



# **Regulations of the Risk Committee of SURA Asset Management**

## **INTRODUCTION**

The Risk Committee is a management support body carried out by the Board of Directors of Sura Asset Management, S.A. ("Sura Asset Management" or the "Company" hereinafter), to which responsibilities are attributed aimed at the analysis, evaluation and proposals on risk management and administration.

The main objective of the Risk Committee is to assist the Board of Directors in fulfilling its supervisory responsibilities in relation to risk management.

The Risk Committee does not replace the responsibility of the Board of Directors for its oversight obligation in relation to the Company's risk management. In this sense, its responsibility will be limited to supporting the governing body in decision-making, unless the Board of Directors itself delegates decision-making powers to the Committee, in which case the Risk Committee will make decisions on behalf of the Board of Directors without exempting the latter from its responsibility.

## CHAPTER ONE

### **Purpose, scope of application, types of meetings, schedule, invitation to meetings and quorum**

**ARTICLE 1.- Purpose:** the purpose of these Regulations is to determine the principles of action of Sura Asset Management's Risk Committee, the basic rules of its organization and operation and the rules of conduct of its members.

**ARTICLE 2.- Scope of application:** these Regulations shall be of general and mandatory application to all members of the Risk Committee of Sura Asset Management, as well as to the Company's Management in its interactions with the Committee.

**ARTICLE 3.- Types of meetings, venue and schedule:** the Risk Committee will meet in an ordinary manner at least three (3) times a year or more as the circumstances so require.

The Committee shall meet validly at the Company's registered office or in any of the countries in which the Company's administration is exercised, activities are carried out in the development of its corporate purpose, at affiliated or subsidiary companies or at the place agreed by the Committee itself, on the date and time determined therein.

In addition to in person meetings, the Committee may hold virtual meetings or make decisions through virtual means that allow simultaneous or successive interaction of members, in accordance with current regulations.

The Committee shall be convened, through the Secretary of the Board of Directors at the request of two (2) of its members, the Company's Administration or the Company's Board of Directors.

At the end of each year, the Board of Directors will determine the dates of the ordinary meetings of the Committee to be held during the following year.

**ARTICLE 4.- How will the meetings be convened:** the invitation to the meetings of the Committee, both ordinary and extraordinary, shall be made by means of a communication sent by the Secretary of the Board of Directors to each of its members and guests no less than five (5) calendar days prior to the date of the meeting; such communication may be sent through any commonly accepted means, such as e-mail or fax.

**ARTICLE 5.- Content of the invitation:** the invitation to the meetings of the Risk Committee must contain at least the general data of the meeting, such as place, date, time, as well as the agenda that the Committee will deal with at each opportunity.

**ARTICLE 6.- Deliberative and decision - making quorum:** for both ordinary and extraordinary meetings, there shall be a quorum to deliberate with the presence of most of its members. Decisions will be taken by a simple majority of those present. In the event of a tie, the matter shall be submitted to the Board for consideration.

## **CHAPTER TWO**

### **Functions of the Risk Committee**

**ARTICLE 7.- Functions:** the Risk Committee has the following functions:

- a) Recommend for approval by the Board of Directors the risk policy and other policies related to market, liquidity, counterpart, compliance and operational risk.
- b) Propose risk models that are the basis of management actions and contribute to comprehensive risk management.
- c) Propose the Operational Risk Plan on the Company's main processes.
- d) Propose the main operational contingency plans to prevent adverse effects on the organization and its customers.
- e) Propose procedures for comprehensive risk management.
- f) Inform the Board of Directors on the reports of the company's risk situation.
- g) Propose the appropriate and timely mechanisms to follow up on the decisions that may be taken in terms of risks.
- h) Inform to the Board of Directors the limits of risk exposure on a global basis and by type of risk.
- i) Dictate general risk policies to be adopted by the Risk Committees of the Company's affiliated companies or subsidiaries.
- j) Report to the General Shareholders' Meeting on the issues raised by shareholders in matters within its competence.
- k) Review and evaluate the integrity and adequacy of the company's risk management function.
- l) Review risk limits and risk reports, making appropriate recommendations to the Board of Directors and/or the Audit Committee.
- m) Assess systematically the Company's general risk strategy and policies, translated into the establishment of limits by risk and business types, with the level of disaggregation established by business, business or economic groups, customers and areas of activity.
- n) Analyze and assess the Company's ordinary risk management, in terms of limits, risk profile (expected loss), profitability, and capital map (risk capital).

- o) Analyze and evaluate the Company's risk control systems and tools.
- p) Formulate the improvement initiatives it deems necessary on the infrastructure and internal risk control and management systems.
- q) Submit to the Board of Directors the proposals for delegation rules for the approval of the different types of risk that correspond to this or other lower levels of the organization.
- r) Inform the Board of Directors about the operations it must authorize, when they exceed the powers granted to other levels of the Company.
- s) Inform at the request of the Board of Directors of the operations that it must authorize by law or by internal or external regulations or provisions.
- t) Promote the adaptation of risk management in the Company to an advanced model that allows the configuration of a risk profile in accordance with the strategic objectives; and monitoring of the degree of adequacy of the risks assumed to that profile.

## **CHAPTER THREE**

### **Composition and the regime of meetings**

**ARTICLE 8.- Composition:** the Committee shall be made up of at least three (3) and in any case, always by an odd number of members who can be independent, patrimonial or substitute members of the Board of Directors of the Company or external individuals who have knowledge and professional experience related to the subject matter of the committee.

The Risk Committee may obtain the support, on demand or on a permanent basis, of members of the Company's Management, the President of the Company, the Vice President of Finance and Strategic Development, the Vice President of Risks, the Vice President of the Corporate Audit Unit and the Secretary of the Board of Directors shall participate in the Committee with voice but without vote. In addition, people from the Administration whose attendance is considered necessary and appropriate for the development of the meeting; and external experts, who will participate in the spaces determined by the Committee itself, may attend, as guests.

The members shall be elected by the Board of Directors and their remuneration shall be determined based on the provisions of the General Policy for the Appointment, Remuneration and Succession of the members of the Board of Directors of the Company.

In electing the members of the Committee, the Board of Directors shall take into consideration the profiles, knowledge and professional experience of the members in relation to the subject matter of the Committee

**ARTICLE 9.- Agenda of the meeting:** the agenda of the meeting shall be organized by the Vice President of Risks, in accordance with the instructions of the President of the Company and the members of the Committee. In all cases, the material and supporting information regarding each topic to be worked upon at the respective meeting will be sent to the members of the committee.

The members of the Committee may request that other matters be included in the agenda, submitting the respective request to the Secretary of the Board of Directors, for inclusion in the next meeting or its scheduling for a subsequent meeting, always informing the members, with the required detail, of its decision.

The agenda may be modified, even after the members of the Committee have been notified of the meeting, if in the opinion of the Secretary, the importance of the topics so requires.

In any case, and by agreement of the Committee itself, new topics may be included even during the development of the respective meeting.

**ARTICLE 10.- Agenda of the meeting:** the agenda of the meeting shall incorporate, at least, the following matters:

1. Approval of the agenda
2. Approval of the previous minutes
3. Topics for approval by the Committee
4. Information Topics
5. Topics for monitoring
6. Monitoring of the Company's risk management
7. Committee members issues
8. President of the Company's issues

**ARTICLE 11.- Minutes:** the Secretary will keep the minutes of each meeting, in which the decisions of the Committee shall be recorded. The minutes shall be identified with consecutive numbering and shall be deposited in the corresponding book or file, keeping said documents for the appropriate purposes. The minutes will be signed by the attending members, the President of the Company, and the Secretary.

The minutes will be available to the members of the Board of Directors, who may request a copy from the Secretary of the Committee. The minutes will subject to the same demands and requirements as those applicable to the minutes of the Board of Directors.

The documents known to the Committee that are the basis of its decisions shall form an integral part of the minutes and shall be considered as annexes thereto.

## **CHAPTER FOUR**

### **Chairperson and Secretary of the Committee**

**ARTICLE 12.- Chair of the Committee:** the Committee shall elect a Chairperson from among its members, who will have the function of presiding over and directing the ordinary and extraordinary meetings of the Committee. He/she will be elected for periods of two (2) years that can be automatically extended. It is the responsibility of the Chair of the Committee to moderate the discussions.

**ARTICLE 13.- Secretary of the Committee:** the Secretary of the Board of Directors will act as secretary of the Committee. Who will be responsible for supporting the President and must ensure the proper functioning of the Committee, taking special care in providing the members of the Committee with the necessary advice and information. The Secretary will also be responsible of preserving the documentation, will properly reflect in the minutes book the development of the sessions and will attest to the decisions of this supporting body.

## **CHAPTER FIVE**

### **Principles of action and responsibilities of the Risk Committee Members**

**ARTICLE 14.- Principles of action of the Members of the Risk Committee:** to maintain the greatest objectivity, independence and knowledge in decision-making, the members of the Committee must be governed, individually and as a collegiate body, by the following principles:

- a) They may not act in the interests of any shareholder or groups of shareholders.
- b) They will independently perform their duties in good faith, with due diligence and care, always ensuring that their decisions are in the best interests of the Company and its shareholders.
- c) They will treat all shareholders in their decisions in an equitable and fair manner.
- d) They will exercise their role in compliance with the law, the Bylaws, the Code of Good Corporate Governance, the Code of Conduct and Ethics and other regulations of the Company.
- e) They will exercise their role objectively, impartially, and autonomously, establishing general guidelines.
- f) They will know the financial and operational condition of the Company and the most important segments of its businesses. Information on such matters shall be received at the meetings and shall be channeled through the Secretariat of the Company.
- g) They will attend the meetings and actively participate in them, knowing and reviewing in advance the study and analysis material for the meetings, that the management of the Company will provide in an appropriate and timely manner.
- h) They will avoid any situation of real or potential conflicts between their duties towards the Company and their personal interests, informing the Board of Directors in due time of any situation that may involve a conflict of interest with the Company or their subordinates and, in general, they shall try to refrain from attending, intervening and voting in the deliberations on the matters that gives rise to their conflict.
- i) They shall keep secret the deliberations of the Committee of what is not public knowledge and, in general, shall refrain from disclosing information of which they have had access in the exercise of their duties.

- j) The actions they carry out before the Company will seek the general interest of the Company and will not obey private interests.
- k) As a collegiate body, they will limit themselves to analyzing, evaluating, and deciding on risk management and administration; and to submit to the Board the reports and decisions taken.

**ARTICLE 15.- Responsibilities of the Members of the Risk Committee:** the functions to be carried out by the Committee are defined by the Board and as stated in the Code of Good Corporate Governance, consist of analyzing, evaluating and deciding on risk management and administration; and presenting to the Board the reports and decisions taken. In this regard, it shall be the responsibility of the Members of the Committee:

- a) In relation to the Risk Management Framework:
  - Recommend for Board approval the main policies on business, market, liquidity, credit, counterpart, compliance, and operational risk.
  - Propose to the Board the risk exposure limits on a global basis and by type of risk.
  - Establish risk models that are the basis of management and contribute to comprehensive risk management.
  - Approve policies for comprehensive risk management.
  - Establish and approve the Operational Risk Plan for the Company's main processes.
  - Approve the main operational contingency plans to prevent adverse effects on the organization and its customers.
- b) In relation to the monitoring of the risk situation of the Company:
  - Establish the appropriate and timely mechanisms to follow up on the decisions that may be taken in terms of risks.
  - Report to the Board of Directors on the Company's risk situation.

**ARTICLE 16.- Access to Information:** For the full performance of its functions, the Company shall guarantee to the Committee, within the scope of its competence, access to the Company's necessary information, except in the case of information of a confidential nature in accordance with the Law and the Bylaws.

**ARTICLE 17.- Loss of member status of the Board of Directors due to non-attendance:** Failure to attend, without justified reason, three (3) sessions of the Committee, in an annual period, may be cause for loss of the status of member of the Board of Directors and, consequently, of the Committee,



at the proposal of the President of the Board.

If the applicable regulations provide for a more restrictive provision in this regard, such provision shall apply.

## **CHAPTER SIX**

### **Other provisions**

**ARTICLE 18. Support from Administration:** the Committee may request, at any time, the support, on demand or on a permanent basis, of members of the Administration with experience in the matters within its competence.

In such a case, the Company will provide the relevant technical and human resources to meet the Committee's request.

**ARTICLE 19.- Hiring of External Advisors:** the Committee may request the Board of Directors to hire external advisors, when it deems it necessary to fulfill its functions.

The request for the hiring of external advisors must be in writing, indicating at least the following:

- a) Reasons justifying the hiring for the full performance of the functions entrusted to the Committee.
- b) Presentation of several candidates together with their respective economic offers.
- c) Candidates nominated as potential candidates must be qualified professionals, recognized as such in accordance with the Law and must meet the requirements set forth in the Company's recruitment rules.
- d) Declaration of no conflict of interest with potential candidates.

**ARTICLE 20.- Communication of the decisions of the Risk Committee:** the Chair of the Committee or, in his/her absence, one of his/her invitees, shall present to the Board of Directors at its next meeting the decisions adopted by this body to be analyzed by the Board of Directors and, where appropriate, adopted by it.

**ARTICLE 21.- Interpretation and priority:** the applicable legislation, the Bylaws and the Code of Good Corporate Governance shall prevail over these Regulations in the event of any gap, inconsistency, or conflict.