



## **RULES OF ORGANISATION AND FUNCTIONING OF THE REMUNERATION COMMITTEE.**

### **TITLE I. GENERAL PROVISIONS.**

#### **Article 1.- Purpose.**

These rules of organisation and functioning define the basic principles and framework of action of the Remuneration Committee at *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U.* (hereinafter, IBERCLEAR or the Company).

#### **Article 2.- Scope of application.**

These rules of functioning shall apply to the Remuneration Committee and its members, including its Secretary and Deputy Secretary, and the other persons sitting on this Committee on a complementary and supplementary manner to the provisions concerning the Remuneration Committee in the Regulations of the Board of Directors.

#### **Article 3.- Amendments.**

Amendment of the rules of functioning shall require an agreement adopted by the Board of Directors, at the proposal of the Remuneration Committee.

#### **Article 4.- Dissemination and publicity.**

The people to whom these rules of functioning apply are required to be familiar with them, comply with them and enforce them. These rules shall be available on the Company's website.

### **TITLE II. COMPOSITION AND FUNCTIONS OF THE REMUNERATION COMMITTEE.**

#### **Article 5.- Composition.**

1. The Remuneration Committee shall consist of a minimum of three (3) and a maximum of five (5) members, who shall be appointed and removed by the Board of Directors. To be a member of the Remuneration Committee, it will not be necessary to sit on the Board of Directors.
2. The members of the Remuneration Committee shall be appointed for a period of four (4) years and may be re-elected, once or several times, for periods of an equal duration, to which end the Board of Directors shall take into consideration the quality of the services provided and the commitment of the members of the Committee during the preceding period.
3. The members of the Remuneration Committee, and especially its Chairman, shall have the appropriate skills, training and experience in terms of internal remuneration policy, and shall be appointed in due observance of gender diversity. All members of the Committee shall have the necessary knowledge concerning the activities of the central securities depository and the regulations applicable.
4. To preserve the independence of the Remuneration Committee in the performance of its functions, the Company's Directors qualified as executive who sit on the Remuneration Committee may not represent the majority.

Article 6.- Advisory functions to the Board of Directors.

The Remuneration Committee is responsible for advising the Board of Directors on the Company's remuneration policy. In particular, the Remuneration Committee shall advise the Board of Directors on:

- a) the adequacy of the remuneration policy proposed for implementation by the Board of Directors;
- b) analysis and assessment of the advisability of updating the remuneration policy and, where appropriate, the amendments that it considers should be added to the policy;
- c) establishment of conditions for remuneration of the Company's senior management, including the Chief Executive Officer, prior to its appointment by the Board of Directors.

Article 7.- Supervision and verification functions.

1. It is the responsibility of the Remuneration Committee to oversee the application of the Company's remuneration policy.

2. In order to carry out such supervision, the Remuneration Committee shall receive, at least once a year, information on how the Company's remuneration policy was applied the preceding year.

In particular, the Remuneration Committee shall receive information on the number of employees and members of senior management of the Company who receive each of the items of remuneration set out in the remuneration policy.

4. The Remuneration Committee shall verify the information on remuneration received by the members of senior management and the Company Chief Executive Officer set out in documents that the Company must present at any time.

**TITLE III. FUNCTIONING OF THE REMUNERATION COMMITTEE.**

Article 8.- Call to meetings.

1. The Remuneration Committee shall meet, on an ordinary basis, once a quarter, and as many times as its Chairman calls a meeting, as deemed necessary for the adequate fulfilment of its functions.

2. The Remuneration Committee shall prepare, on an annual basis, a schedule of meetings that will include the dates set for holding the ordinary meetings of the Committee with the topics to be addressed at these meetings.

3. The agenda of Remuneration Committee meetings shall be sent by letter, fax or email, pursuant to the instructions received from each member of the Committee, together with the necessary documentation, prior to the date scheduled for the meeting to be held.

Article 9.- Quorum.

Remuneration Committee meetings shall be held at the Company's registered office or at any other venue decided by the Chairman and specified in the call notice, and the meeting shall be quorate when the majority of the Committee members are present or represented.

Article 10.- Conduct of meetings.

1. The members of the Remuneration Committee shall do their best to attend the Committee meetings and, when they cannot do so in person, they shall strive to delegate their representation to another member of the Committee.
2. The Chairman shall organise and direct the debate, encouraging the participation of the members of the Remuneration Committee in its deliberations.
3. The Chairman shall be responsible for determining when the topics on the agenda of the meetings have been debated sufficiently.

#### **TITLE IV. RELATIONS AND DEVELOPMENT OF FUNCTIONS OF THE REMUNERATION COMMITTEE.**

##### Article 11.- Access to information.

1. The members of the Remuneration Committee, based on the instructions received from the Committee's Chairman, shall receive, at the same time as the call to attend Committee meetings, the necessary information to be debated at the meeting.
2. Furthermore, the Remuneration Committee, through its Chairman, may obtain the information and documentation it deems necessary for the performance of its functions, and require the collaboration of any executive or employee of the Company, who shall be obliged to attend the meetings of the Committee and to provide their collaboration and access to the information at their disposal when required for this purpose.
3. The Secretary of the Remuneration Committee shall respond to the requests for information that the Chairman makes as provided for above and shall be in charge of summoning, if necessary, the Company's directors or employees.

##### Article 12.- Right to information and advice.

1. The Remuneration Committee may seek the collaboration of independent third-party experts in the performance of its duties, who may be invited to Committee meetings. In any case, the Remuneration Committee shall ensure the independence of the external advice provided for the Committee.
2. Likewise, the Remuneration Committee may invite, when necessary, the Chief Executive Officer, the Human Resources Manager or any other director of the Company to attend the meetings of this Committee for them to provide advice on matters in which they can contribute to the best development of its functions.