elements:

- Departments and/or mechanisms in charge: (i) of design and review of the organizational structure; (ii) of clearly defining the lines of responsibility and authority, with an adequate distribution of tasks and functions; and (iii) that there are sufficient procedures for its correct dissemination in the entity.

The design and review of the organizational structure as well as the definition of the lines of responsibility and authority is carried out by the Board of Directors, through the Chief Executive Officer and the Appointments and Remuneration Committee (a body made up of external members of the Board of Directors), with the assistance of the Management Committee.

The General Manager and the Appointments and Remuneration Committee determine the distribution of tasks and functions, ensuring that there is an adequate distribution of functions as well as coordination systems between the different departments that guarantee the efficiency of operations.

- Code of conduct, approval body, degree of dissemination and instruction, principles and values included (indicating whether there are specific mentions to the registry of operations and preparation of financial information), body in charge of analysing breaches and proposing corrective actions and sanctions.

The Renta 4 Group has an Internal Code of Conduct, approved by the Board of Directors, applicable to all employees, agents, directors, managers and representatives of the Group, which develops the principles and values that should govern the Group's performance. In this Internal Code of Conduct, a framework of action is established in case of non-compliance by the affected persons.

Renta 4 Banco translates this Internal Code of Conduct to all the people affected by it, who acknowledge receipt of their communication and assume personally that they know, understand and accept the RIC as well as all the commitments that it entails.

The Regulatory Compliance function is the body responsible for monitoring the correct dissemination of the aforementioned Code, as well as for ensuring its correct compliance, communicating to the Audit and Control Committee the breaches or bad practices detected and proposing the corresponding sanctions, which they must be ratified by the corresponding governing body.

- Whistle-blowing channel, which allows communication to the audit committee of irregularities of a financial and accounting nature, in addition to eventual breaches of the code of conduct and irregular activities in the organization, informing if appropriate if this is confidential.

The Renta 4 Group has a Confidential Complaints Channel, to file or report situations of infringement or risk of criminal infraction.

Clients, employees or suppliers of the Renta 4 Group may communicate through this channel any allegedly irregular conduct, breach or illegality, committed within the scope of action of the companies that make up the Renta 4 Group that may involve the commission of a crime in the criminal field. Likewise, they may send a communication by ordinary mail to the attention of: Dept. of Compliance/Whistleblowing Channel, Paseo de la Habana, 74, 28036 Madrid.

The Renta 4 Group guarantees the confidentiality of the identity of the complainant, as well as the information obtained, being transmitted exclusively to the people in charge of its investigation and resolution.

- Training programs and periodic updating for the personnel involved in the preparation and review of the financial information, as well as in the evaluation of the ICFR, covering, at least, accounting rules, auditing, internal control and risk management.

The Group develops training plans for all personnel, including those directly involved in the preparation of financial information.

These plans include the permanent update before any regulatory change in the activities carried out by the different Group companies, such as knowledge of the International Financial Reporting Standards and the applicable regulations issued by the Bank of Spain, the CNMV and the General Directorate of Insurance.

F.2 Risk assessment of financial information

Report, at least:

F.2.1. What are the main characteristics of the risk identification process, including error or fraud, in terms of:

- Whether the process exists and is documented.

The Management of Income 4 Bank is responsible for maintaining adequate internal control over the preparation of financial information. This process of internal control over financial reporting is under the supervision of the President of the Board and the Audit and Control Committee in order to provide reasonable assurance about the reliability of the financial information and the preparation of the Group's consolidated financial statements, prepared based on the regulations in force at all times.

The main risks that arise in the process of preparing the financial information are:

- Errors due to incorrect application of accounting principles.
- Fraud in financial information.
- Deficiency in the breakdown of information.

In order to mitigate these risks in the preparation of financial information, the Renta 4 Group has virtually automated all the accounting referred to the operations with customers.

In relation to those processes in which there is a manual component for the preparation of financial information, the associated risks and controls or mitigating factors have been identified, so that they can be evaluated, monitored and concluded for each one of them and for the whole of financial information, reasonably be free of material errors.

Additionally, a series of reconciliations are carried out to ensure that the accounting information corresponds to the information provided by third parties.

Supervision of the risk identification process of the financial information is carried out by the Audit and Control Committee within its supervisory and control functions over the financial information.

- If the process covers all the objectives of the financial information, (existence and occurrence; integrity; assessment; presentation, breakdown and comparability; and rights and obligations), if it is updated and how often.

This process covers all of the financial information and places special emphasis on the identification of risks of material error based on the complexity of the transactions, quantitative and qualitative importance, complexity of the calculations and application of judgments and estimates.

This process is updated in accordance with the modification of the degree of exposure to the risks inherent in the activity carried out by the Renta 4 Group.

- The existence of a process of identification of the consolidation perimeter, taking into account, among other aspects, the possible existence of complex corporate structures, instrumental entities or special purpose entities.

The consolidation perimeter of the Renta 4 Group is determined by the Administration and Accounting Area, in accordance with the criteria established in the pertinent regulations.

The consolidation perimeter is additionally supervised by the internal audit function and by the external auditors.

- If the process takes into account the effects of other types of risks (operational, technological, financial, legal, reputational, environmental, etc.) insofar as they affect the financial statements.

The process takes into account the main risks incurred by the Renta 4 Group, including operational, technological, financial, legal, reputational, etc.

- Which governing body of the entity supervises the process.

This process of internal control over financial reporting is under the supervision of the President of the Board and the Audit and Control Committee in order to provide reasonable assurance about the reliability of the financial information and the preparation of the Group's consolidated financial statements, prepared based on the regulations in force at all times.

F.3 Control activities

Report, indicating its main characteristics, if it has at least:

F.3.1. Procedures for the review and authorization of financial information and the description of the ICFR, to be published in the securities markets, indicating their managers, as well as descriptive documentation of the flows of activities and controls (including those related to risk of fraud) of the different types of transactions that may materially affect the financial statements, including the accounting closing procedure and the specific review of the judgments, estimates, valuations and relevant projections.

There are a series of transaction controls that can materially affect the financial statements. These controls are fundamentally based on the following aspects:

- Confirmation of transactions: controls to ensure the integrity and accuracy of registered transactions.
- Controls based on reconciliations of those transactions, positions and significant parameters.
- Assessment: realization of controls of valuation methods, hypotheses and inputs used in the estimation of the fair value of financial instruments.
- Taxation: internal controls to ensure that fiscal calculations are correctly performed and that their balances are adequately recorded in the financial statements, in collaboration with the Group's external tax advice.
- Adjustments based on estimates: controls to ensure that the techniques used to prepare the estimates are based on previously authorized and communicated judgments.
- Controls on consolidation and other financial statement closing processes: Controls on consolidation include, among others, the validation of accounting entries for the elimination of inter- and intra-group transactions and the revision of adjustments after closing.
- Presentation and breakdown of financial statements: final review of the financial statements by the Group's Senior Management, especially in the financial area, with prior controls in the area of Administration and Accounting and Audit Unit.

F.3.2. Policies and procedures for internal control over information systems (among others, on access security, change control, operation thereof, operational continuity and segregation of functions) that support the relevant processes of the entity in relation to the preparation and publication of financial information.

Renta 4 Group maintains different security levels of access to the information systems that support the preparation and publication of financial information, guaranteeing the proper segregation of functions within the accounting process, as well as avoiding any intrusion in this regard.

Associated with the information systems, there is a risk of business continuity, which derives from the possible concurrence of contingencies due to communication failures, power failures, hardware equipment or software programs or other unexpected events, or disasters.

The Renta 4 Group has a business continuity plan, in accordance with the provisions of the MiFID guideline which translates into different coverage plans for the aforementioned risks.

F.3.3. Internal control policies and procedures designed to supervise the management of activities outsourced to third parties, as well as those aspects of evaluation, calculation or valuation entrusted to independent experts, which may materially affect the financial statements.

Renta 4 Group does not have any significant activity outsourced that could have a significant impact on the Group's financial statements.

F.4 Information and communication

Report, indicating its main characteristics, if it has at least:

F.4.1. A specific function responsible for defining, keeping updated the accounting policies (area or department of accounting policies) and resolving doubts or conflicts arising from its interpretation, maintaining a fluid communication with those responsible for operations in the organization, as well as a policy manual accountant updated and communicated to the units through which the entity operates.

The responsibility for the proper application of accounting standards in the preparation of financial information rests with the Administration and Accounting Area. Along with the preparation of the accounting information, its functions are as follows:

- Define the Group's Accounting Policies and Procedures.
- Analyse any operation and/or singular transaction for its proper accounting treatment.
- Evaluate the possible impacts before any project of normative change.
- Resolve any query that can be done internally.

The Administration and Accounting area maintains a contact with external auditors before any transaction and/or transaction in which there are doubts about its treatment.

F.4.2. Mechanisms for the capture and preparation of financial information with homogeneous formats, for application and use by all the units of the entity or group, that support the main financial statements and the notes, as well as the information that is detailed on the ICFR.

The main computer systems that intervene in the generation of the financial information used by the Renta 4 Group are centralized and interconnected.

There are procedures and controls that ensure the correct development and maintenance of these systems, and their correct operation, continuity and safety.

In the process of consolidation and preparation of the financial information, the financial statements reported by the group's subsidiaries are used as inputs in the established formats, as well as the rest of the financial information required both for the accounting harmonization process and for the coverage of the information needs established.

F.5 Supervision of system operation

Report, indicating its main characteristics, at least of:

F.5.1. The supervision activities of the ICFR carried out by the audit committee, as well as whether the entity has an internal audit function that has among its competencies the support to the committee in its work of supervision of the internal control system, including the ICFR. Likewise, the scope of the evaluation of the ICFR carried out in the year and the procedure by which the person in charge of executing the evaluation communicates its results will be informed, if the entity has an action plan detailing the eventual corrective measures, and if considered its impact on financial information.

The Audit and Control Committee supervises the proper functioning of the preparation of financial information, through the direct supervision of the internal audit function and the work carried out by the external auditors.

At the same time, the Audit and Control Committee may require the assistance of personnel that integrate the different areas of the Group to gather information related to the existence or not of weaknesses that may have a significant impact on the financial information.

The Group has not established a specific self-assessment procedure. However, the Senior Management of the Group, based on the information obtained from the audit area, both internal and external, and information on inspection procedures of regulatory bodies, carries out an evaluation relative to the effectiveness of the ICFR.

F.5.2. If it has a discussion procedure whereby the auditor of accounts (in accordance with the provisions of the NTA), the internal audit function and other experts can communicate to the senior management and the audit committee or administrators of the entity significant weaknesses in internal control identified during the review processes of the annual accounts or those that have been entrusted to them. Likewise, it will inform if it has an action plan that tries to correct or mitigate the observed weaknesses.

The Internal Audit function communicates to the Senior Management and the Audit and Control Committee the significant internal control weaknesses identified in the reviews carried out during the year.

Likewise, the auditor of the Group's accounts has direct access to the Group's Senior Management, holding regular meetings both to obtain information necessary for the development of its work and to communicate the control weaknesses detected in the development of its work. Regarding this last aspect, the external auditors submit a report to the Senior Management every six months and annually, detailing the internal control weaknesses revealed in the development of their work.

In turn, the auditor of accounts informs the Audit and Control Committee of the conclusions of its work of reviewing the Group's Accounts, including any aspect that it considers relevant.

The Internal Audit area periodically monitors the action plans derived from the recommendations issued by the external auditor and informs the Audit and Control Committee of its status, depending on the relevance of the situations, at least annually.

F.6 Other relevant information

No additional aspects to be broken down have been identified.

F.7 Report of the external auditor

Report:

F.7.1. If the ICFR information sent to the markets has been submitted for review by the external auditor, in which case the entity should include the corresponding report as an annex. Otherwise, you should report your reasons.

The Renta 4 Group did not consider it necessary to issue a report from the external auditor on the ICFR, mainly due to the fact that on a semi-annual basis, the external auditors perform either an audit of the consolidated annual accounts or a limited review of the financial statements. consolidated financial statements, within the framework established by the auditing standards, discussing with the Control and Audit Committee any noteworthy aspect or incidence.

G DEGREE OF FOLLOW UP OF THE RECOMMENDATIONS BY CORPORATE GOVERNANCE

Indicate the degree of monitoring of the company with respect to the recommendations by the Good Governance Code of listed companies.

In the event that any recommendation is not followed or partially followed, a detailed explanation of the reasons should be included so that shareholders, investors and the market in general have sufficient information to assess the company's behaviour. Explanations of a general nature will not be acceptable.

1. That the Articles of Association of listed companies do not limit the maximum number of votes that may be cast by a single shareholder, or contain other restrictions that make it difficult to take control of the company through the acquisition of its shares in the market.

Complies ☒

Explain ☐

2. When the parent company and a subsidiary company are listed, both define publicly with precision:

a) The respective areas of activity and possible business relationships between them, as well as those of the dependent company listed with the other companies in the group.

b) The mechanisms provided to resolve any conflicts of interest that may arise.

Complies ☐

Partially complies ☐

Explain ☐

Not applicable ☒

3. That during the celebration of the ordinary general meeting, as a complement to the written dissemination of the annual corporate governance report, the President of the board of directors will verbally inform the shareholders, in sufficient detail, of the most relevant aspects of the corporate governance of the company and, in particular:

a) Of the changes that have occurred since the previous ordinary general meeting.

b) Of the specific reasons why, the company does not follow any of the recommendations of the Corporate Governance Code and, if they exist, the alternative rules that apply in that area.

Complies ☒

Partially complies ☐

Explain ☐

4. That the company defines and promotes a policy of communication and contacts with shareholders, institutional investors and voting advisors that is fully respectful of the rules against market abuse and provides similar treatment to shareholders who are in the same position.

And that the Company makes public this policy through its website, including information regarding the way in which it has been put into practice and identifying the interlocutors or those responsible for carrying it out.

Complies ☒

Partially complies ☐

Explain ☐

5. That the board of directors does not submit to the general meeting a proposal to delegate powers, to issue shares or convertible securities excluding the right of preferential subscription, for an amount exceeding 20% of the capital at the time of delegation.

And when the board of directors approves any issuance of shares or convertible securities excluding the right of pre-emptive subscription, the company immediately publishes on its web page the reports on said exclusion to which commercial legislation refers.

Complies ☒

Partially complies ☐

Explain ☐

6. That the listed companies that prepare the reports listed below, whether mandatory or voluntary, publish them on their website in advance of the ordinary general meeting, although their dissemination is not mandatory:

- a) Report on the independence of the auditor.
- b) Performance reports of the audit and appointment and remuneration commissions.
- c) Report of the audit committee on related-party transactions.
- d) Report on the corporate social responsibility policy.

Complies ☒

Partially complies ☐

Explain ☐

7. That the company transmits, through its website, the holding of general shareholders' meetings.

Complies ☒

Explain ☐

8. That the audit committee ensure that the board of directors seeks to present the accounts to the general meeting of shareholders without limitations or qualifications in the audit report and that, in the exceptional cases in which there are exceptions, both the President of the audit committee as the auditors clearly explain to the shareholders the content and scope of said limitations or qualifications.

Complies ☒

Partially complies ☐

Explain ☐

9. That the company makes public on its website, permanently, the requirements and procedures it will accept to accredit the ownership of shares, the right to attend the general meeting of shareholders and the exercise or delegation of the right to vote.

And that such requirements and procedures favour attendance and the exercise of their rights to shareholders and are applied in a non-discriminatory manner.

Complies ☒

Partially complies ☐

Explain ☐

10. That when a legitimated shareholder has exercised, prior to the holding of the general meeting of shareholders, the right to complete the agenda or present new proposals for agreement, the company:

- a) Immediately disseminate such complementary points and new proposals for agreement.
- b) Make public the model of attendance card or form of delegation of vote or vote to distance with the precise modifications so that the new points of the agenda and alternative proposals can be voted according to the same terms that those proposed by the board of directors.
- c) Submit all those points or alternative proposals to vote and apply the same voting rules to them as those formulated by the board of directors, including, in particular, presumptions or deductions regarding the direction of the vote.

d) After the general meeting of shareholders, communicate the breakdown of the vote on such complementary points or alternative proposals.

Complies ☒

Partially complies ☐

Explain ☐

Not applicable ☐

11. That, in the event that the company plans to pay attendance premiums to the general meeting of shareholders, establish, in advance, a general policy on such premiums and that said policy is stable.

Complies ☐

Partially complies ☐

Explain ☐

Not Applicable ☒

12. That the board of directors perform its functions with unity of purpose and independence of judgement, dispense the same treatment to all shareholders who are in the same position and be guided by the social interest, understood as the achievement of a profitable and sustainable business in the long term, that promotes its continuity and the maximization of the economic value of the company.

And in the pursuit of social interest, in addition to respect for laws and regulations and behaviour based on good faith, ethics and respect for commonly accepted good practices and practices, try to reconcile your own social interest with, as appropriate, the legitimate interests of its employees, its suppliers, its customers and those of the other stakeholders that may be affected, as well as the impact of the company's activities on the community as a whole and on the environment.

Complies ☒

Partially complies ☐

Explain ☐

13. That the board of directors possesses the precise dimension to achieve an effective and participative operation, which makes it advisable that it has between five and fifteen members.

Complies ☒

Explain ☐

14. That the board of directors approves a policy for the selection of directors that:

a) is specific and verifiable.

b) Ensures that the proposals for appointment or re-election are based on a prior analysis of the needs of the board of directors.

c) Favours the diversity of knowledge, experiences and gender.

That the result of the previous analysis of the needs of the board of directors be included in the justification report of the appointments committee that is published when convening the general meeting of shareholders to which the ratification, appointment or re-election of each director is submitted.

And that the director selection policy promotes the goal that in 2020 the number of female directors represents at least 30% of the total number of members of the board of directors.

The appointment committee will annually verify compliance with the director selection policy and will be informed of this in the annual corporate governance report.

Complies ☒

Partially complies ☐

Explain ☐

15. That the proprietary and independent directors constitute a large majority of the board of directors and that the number of executive directors be the minimum necessary, taking into account the complexity of the corporate group and the percentage of participation of the executive directors in the capital of the company.

Complies ☒

Partially complies ☐

Explain ☐

16. That the percentage of proprietary directors over the total of non-executive directors is not greater than the proportion between the capital of the company represented by said directors and the rest of the capital.

This criterion may be mitigated:

- a) In companies with large capitalization, in which shareholdings that are legally considered significant are scarce.
- b) In the case of companies in which there is a plurality of shareholders represented on the board of directors and there are no links between them.

Complies ☒

Explain ☐

17. That the number of independent directors represents at least half of the total number of directors.

That, however, when the company is not highly capitalized or when, even if it is, it has a shareholder or several acting in concert, that controls more than 30% of the share capital, the number of independent directors represents at least one third of the total number of directors.

Complies ☒

Explain ☐

18. That the companies make public through their website, and keep updated, the following information about their directors:

- a) Professional and biographical profile.
- b) Other boards of directors to which they belong, whether or not they are listed companies, as well as other paid activities that they carry out whatever their nature.
- c) Indication of the category of director to which they belong, indicating, in the case of proprietary directors, the shareholder they represent or with whom they have links.
- d) Date of their first appointment as a director in the company, as well as of the subsequent re-elections.
- e) Company shares, and options on them, of which they are holders.

Complies ☒

Partially complies ☐

Explain ☐

19. That in the annual corporate governance report, after verification by the appointments committee, explain the reasons why proprietary directors have been appointed at the request of shareholders whose shareholding is less than 3% of the capital; and the reasons why formal requests for board presence from shareholders whose shareholding is equal to or greater than that of others at whose request proprietary directors have been appointed should not be addressed.

Complies ☒

Partially complies ☐

Explain ☐

Not applicable ☐

20. That the proprietary directors present their resignation when the shareholder they represent transfers its shareholding in its entirety. And also, do so, in the corresponding number, when said shareholder reduces its shareholding to a level that requires the reduction of the number of its proprietary directors.

Complies ☒

Partially complies ☐

Explain ☐

Not applicable ☐

21. That the board of directors does not propose the separation of any independent director before the fulfilment of the statutory period for which he was appointed, except when there is a just cause, appreciated by the board of directors after a report from the appointments committee. In particular, it will be understood that there is just cause when the director moves to new positions or contracts new obligations that prevent him from devoting the time necessary to carry out the duties of the position of director, breach the duties inherent to his position or incur in some of the circumstances that make him lose his status as independent, in accordance with the provisions of the applicable legislation.

Separation of independent directors may also be proposed as a result of public takeover bids, mergers or other similar corporate transactions involving a change in the capital structure of the company, when such changes in the structure of the board of directors are favoured by the criterion of proportionality indicated in recommendation 16.

Complies ☒

Explain ☐

22. That the companies establish rules that oblige the directors to inform and, if applicable, resign in those cases that could harm the credit and reputation of the company and, in particular, oblige them to inform the board of directors of the criminal cases in those that appear as imputed, as well as their subsequent procedural vicissitudes.

And that if a director is prosecuted or is ordered to open a trial for any of the crimes outlined in the corporate legislation, the board of directors will examine the case as soon as possible and, in view of its specific circumstances, decide whether or not the director continues in his position. And that of all this the board of directors' accounts, in a reasoned manner, in the annual corporate governance report.

Complies ☒

Partially complies ☐

Explain ☐

23. That all directors clearly express their opposition when they consider that any proposed decision submitted to the board of directors may be contrary to the corporate interest. And, in particular, independent directors and other directors who are not affected by the potential conflict of interest should do so in the case of decisions that could harm shareholders not represented on the board of directors.

And when the board of directors adopts significant or repeated decisions on which the director has made serious reservations, the latter draw the appropriate conclusions and, if he opts to resign, explain the reasons in the letter referred to in the following recommendation.

This recommendation also reaches the secretary of the board of directors, even if he does not have the status of a director.

Complies ☒

Partially complies ☐

Explain ☐

Not applicable ☐

24. When, by resignation or for another reason, a director leaves office before the end of his term, explain the reasons in a letter sent to all members of the board of directors. And that, notwithstanding that said termination is communicated as a relevant event, the reason for the termination is reported in the annual corporate governance report.

Complies ☒

Partially complies ☐

Explain ☐

Not applicable ☐

25. That the appointments committee ensures that non-executive directors have sufficient time available for the proper performance of their duties.

And that the regulations of the board establish the maximum number of board of directors of which its directors can be a part.

Complies ☐

Partially complies ☒

Explain ☐

Although the Regulations of the Board of the Company do not contain any mention of the maximum number of boards of directors that can be part of it, this is defined in the regulations that apply to the Company due to its status as a credit institution. Therefore, it is clear that the principle guiding the recommendation, that is, that the directors devote sufficient time for the effective performance of their duties and to know the business of the Company and the governing rules that govern it, is not left unprotected., and that the purpose of the same is complied with despite not following the recommendation in full, being the directors aware of the limitations established by the regulations in this regard.

26. That the board of directors meet with the necessary frequency to effectively perform its functions and, at least, eight times a year, following the schedule of dates and matters established at the beginning of the year, each director being able to individually propose other points of order of the day initially not foreseen.

Complies ☒

Partially complies ☐

Explain ☐

27. That the absences of the directors are reduced to the indispensable cases and are quantified in the annual corporate governance report. And that, when they should occur, representation is granted with instructions.

Complies ☒

Partially complies ☐

Explain ☐

28. That when the directors or the secretary express concern about any proposal or, in the case of the directors, about the progress of the company and such concerns are not resolved in the board of directors, at the request of the person who said them, a record is left of them in the minutes.

Complies ☒

Partially complies ☐

Explain ☐

Not applicable ☐

29. That the company establishes the appropriate channels so that the directors can obtain the necessary advice for the fulfilment of their duties, including, if required by the circumstances, external advice charged to the company.

Complies ☒

Partially complies ☐

Explain ☐

30. That, regardless of the knowledge required of directors for the exercise of their duties, companies also offer directors refresher programs when the circumstances warrant.

Complies ☒

Explain ☐

Not applicable ☐

31. That the agenda of the sessions clearly indicate those points on which the board of directors must adopt a decision or agreement so that the directors can study or collect, in advance, the information required for its adoption.

When, exceptionally, for reasons of urgency, the President wishes to submit decisions or resolutions that do not appear on the agenda to the approval of the board of directors, the prior and express consent of the majority of the present directors must be obtained, and due record of it shall be left in the minutes.

Complies ☒

Partially complies ☐

Explain ☐

32. That the directors are periodically informed of the movements in the shareholding and of the opinion that the significant shareholders, investors and rating agencies have about the company and its group.

Complies ☒

Partially complies ☐

Explain ☐

33. That the President, as the person in charge of the efficient functioning of the board of directors, besides exercising the functions legally and statutorily attributed, prepares and submits to the board of directors a schedule of dates and matters to be discussed; organize and coordinate the periodic evaluation of the board, as well as, where appropriate, the first executive of the company; be responsible for the direction of the board and the effectiveness of its operation; ensure that sufficient discussion time is devoted to strategic issues, and agree and review the knowledge updating programs for each director, when circumstances warrant.

Complies ☒

Partially complies ☐

Explain ☐

34. That when there is a coordinating director, the articles of association or the regulations of the board of directors, in addition to the powers that correspond to him legally, assign him the following: preside over the board of directors in the absence of the President and vice presidents, if any; echo the concerns of non-executive directors; maintain contacts with investors and shareholders to know their points of view in order to form an opinion on their concerns, in particular, in relation to the corporate governance of the company; and coordinate the President's succession plan.

Complies ☒

Partially complies ☐

Explain ☐

Not applicable ☐

35. That the secretary of the board of directors ensure in a special way that in its actions and decisions the board of directors takes into account the recommendations on good governance contained in this Code of good governance that are applicable to the Company.

Complies ☒

Explain ☐

36. That the board of directors in plenary evaluate once a year and adopt, where appropriate, an action plan that corrects the deficiencies detected regarding:

- a) The quality and efficiency of the operation of the board of directors.
- b) The operation and composition of its committees.
- c) The diversity in the composition and powers of the board of directors.
- d) The performance of the President of the board of directors and the chief executive of the company.
- e) The performance and contribution of each director, paying special attention to those responsible for the different board committees.

In order to carry out the evaluation of the different commissions, it will be based on the report that they submit to the board of directors, and for that of the latter, from the one that the appointment committee elevates.

Every three years, the board of directors will be assisted to carry out the evaluation by an external consultant, whose independence will be verified by the appointments committee.

The business relationships that the consultant or any company of its group maintains with the company or any company of its group must be broken down in the annual corporate governance report.

The process and the areas evaluated will be described in the annual corporate governance report.

Complies ☒

Partially complies ☐

Explain ☐

37. When there is an executive committee, the structure of participation of the different categories of directors is similar to that of the board of directors itself and its secretary is the latter.

Complies ☐

Partially complies ☐

Explain ☐

Not Applicable ☒

38. That the board of directors is always aware of the matters dealt with and of the decisions adopted by the executive committee and that all the members of the board of directors receive a copy of the minutes of the meetings of the executive committee.

Complies ☒

Partially complies ☐

Explain ☐

Not Applicable ☐

39. That the members of the audit committee, and especially its President, be appointed taking into account their knowledge and experience in accounting, auditing or risk management, and that the majority of these members be independent directors.

Complies ☒

Partially complies ☐

Explain ☐

40. That under the supervision of the audit committee, a unit is available that assumes the function of internal audit that ensures the proper functioning of the information and internal control systems and functionally depends on the non-executive President of the board or the audit committee.

Complies ☒

Partially complies ☐

Explain ☐

41. That the person in charge of the unit that assumes the internal audit function presents the annual work plan to the audit committee, reports directly on the incidents that arise in its development and submits an activity report at the end of each year.

Complies ☒

Partially complies ☐

Explain ☐

Not applicable ☐

42. That, in addition to those provided by law, the following functions correspond to the audit committee:

1. In relation to the information and internal control systems:

- a) Supervise the preparation process and the integrity of the financial information relative to the company and, where applicable, the group, reviewing compliance with the regulatory requirements, the appropriate delimitation of the consolidation perimeter and the correct application of the accounting criteria.
- b) Ensure the independence of the unit that assumes the internal audit function; propose the selection, appointment, re-election and removal of the person responsible for the internal audit service; propose the budget for that service; approve the orientation and its work plans, making sure that its activity is focused mainly on the relevant risks of the Company; receive periodic information about their activities; and verify that senior management takes into account the conclusions and recommendations of its reports.
- c) Establish and supervise a mechanism that allows employees to communicate, confidentially and, if possible and considered appropriate, anonymously, irregularities of potential importance, especially financial and accounting, that they notice within the company.

2. Regarding the external auditor:

- a) In case of resignation of the external auditor, examine the circumstances that may have motivated it.
- b) Ensure that the remuneration of the external auditor for their work does not compromise their quality or independence.
- c) Supervise that the company reports the change of auditor as a relevant event to the CNMV and accompanies it with a statement about the possible existence of disagreements with the outgoing auditor and, if they existed, their content.
- d) Ensure that the external auditor holds an annual meeting with the full board of directors to inform him of the work done and the evolution of the accounting and risk situation of the company.
- e) Ensure that the company and the external auditor respect the regulations in force regarding the provision of services other than auditing, the limits on the concentration of the auditor's business and, in general, the other rules on the independence of auditors.

Complies ☒

Partially complies ☐

Explain ☐

43. That the audit committee can summon any employee or manager of the company, and even order that they appear without the presence of any other manager.

Complies ☒

Partially complies ☐

Explain ☐

44. That the audit committee be informed about the operations of structural and corporate modifications that the company plans to carry out for its analysis and prior report to the board of directors on its economic conditions and its accounting impact and, especially, where applicable, on the equation of proposed exchange.

Complies ☒

Partially complies ☐

Explain ☐

Not applicable ☐

45. That the risk control and management policy identify at least:

- a) The different types of risk, financial and non-financial (among others, operational, technological, legal, social, environmental, political and reputational) to which company faces, including financial or economic liabilities, contingent liabilities and liabilities. other off-balance risks.
- b) The determination of the level of risk that society considers acceptable.
- c) The measures planned to mitigate the impact of the risks identified, should they materialize.
- d) The information and internal control systems that will be used to control and manage the aforementioned risks, including contingent liabilities or off-balance-sheet risks.

Complies ☒

Partially complies ☐

Explain ☐

46. That under the direct supervision of the audit committee or, as the case may be, of a specialized committee of the board of directors, there is an internal function of control and risk management exercised by a unit or internal department of the company that has expressly attributed the following functions:

- a) Ensure the proper functioning of risk control and management systems and, in particular, that all important risks affecting the company are identified, managed and quantified adequately.

- b) Actively participate in the development of the risk strategy and in important decisions about its management.
- c) Ensure that risk control and management systems mitigate risks adequately within the framework of the policy defined by the board of directors.

Complies ☒

Partially complies ☐

Explain ☐

47. That the members of the Appointments and Remuneration Committee - or of the Appointments Committee and the Remuneration Committee, if they are separated - be appointed so that they have the knowledge, skills and experience appropriate to the functions they are called upon to perform and that the majority of these members are independent directors.

Complies ☒

Partially complies ☐

Explain ☐

48. That the companies of high capitalization have a separate committee of appointments and committee of remunerations.

Complies ☐

Explain ☐

Not Applicable ☒

49. That the appointments committee consults the President of the board of directors and the chief executive of the company, especially when dealing with matters relating to executive directors.

And that any director may request from the appointments committee to take into consideration, in case he finds them suitable in his opinion, potential candidates to fill vacancies of director.

Complies ☒

Partially complies ☐

Explain ☐

50. That the remuneration committee exercises its functions independently and that, in addition to the functions assigned to it by law, the following correspond to it:

- a) Propose to the board of directors the basic conditions of the contracts of senior managers.
- b) Check the observance of the remuneration policy established by the company.
- c) Periodically review the remuneration policy applied to directors and senior managers, including the remuneration systems with shares and their application, as well as ensuring that their individual remuneration is proportionate to that paid to other directors and senior managers of the company.
- d) Ensure that any conflicts of interest do not prejudice the independence of the external advice provided to the commission.
- e) Verify information on the remuneration of directors and senior managers contained in the various corporate documents, including the annual report on directors' remuneration.

Complies ☒

Partially complies ☐

Explain ☐

51. That the remuneration committee consults the President and the chief executive of the company, especially when dealing with matters relating to executive directors and senior managers.

Complies ☒

Partially complies ☐

Explain ☐

52. That the rules for the composition and functioning of the supervision and control commissions appear in the regulations of the board of directors and that they are consistent with those applicable to the legally binding commissions according to the previous recommendations, including:

- a) That they are composed exclusively of non-executive directors, with a majority of independent directors.
- b) That its Presidents be independent directors.
- c) That the board of directors appoint the members of these committees taking into account the knowledge, skills and experience of the directors and the duties of each committee, deliberate on their proposals and reports; and that it render accounts, in the first plenary meeting of the board of directors after its meetings, of its activity and that they respond of the work carried out.
- d) That the committees may seek external advice, when they deem it necessary for the performance of their duties.
- e) That minutes are drawn up from their meetings, which will be made available to all the directors.

Complies ☒

Partially complies ☐

Explain ☐

Not applicable ☐

53. That the supervision of compliance with corporate governance rules, internal codes of conduct and the corporate social responsibility policy be attributed to one or be distributed among several committees of the board of directors that may be the audit committee, the appointments, the corporate social responsibility committee, if any, or a specialized committee that the board of directors, exercising its powers of self-organization, decides to create for that purpose, to which the following minimum functions are specifically attributed:

- a) Supervision of compliance with the internal codes of conduct and the rules of corporate governance of the company.
- b) Supervision of the communication strategy and relationship with shareholders and investors, including small and medium shareholders.
- c) Periodic evaluation of the adequacy of the corporate governance system of the company, in order that it fulfils its mission to promote the social interest and take into account, as appropriate, the legitimate interests of the other interest groups.
- d) The review of the corporate responsibility policy of the company, ensuring that it is aimed at the creation of value.
- e) The monitoring of the strategy and practices of corporate social responsibility and the evaluation of its degree of compliance.
- f) The supervision and evaluation of the relationship processes with the different interest groups.
- g) The evaluation of everything related to the non-financial risks of the company -including operational, technological, legal, social, environmental, political and reputational risks.
- h) The coordination of the process of reporting non-financial information and diversity, in accordance with applicable regulations and international reference standards.

Complies ☒

Partially complies ☐

Explain ☐

54. That the corporate social responsibility policy includes the principles or commitments that the company assumes voluntarily in its relationship with the different stakeholders and identifies at least:

- a) The objectives of the corporate social responsibility policy and the development of support instruments.
- b) The corporate strategy related to sustainability, the environment and social issues.

- c) The concrete practices in matters related to: shareholders, employees, customers, suppliers, social issues, environment, diversity, fiscal responsibility, respect for human rights and prevention of illegal behaviour.
- d) The methods or systems for monitoring the results of the application of the specific practices indicated in the previous letter, the associated risks and their management.
- e) The mechanisms of supervision of non-financial risk, ethics and business conduct.
- f) The channels of communication, participation and dialogue with stakeholders.
- g) Responsible communication practices that avoid information manipulation and protect integrity and honour.

Complies ☒

Partially complies ☐

Explain ☐

55. That the company reports, in a separate document or in the management report, on matters related to corporate social responsibility, using some of the internationally accepted methodologies.

Complies ☒

Partially complies ☐

Explain ☐

56. That the remuneration of the directors be necessary to attract and retain the directors of the desired profile and to reward the dedication, qualification and responsibility that the position requires, but not so high as to compromise the independent criteria of the directors not executives.

Complies ☒

Explain ☐

57. That the variable remuneration linked to the performance of the company and personal performance be limited to the executive directors, as well as the remuneration through the delivery of shares, options or rights over shares or instruments referenced to the value of the share and the long-term savings systems term such as pension plans, retirement systems or other social welfare systems.

The delivery of shares may be contemplated as remuneration for non-executive directors when it is conditioned to keep them until they cease to be directors. The foregoing shall not apply to the actions that the director needs to transfer, in its case, to satisfy the costs related to its acquisition.

Complies ☒

Partially complies ☐

Explain ☐

58. That in case of variable remuneration, the remuneration policies incorporate the limits and the precise technical cautions to ensure that such remunerations are related to the professional performance of their beneficiaries and do not derive only from the general evolution of the markets or the sector of activity of the company or other similar circumstances.

And, in particular, that the variable components of remuneration:

- a) They are linked to performance criteria that are predetermined and measurable and that said criteria consider the risk assumed to obtain a result.
- b) Promote the sustainability of the company and include non-financial criteria that are adequate for the creation of long-term value, such as compliance with the rules and internal procedures of the company and its policies for the control and management of risks.
- c) They are configured on the basis of a balance between the fulfilment of short, medium and long-term objectives, which allow remunerating the performance for a continuous performance during a period of time sufficient to appreciate its contribution to the sustainable creation of value, so that

the elements of measurement of that performance do not turn only around specific, occasional or extraordinary events.

Complies ☒ Partially complies ☐ Explain ☐ Not applicable ☐

59. That the payment of a relevant part of the variable components of the remuneration is deferred for a minimum period of time sufficient to verify that the previously established performance conditions have been met.

Complies ☒ Partially complies ☐ Explain ☐ Not applicable ☐

60. That the remuneration related to the results of the company take into account any qualifications stated in the external auditor's report and reduce said results.

Complies ☒ Partially complies ☐ Explain ☐ Not applicable ☐

61. That a significant percentage of the variable remuneration of executive directors is linked to the delivery of shares or financial instruments referenced to their value.

Complies ☒ Partially complies ☐ Explain ☐ Not applicable ☐

62. Once the shares or options or rights over shares corresponding to the remuneration systems have been attributed, the directors cannot transfer the ownership of a number of shares equivalent to twice their annual fixed remuneration, nor can they exercise the options or rights until after the expiration of a term of, at least, three years from its attribution.

The foregoing shall not apply to the actions that the director needs to transfer, in its case, to satisfy the costs related to its acquisition.

Complies ☒ Partially complies ☐ Explain ☐ Not applicable ☐

63. That the contractual agreements include a clause that allows the company to claim the reimbursement of the variable components of the remuneration when the payment has not been adjusted to the performance conditions or when they have been paid based on data whose inaccuracy is subsequently accredited.

Complies ☐ Partially complies ☐ Explain ☒ Not applicable ☐

No other mechanisms are foreseen in this respect than those included in the applicable mercantile legislation.

64. That the payments for resolution of the contract do not exceed an established amount equivalent to two years of the total annual remuneration and that they are not paid until the company has been able to verify that the director has complied with the previously established performance criteria.

Complies ☐ Partially complies ☒ Explain ☐ Not applicable ☐

The indemnities for resolution of the contracts include the payment for an amount equivalent to the accrued and perfected portion of the annual variable remuneration, as the case may be, and in respect of the deferred part, the entire amount of the deferred payment, and, in the event of resignations., the accrued and perfected part of the annual variable remuneration, as applicable, in accordance with the regulations, up to the date of termination of the employment relationship.

H OTHER INFORMATION OF INTEREST

1. If there is any relevant aspect regarding corporate governance in the company or in the group entities that has not been included in the rest of the sections of this report, but which must be included to gather more complete and reasoned information about the structure and government practices in the entity or your group, briefly describe them.
2. Within this section, you can also include any other information, clarification or nuance related to the previous sections of the report insofar as they are relevant and not repetitive.

Specifically, it will be indicated if the company is subject to legislation other than Spanish legislation in matters of corporate governance and, where appropriate, include the information that is required to be provided and is different from that required in this report.

3. The company may also indicate if it has voluntarily adhered to other codes of ethical principles or good practices, international, sectoral or otherwise. Where appropriate, the code in question and the date of accession will be identified.

D.2. Given that the IT application that generates the Annual Corporate Governance Report demands the existence of identity with the informed shareholders from section A.2., the transactions made between Renta 4 Banco, S.A. and the shareholders whose ownership is equal or greater to 3% have being collected.

Nonetheless, considering that in accordance with the accounting regulations applicable to Renta 4 Banco, S.A., and in relation to the related party transactions, it is necessary to include in the annual financial statements the information relating thereto between the company and the shareholders whose ownership is equal or greater than 1%. To increase the transparency the transactions made between Renta 4 Banco, S.A., and its shareholders whose ownership is equal or greater than 1%, or made with related third parties, have being included as annex.

D.5. The total amount in section D.5. corresponds to the transactions made between the company and the shareholders whose ownership is equal or greater than 1%, or with related third parties.

This annual report on corporate governance has been approved by the Board of Directors of the company, in its session dated 03/13/2018.

Indicate if there were any directors who voted against or abstained in relation to the approval of this Report.

Yes ☐

No ☒