



VIDACAIXA REGULATORY COMPLIANCE FUNCTION POLICY

VERSION CONTROL

<u>Date</u>	<u>Description</u>	<u>- Party responsible</u>	<u>Amendment</u>	<u>Approval</u>
<u>23/07/2015</u>	<u>Created</u>			
<u>29/10/2015</u>	<u>Updating 2015</u>			
<u>20/07/2016</u>	<u>Updating 2016</u>			
<u>03/03/2017</u>	<u>Updating 2017</u>			
<u>29/11/2018</u>	<u>Updating 2018</u>	<u>Legal and Regulatory Compliance Department</u>	<u>Modification of the scopes of the Regulatory Compliance Function in line with those defined at the Group level</u>	<u>Board of Directors</u>
<u>28/11/2019</u>	<u>Updating 2019</u>	<u>Legal and Regulatory Compliance Department</u>	<u>No changes. It is envisaged that it will be adapted to CaixaBank's new Regulatory Compliance Policy, which will be approved in December, and its approval in VidaCaixa is planned for the first quarter of 2020.</u>	
<u>08/05/2020</u>	<u>Adherence to CaixaBank's corporate policy</u>	<u>Legal and Regulatory Compliance Department</u>	<u>Direct adherence</u>	<u>Board of Directors</u>
<u>26/01/2021</u>	<u>Approval of a new policy based on the CaixaBank corporate policy</u>	<u>Legal and Regulatory Compliance Department</u>	<u>The policy has been adapted to adopt the CaixaBank group's regulatory compliance policy as its own. Section b) of point 4 "Independence" has been modified, indicating that the Regulatory Compliance Function (RCF) will operate reporting to the highest possible hierarchical level within the organisation. Point 7 has also been modified to delete all references to branches or representative offices and the references to CaixaBank and VidaCaixa has been adapted.</u>	<u>Board of Directors</u>

<u>15/11/2021</u>	<u>Adaptation in line with CaixaBank's Corporate Regulatory Compliance Policy</u>	<u>Regulatory Compliance Area Department</u>	<p>The Policy has been adapted to the Corporate Policy model template and formal wording changes have been made.</p> <p>The prohibition on reprisals against employees using the Queries and Whistleblowing Channel has been introduced.</p> <p>The reference to the Function reporting to the highest possible hierarchical level of the Entity's Organisation has been removed.</p> <p>The powers of the corresponding Governing Bodies have been adjusted to the principle of Independence and the direct access of the Regulatory Compliance Function to the Management and Governing Bodies has been made explicit.</p> <p>Explicit reference has been made to the report by the Compliance Function in relation to the monitoring of the Annual Compliance Plan to Management and Governing Bodies.</p>	<u>Board of Directors</u>
<u>23/10/2023</u>	<u>Updating 2023</u>	<u>Regulatory Compliance Department</u>	<p>Adaptation of the Policy to the corporate version of the policy model 2023:</p> <ul style="list-style-type: none"> o Scope of application. The processes for subsidiaries to incorporate the Policy, as well as corporate supervision, have been detailed. o Governance framework. Adaptations of the following sections to the Policy model: <ul style="list-style-type: none"> • Board of Directors responsibilities have been set out. • Management Committee, the content has been adapted to the Corporate Policy model. • Section 5.4 Regulatory compliance management functions has been added. o Management framework. Reference has been added to the periodic monitoring of the Annual Regulatory Compliance Plan. o Control framework. The functions of second line of defence have been specified. o Information framework. The periodic information sent to the Global Risk Committee has been set out. 	<u>Board of Directors/December 2023</u>

CONTENTS

1. INTRODUCTION: THE ROLE OF REGULATORY COMPLIANCE IN REGULATION
 - 1.1 Background
 - 1.2 Scope
 - 1.3 Objective
2. SCOPE OF APPLICATION
3. REGULATORY FRAMEWORK. APPLICABLE RULES AND REGULATIONS
4. GENERAL PRINCIPLES OF THE REGULATORY COMPLIANCE FUNCTION
 - a. Autonomy
 - b. Independence
 - c. Authority
 - d. Human and technical resources
 - e. Ability and professionalism
 - f. Access to information
 - g. Risk-based approach
 - h. Continuity
5. GOVERNANCE FRAMEWORK
 - 5.1 VidaCaixa Governing Bodies
 - 5.2 VidaCaixa collegiate bodies in the area of Compliance risk
 - 5.3 Subsidiaries of the VidaCaixa Group
 - 5.4 Regulatory Compliance management functions
6. MANAGEMENT FRAMEWORK FOR THE REGULATORY COMPLIANCE FUNCTION
 - 6.1 Management model
 - 6.2 Key elements of the Regulatory Compliance Function
7. CONTROL FRAMEWORK
8. INFORMATION-REPORTING FRAMEWORK
9. UPDATING OF THE POLICY

1. INTRODUCTION: THE ROLE OF REGULATORY COMPLIANCE IN REGULATION

1.1 Background

There are many legal requirements at different levels that mean organisations must have a specific team performing the role of Regulatory Compliance (*referred to here either as Regulatory Compliance or Compliance*). This team is responsible for promoting ethical business principles, creating a strong corporate culture of respect for the law and regularly checking and evaluating the effectiveness of controls related to the risk of breaching any of these legal requirements.

Within this framework for action, VidaCaixa's Board of Directors approves this Regulatory Compliance Function Policy (referred to as "the Policy"), in line with the CaixaBank Corporate Regulatory Compliance Policy.

1.2 Scope

Regulatory compliance is the responsibility of each and every member of the organisation. This responsibility is divided between the Regulatory Compliance function and the employees as follows:

a) Regulatory Compliance Function

The main responsibilities of the Regulatory Compliance Function are as follows:

- Define, implement and maintain a Compliance Programme that guarantees correct and effective implementation of the Regulatory Compliance Policy.
- Continuously identify, monitor and assess Compliance Risk.
- Ensure that the entity's Governing Bodies and Senior Management are informed about the key Compliance issues and the action planned to resolve any weaknesses detected/arising.
- Assist and advise Senior Management and other personnel at VidaCaixa and its subsidiaries about the appropriate management of Compliance Risk.
- Promote, coordinate, monitor and, where appropriate, roll out training plans for the entity's employees in the area of Compliance.
- Maintain ongoing contact with the main regulatory bodies and supervisors with the aim of understanding their expectations and ensuring the continuation of good communication. This includes developing a relationship based on two-way dialogue and keeping them updated about VidaCaixa's main regulatory initiatives and projects.

- Jointly with the areas responsible for Corporate Social Responsibility, lead the process of disseminating the values and principles included in VidaCaixa's Code of Ethics.
- Plan, adopting a risk-based approach, the key activities to be carried out by the Regulatory Compliance Function over the course of the year and monitor these. This planning is set out in the Annual Compliance Plan.
- Promote a culture within the Organisation of compliance with regulations, promoting the establishment and maintenance of an appropriate governance framework that facilitates compliance, throughout the entire organisation, with regulations, policies, procedures and rules of conduct.

b) Employees

The main obligation on all VidaCaixa employees is to be aware of and comply with, in their daily actions, the internal and external regulations, guidelines and instructions given by the Governing Body, Senior Management and the Regulatory Compliance Function in relation to Compliance Risk.

Similarly, in accordance with the content of the Corporate Internal Information System Policy, to which VidaCaixa has signed up, we remind you of the duty of all employees to report any type of incident that may involve breaches as established in that Policy.

VidaCaixa expressly prohibits and will not tolerate acts of retaliation, including threats of reprisals and attempted reprisals against anyone reporting incidents. VidaCaixa will adopt the necessary measures to guarantee the protection of the informant provided for in Spanish Law 2/2023, of 20 February, which regulates the protection of people who report breaches of regulations and the fight against corruption, and the internal regulations that implement this.

1.3 Objective

The objective of this Policy is to define the Regulatory Compliance Function. This consists of identifying, assessing, supervising and reporting the risks of sanctions or financial losses to which the entity is exposed as a result of non-compliance or defective compliance with laws, regulations, judicial or administrative requirements, codes of conduct or ethical standards and best practice guidelines related to its scope of action and with reference to any legal/regulatory, conduct and compliance or reputational risks (*Compliance Risks*). It also consists of advising, informing and assisting senior management and the governing bodies in matters of regulatory compliance and promoting a culture of compliance throughout the organisation through training, information and awareness-raising initiatives.

To this end, the Regulatory Compliance Function consists of the following objectives:

- **Supervision of the Compliance Risk** derived from the processes and activities carried out by the entity.
- **The promotion, encouragement and development of the corporate values and principles contained in the Code of Ethics** that must guide the entity's actions.

- **The promotion of a culture of control and compliance with current laws and regulations** (both external and internal) that allows and supports their integration into the management of the entire organisation.

The content of this Policy includes:

- General strategy or principles governing compliance risk management
- Governance framework
- General aspects of compliance risk management
- Control framework
- Reporting/information framework

2. SCOPE OF APPLICATION

This Policy is aligned with CaixaBank's Corporate Policy. As a result, the principles of action defined in that are also applicable to all companies in the VidaCaixa Subgroup that carry out any of the activities exposed to compliance risk. The governing bodies of these companies will take the appropriate decisions in order to integrate the provisions of this Policy. Following the principle of proportionality, they will adapt the governance framework to the specific features of their structure of governing bodies, committees and departments, and their principles of action, methodologies and processes as described in this document.

This integration may involve, among other decisions, the subsidiary approving its own policy. Approval will be necessary in those subsidiaries that need to adapt the content of this Policy to their own special features, such as subject matter, jurisdiction or importance of the risk in the subsidiary. In this case, VidaCaixa's Regulatory Compliance function or the corresponding Committee, provided that its functions are of a recognised corporate nature given that this is a corporate issue, will ensure the alignment of these policies with the corporate policy and consistency across the CaixaBank Group.

In those cases where the subsidiary's risk control and management activities are carried out directly by VidaCaixa, due to the materiality of the risk in the subsidiary, for reasons of efficiency or because the subsidiary has outsourced the operational management of this risk to VidaCaixa, the governing bodies of the affected subsidiaries must be aware of the existence of this Corporate Policy and its application to those subsidiaries.

Finally, this Policy, in addition to being corporate, has the status of being the policy adopted by VidaCaixa, parent company of the VidaCaixa Subgroup.

3. REGULATORY FRAMEWORK. APPLICABLE RULES AND REGULATIONS

This Policy will be governed by the provisions of the current applicable regulations, as well as by any that modify or replace these in the future. On the date of their preparation, the current regulations applicable to the Regulatory Compliance function included at least the following:

- USA - US Foreign Corrupt Practices Act (FCPA), 1977
- "Enterprise Risk Management - Integrated Framework" (COSO I, 1992)

- OECD Anti-Bribery/Corruption Convention (1997), officially the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions
- OECD Principles of Corporate Governance (1999)
- UN Convention against Corruption (2003).
- Business principles to combat bribery. International Transparency (2003).
- Australian Standard 3806-2006 Compliance Programs (2006)
- “Enterprise Risk Management - Integrated Framework” (COSO II, 2004)
- Criminal Code Reform Spanish Organic Law 5/2010 (2010) and subsequent reforms
- UK Bribery Act (2010)
- Guidance to the US FCPA (2012) Resource Guide and Compilation of Information
- Guideline on Internal Governance (GL 44) EBA
- Criminal Code Reform Spanish Organic Law 1/2015 (2015)
- G20/OECD Principles of Corporate Governance (2016)
- Circular 1/2016 of the Spanish Crown Prosecution Service on the criminal liability of legal entities in accordance with the reform of the Criminal Code introduced through Spanish Organic Law 1/2015 (2016)
- ISO 37001 Anti-Bribery Management Systems Standard (2016)
- UNE 19601 Standard on Management Systems for Criminal Compliance (2017)
- Guide on “COSO Enterprise Risk Management – Integrating with Strategy and Performance” (COSO III ERM, 2017)
- ISO 37301 Compliance Management Systems Standard
- Directive on the protection of persons reporting breaches of Union law (2019)
- CNMC Guide on Compliance programmes regarding the Defence of Competition.
- Spanish Law 20/2015, of 14 July, on the Regulation, Supervision and Solvency of Insurance and Reinsurance Companies (LOSSEAR)
- Spanish Law 2/2023, of February 20, regulating the protection of people who report regulatory breaches and the fight against corruption

In the case of subsidiaries covered by foreign jurisdictions or complementary sector-specific regulations, the policies and procedures that they introduce will take into account, in addition to their own regulations, the obligations at a consolidated level contained in the aforementioned regulations as long as they do not contradict the specific requirements of the corresponding jurisdiction or sector-specific regulations.

Finally, the rules, guidelines or procedures necessary for the correct implementation, execution and compliance of this Policy will be introduced in each of the VidaCaixa Subgroup companies.

4. GENERAL PRINCIPLES OF THE REGULATORY COMPLIANCE FUNCTION

The principles that will govern the actions of VidaCaixa, in line with the CaixaBank Group, for the control and management of compliance risk are:

a) **Autonomy**

The Regulatory Compliance Function is an autonomous function, which means that it must have sufficient power to take the initiative to carry out its functions, without the need to receive specific instructions from other areas or act at their request.

The Regulatory Compliance Function must have the autonomy to make decisions without the need for any other area or function of the organisation to approve or support its opinions.

b) **Independence**

To guarantee the objectivity of its decisions, the Regulatory Compliance Function will operate under the principle of functional independence from those areas or functions for which it supervises and monitors Compliance Risk.

Similarly, to guarantee its independence, the Compliance Function will not be set commercial targets to meet. It will only have targets relating to its own activity and the global corporate challenges of the entity.

Similarly, any appointment, dismissal, setting of pay (both fixed and variable and the balance between the two, always respecting a principle of reasonableness) and assessment of the degree to which they have achieved their objectives or challenges will correspond, subject to compliance with the applicable legal requirements, to the corresponding Governing Bodies.

The people performing the Regulatory Compliance Function may not participate in service provision or activities that they supervise. This is to avoid undue influence in the exercising of their functions.

The Regulatory Compliance Function will in all cases have direct access to the Management and Governing Bodies in the implementation of its functions and responsibilities.

c) Authority

The Compliance Function will be positioned at all times within the highest hierarchical levels of the entity's Organisation (Senior Management) and will have sufficient authority to ensure that its areas of action and decisions are adopted by other areas in the entity.

The Board of Directors, in line with that defined in the Corporate Internal Information System Policy, will appoint the CaixaBank Chief Compliance Officer as Head of the CaixaBank Group Internal Information System.

The Compliance Function and the Person Responsible for the Internal Information System, in coordination with the Regulatory Compliance Function, may, at any time, raise queries, request information, initiate or require assessment and/or verification processes and investigations relating to areas or processes that present real or potential risks of a breach that may put the entity at risk and any other measure or procedure required for the successful completion of the Internal Information System process.

d) Human and technical resources

Due to the importance of the mission of the Compliance Function and its responsibilities within the organisation, the areas that perform the Compliance Function must have sufficient resources to perform the activities and responsibilities assigned to the Function in this policy.

As a result, sufficient material, IT and technical resources must be assigned to Regulatory Compliance so that it can effectively carry out its function, taking into account the nature, volume and complexity of the operations and the nature of the risks taken by the entity.

To this end, the Compliance Function must have a budget that allows it to perform its activities, which must reflect the level of risk of a breach to which the entity is exposed.

e) Ability and professionalism

Everyone involved in the Compliance Function must have the knowledge, experience, qualifications and professionalism necessary to carry out their duties throughout the entire organisation with assurance and therefore guarantee the permanent wide coverage of the Compliance Function.

To this end, training and certification programmes must be established for joining and working in the Compliance Function, as well as plans that allow for professional development.

f) Access to information

The Compliance Function will have access to all information and documentation required to appropriately perform its functions. Similarly, it must receive the necessary cooperation at all levels to meet the information requirements of the supervisory bodies within the established deadlines.

g) Risk-based approach

In the performance of their activity, all areas involved in compliance with the rules, and in particular the Compliance Function, must always follow a risk-based approach. As a result, they must carry out the continuous assessment of the Compliance Risk associated with the main processes. This will allow for the prioritisation of the Function's supervision and monitoring activities, as well as an appropriate allocation of resources based on the risks identified.

h) Continuity

To implement the mission and tasks entrusted to it under current regulations, the Compliance Function must exist and form part of the organisational structure of the entity at all times, regardless of the specific people who work in it.

5. GOVERNANCE FRAMEWORK

The pillars underpinning the governance framework of the Regulatory Compliance Function at VidaCaixa, in line with the CaixaBank Group, are:

- Compliance by CaixaBank Group companies, within their scope of application, with the principles included in this Policy.
- Corporate supervision of the parent company.
- Alignment of strategies across the Group companies, and in turn alignment with best practices, supervisory expectations and current regulations.
- Full involvement of the governing and management bodies in the Group's companies.
- Internal control framework based on the three-level control model (or three Lines of Defence), which guarantees the strict segregation of duties and the existence of several layers of independent control.

5.1 VidaCaixa Governing Bodies

5.1.1 Board of Directors

VidaCaixa's Board of Directors is responsible for implementing a risk governance framework that reflects the risk propensity level. It includes the dissemination of a strong risk culture, the establishment of the risk appetite implemented through a Risk Appetite Framework (RAF) and the establishment of defined responsibilities for risk taking, management and control functions.

In relation to compliance risk management, the following responsibilities stand out:

- Establishing the strategy and fundamental principles of the entity's compliance risk management. Approving this Policy and ensuring compliance with it.
- Establishing the framework for monitoring the situation and the evolution of compliance risk (nature, type of information and frequency) and the behaviour of the respective metrics in comparison with the thresholds established in terms of the defined risk profile and under different stress scenarios.
- Establishing and supervising the implementation of a risk culture at VidaCaixa that promotes conduct in keeping with the regulatory compliance principles established in this Policy.
- Establishing and maintaining an organisational structure at VidaCaixa appropriate for managing compliance risk that is proportionate to the nature, scale and complexity of the activities being performed.
- Ensuring that the staff involved in compliance management have the appropriate skills and experience.
- Establishing the monitoring and escalation mechanisms to be used if any of the defined thresholds are crossed.
- Ensuring that there are sufficient internal controls over the Regulatory Compliance Function.

Finally, and at least once a year, the Governing Body will assess the effectiveness of the entity's Compliance Risk management model, by examining the Regulatory Compliance Function's Annual Report of Activities.

5.1.2 Risk Committee

The Risk Committee advises VidaCaixa's Board of Directors on the global propensity for risk and its strategy in this area. Within the framework of compliance risk management, this Committee:

- Proposes the approval of this Policy to the Board.
- Monitors the degree to which the risk taken is appropriate given the previously determined profile and ensures that the Entity's actions are consistent with the established tolerance levels.
- Determines, jointly with the Board of Directors, the information that the Board of Directors must receive and establishes what this Committee must receive, so that there is sufficient knowledge of the exposure to this risk when taking decisions.
- Assesses the regulatory compliance risk in its scope of action and decision, detecting any risks of a breach and monitoring these and examining possible deficiencies in terms of ethical principles.
- Verifies that the Entity has the means, systems, structures and resources required in keeping with best practices that allow it to implement its compliance risk management strategy.

5.1.3 Audit and Control Committee

VidaCaixa's Audit and Control Committee supervises the effectiveness of the internal control systems, ensuring that the policies and systems established in this matter are applied effectively. It also supervises and evaluates the effectiveness of the financial and non-financial risk management systems.

Additionally, VidaCaixa's Audit and Control Committee:

- Informs the Board of Directors in advance about the financial and non-financial information that VidaCaixa must periodically make public to the markets and its supervisory bodies.
- Supervises the effectiveness of the system for internal control over financial information (SCIIF) and non-financial information (SCIINF), deciding on the level of trust in and reliability of the system.
- Monitors the Internal Audit Department to ensure that it is safeguarding the proper functioning of the information and internal control systems, checking their suitability and integrity.
- Establishes and supervises the mechanism that allows VidaCaixa employees and other people related to the entity, such as directors, intermediaries, shareholders, suppliers and people who work for or under their supervision, former employees and job candidates, contractors or subcontractors, to communicate confidentially and, if considered appropriate, anonymously, any incidents that could potentially be significant, including financial and accounting ones, or ones of any other nature, related to the entity that they notice in the Entity. It receives periodic information on the operation of this mechanism and can propose appropriate actions to improve it and to reduce the risk of incidents in the future.

5.2 VidaCaixa's collegiate bodies in the area of Regulatory Compliance risk

5.2.1 Management Committee

The Management Committee is responsible for implementing the consolidated Strategic Plan and Budget approved by the Board of Directors. For this implementation, it adopts agreements, directly or through its delegated committees, related to the Compliance Function.

Specifically, the Management Committee must contribute to disseminating and communicating to employees the main Compliance Risk obligations.

Similarly, through the corresponding Committees and Bodies, it must identify, communicate and inform Regulatory Compliance at an early stage about any Compliance Risk control deficiencies (Gaps) in the processes and activities for which it is responsible, defining the action plans to resolve and remedy such deficiencies and leading on the implementation of corrective or mitigating actions, ensuring their effective completion.

The Management Committee will be responsible for approving the procedures that implement this Policy, at the proposal of the Regulatory Compliance Department.

In addition, the Management Committee adopts agreements that affect the organisational functioning of the Entity. It approves, among others, structural changes, appointments, expense lines and also business strategies.

5.2.2 Global Risk Committee

VidaCaixa's Global Risk Committee is the body reporting to the Risk Committee that is responsible for globally managing, controlling and monitoring, among others, Compliance Risk, as well as the implications for the management of liquidity, solvency and capital consumption.

To do this, it analyses the global positioning in relation to this risk and establishes, directly or through its delegated committees, the policies or procedures that optimise its management, monitoring and control within the framework of VidaCaixa's strategic objectives.

It is the specific objective of this Committee to adapt the strategy in this area to that established by the Board of Directors within the risk appetite framework, coordinate the mitigation measures for breaches and the reaction to the first warnings, and keep VidaCaixa's Board of Directors informed, through its Risk Committee, of the main lines of action and their status.

5.3 Subsidiaries of the VidaCaixa Subgroup

This Regulatory Compliance Policy applies to employees, managers and members of the Governing Body of all the entities that make up the VidaCaixa Group. They must all be aware of it and comply with it. To this end, this policy will apply directly to the Governing and Management Bodies of the VidaCaixa Group's entities and their employees, who will be governed by the principles and rules included in this policy.

In the subsidiaries of the VidaCaixa Subgroup, the personnel in the Regulatory Compliance Function will ensure that the content of this Policy is complied with.

The application of this policy in subsidiaries outside Spain must be preceded by an analysis of its content in relation to the regulatory requirements of the jurisdiction in question, always guaranteeing that any adaptation ensures, at a minimum, compliance with this policy and the local regulatory requirements of the jurisdiction where the subsidiary is located. Any deviation or exception to compliance with the content of this Policy must be expressly approved in advance by VidaCaixa's Regulatory Compliance Function, in coordination with the CaixaBank Regulatory Compliance Function.

5.3.1 Governing bodies of the VidaCaixa Subgroup's subsidiaries

The governing bodies of the VidaCaixa Subgroup's subsidiaries:

- Will adopt the appropriate decisions for the purposes of integrating the provisions of this Policy and applying the guidelines established in it, taking into account the specific features of each subsidiary and the legal or regulatory rules applicable to them.
- Will establish and supervise the implementation of a risk culture in the organisation that promotes behaviour consistent with the identification and mitigation of compliance risk.
- Will establish and maintain an organisational structure appropriate for managing compliance risk that is proportionate to the nature, scale and complexity of the activities they perform.
- Will ensure that the personnel involved in Compliance Risk management have the appropriate skills and experience.
- Will establish the monitoring and escalation mechanisms to be used if any of the defined thresholds are crossed.
- Will ensure that there are sufficient internal controls over regulatory compliance.

5.3.2 Collegiate bodies of the VidaCaixa Subgroup's subsidiaries

The people who perform their activities in the Regulatory Compliance Function in subsidiaries will act following the co-dependency organisational and governance model described below:

- For subsidiaries with their own Regulatory Compliance department or function: The person responsible for the function will have a dual reporting structure: hierarchically to the CEO, Director General or equivalent, or to the Governing Body directly; and functionally to VidaCaixa's Compliance Function. In any case, the decisions that affect the appointment, dismissal, setting of their pay (both fixed and variable and the balance between the two, always respecting a principle of reasonableness) and assessment of the degree to which they have achieved with their objectives or challenges will correspond, subject to compliance with the applicable legal requirements, to the corresponding hierarchical superior, together with the management of VidaCaixa's Compliance Function. In any case, the Governing Body will be informed of any decision that affects these actions.
- For subsidiaries that do not have personnel dedicated to the Regulatory Compliance Function: The function will be carried out by VidaCaixa's Compliance Function. The subsidiary company will appoint a person from the senior management to act as the point of contact between it and VidaCaixa.

Similarly, in order to ensure appropriate management of Compliance Risk in those jurisdictions where more than one Group business or more than one supervised entity operates, the person responsible for the Regulatory Compliance Function of the main business or entity will perform an oversight, supervision and coordination function in relation to the Group's Compliance Risk at an aggregate level in that jurisdiction.

5.4 Regulatory Compliance management functions

For the proper management and control of compliance risk, the following functions will be performed in the companies, based on the principle of proportionality:

Strategy and governance

- Definition and implementation of processes, mechanisms and methodologies in relation to the appetite, strategy and policies of the Compliance Function, including the overall process for the cascading communication of policies and procedures.
- Development of compliance risk management and control policies and frameworks.
- Validation, from a critical perspective, of compliance with rules and procedures and their alignment with compliance risk policies.
- Generation of regular internal and external reporting and support for information requests on credit risk and data reconciliation with supervisory bodies.

6. MANAGEMENT FRAMEWORK FOR THE REGULATORY COMPLIANCE FUNCTION

6.1 Management model

The Compliance Function Management model is based on two fundamental pillars:

- a) Compliance Risk Taxonomy
- b) Establishing the area of responsibility of the Regulatory Compliance Function in the control environment: the three-level control model (or three lines of defence).

6.1.1 Compliance Risk Taxonomy

The Compliance risk taxonomy is a classification by category of the Compliance Risk to which the entity is exposed. It is based on the CaixaBank Group's general risk catalogue.

The splitting of Compliance Risk into different categories makes it easier to establish the scope of action of the Regulatory Compliance Function and represents the starting point for carrying out the continuous evaluation of Compliance Risks.

Similarly, it serves as a basis for the identification and prioritisation of the activities on which the Compliance Function should focus during the year (Annual Compliance Plan), the updating of the list of Gaps (compliance weaknesses and deficiencies) and the implementation of the Compliance area's initiatives and projects.

In accordance with VidaCaixa's Internal Control Policy, the Regulatory Compliance Function is responsible for supervising the following risks, among those included in the Corporate Risk Catalogue

- Conduct and compliance
- Legal and Regulatory
- Reputational

The subcategories that make up this Compliance Risk taxonomy are subject to annual review by the Global Risk Committee.

6.1.2. Establishing the area of responsibility of the Regulatory Compliance Function in the control environment: the three lines of defence model

As part of the global risk management model at the corporate level and VidaCaixa's Governance and Internal Control policies, the Compliance Function supervises and manages the Compliance Risk already identified in the taxonomy of corporate risks. It does this following the structure of levels of control (or three lines of defence), in which the functions and responsibilities of each of these are established.

The Compliance Function exercises its supervisory function in the second level of control (or second line of defence). In accordance with the Internal Control Policy, it performs the identification, measurement, definition and monitoring of the Compliance Risk appetite, being responsible for the independent review of the application of policies and procedures by the first level of control (or first line of defence). The Compliance Function acts independently of the business units, ensuring the existence of Compliance Risk management and control policies, monitoring their application, evaluating the control environment and reporting all material risks.

6.2 KEY ELEMENTS OF THE REGULATORY COMPLIANCE FUNCTION

The Regulatory Compliance Function uses the following key elements to ensure appropriate coverage of Compliance Risk:

- a) Compliance Programme
- b) Annual Compliance Plan
- c) GAP process

6.2.1 Compliance Programme

The Compliance programme is the set of processes and activities that, following a methodology generally accepted at an international level, streamlines and systematises the main activities of the Compliance Function.

The implementation of the Compliance Programme is based on the performance of a series of key activities, such as:

6.2.1.1 Regulatory Compliance Policies

A fundamental element of VidaCaixa's Compliance Programme is the creation and maintenance of Policies in the area of Regulatory Compliance, which clearly establish the requirements and principles for action that the entity must follow with regard to Compliance Risk.

6.2.1.2 Identification and implementation of policy and regulatory changes

This consists of the preparation and effective introduction and monitoring of a regulatory implementation protocol that allows for the identification of the main policy and regulatory developments and changes affecting the entity in the area of Compliance Risk, as well as the analysis of the impact that this may have on the entity's processes and activities.

6.2.1.3 Risk map and indicators

This involves the creation and maintenance of an inventory of key regulations that affect VidaCaixa's activity, linked to the taxonomy of Compliance risks, as well as the identification, implementation and monitoring of indicators that allow these risks to be monitored, detected and mitigated.

6.2.1.4 Advice

As described above, the Compliance Function is entrusted with the essential task of advising the Governing Body, Senior Management and the rest of the organisation on all relevant aspects related to the Compliance mission. In carrying out this task, the Compliance Function must have, where appropriate, the support of other specialised areas in the entity, depending on the specific issue.

6.2.1.5 Periodic Compliance Risk Assessment

One of the key elements within the entity's Compliance Programme is the periodic performance of a Compliance Risk assessment. This serves as a tool to prioritise the activities to be carried out by the Compliance Function and to establish them and allocate resources.

In the assessment of Compliance Risk, the risk inherent to the activity must be taken into account, together with the result of the supervision of the control environment. There must also be consideration of the relevant conclusions of any internal or external audits and those of supervisory bodies, the activity of the Customer Service team and any queries and/or reports received through the Channels enabled for this purpose and whose management is assigned to the Compliance Function.

6.2.1.6 Monitoring and testing

The Compliance Function uses monitoring and testing techniques to assess the control environment related to Compliance Risk following a risk-based approach.

Monitoring involves the supervision and frequent review of activities based on risk indicators (KRIs) or internal decisions for the early detection of deviations or improper actions that arise from a breach of the regulations.

Testing consists of validating compliance with regulations related to Compliance Risk in the entity's ordinary processes using independent verification techniques such as sampling, process reviews or any other type of testing.

6.2.1.7 Training and awareness

To fulfil the mission entrusted to it, the Compliance Function continuously develops training, communication and awareness-raising programmes for the entire workforce to promote a culture of compliance and awareness of the Compliance obligations and responsibilities. These actions will be included in the Annual Training Plan produced in close collaboration with the HR Department.

6.2.1.8 Communication and Information (Reporting)

The Regulatory Compliance Function must promote an appropriate governance framework for early and effective escalation and reporting to the Governing Bodies of the entity any significant control weakness related to Compliance Risk.

6.2.2 Annual Compliance Plan

The Annual Compliance Plan contains a list of the activities of the Regulatory Compliance Function during the period to which it refers (calendar year), together with a plan for their execution. All of this is to guarantee that the activities with exposure to risk are subject to regular review, assessment and communication.

Its definition and prioritisation will involve the application of the principles of proportionality and a risk-based approach. As a result, based on the results of the risk assessment, the risks previously identified and the expected supervisory actions, the key activities to be carried out throughout the year can be determined and planned.

Periodically, the Annual Compliance Plan will be monitored to inform the Management and Governing Bodies of its main conclusions, the degree of implementation compared to the initial planning and the most significant changes that might have arisen.

6.2.3 GAP process

The GAP process is the key tool available to the Regulatory Compliance Function to comply with the mandate of the second level of control (or second line of defence) for Compliance Risks and to inform Senior Management.

A Compliance GAP is any weakness identified in the control environment associated with Compliance Risk, which results in:

- A failure to comply with current legislation or regulations in relation to the risks managed by the Regulatory Compliance Function.
- Inappropriate business practices or those contrary to *VidaCaixa's Code of Ethics* and implementing regulations by the Entity and/or its employees.

GAPs may arise from the performing of any of the key activities that make up the Compliance Programme, and which are normally reflected in the Annual Compliance Plan. They can also arise from those actions (checks/inspections) performed by Supervisors and Auditors, internal and external, which lead to the identification of deficiencies in the control environment.

7. CONTROL FRAMEWORK

VidaCaixa promotes a risk culture in the Group that encourages risk control and compliance, as well as the establishment of a robust internal control framework across the entire organisation that allows fully informed decisions to be made about the risks adopted.

VidaCaixa's internal control framework, in line with the CaixaBank Group, is structured following the three-level control model (or Three Lines of Defence), which guarantees the strict segregation of duties and the existence of several layers of independent control:

- The first level of control will be in the operational units that effectively manage compliance risk. They will be responsible for the application of internal Regulatory Compliance policies and procedures. They will proactively implement compliance risk identification, management and mitigation measures and establish and implement appropriate controls.
- The Regulatory Compliance Function, as an internal control function that constitutes the second level of control for Compliance Risk, will ensure the quality of the entire management process of the Regulatory Compliance Function. It will review the consistency between the internal policy and the public guidelines for processes related to policy compliance, perform specific compliance risk appetite checks and provide guidance on the design and review of processes related to regulatory compliance and on the controls established in the management units of these risks.
- The Internal Audit Function, as the third level of control, is an independent and objective monitoring and advisory function, designed to add value and improve the operations of the Entity and the group. It contributes to the achievement of the strategic objectives of the VidaCaixa Subgroup by providing a systematic and disciplined approach to the evaluation and improvement of risk and control management and corporate governance processes. In particular, Internal Audit will supervise the actions of the first and second levels of control to provide reasonable security to Senior Management and the Governing Bodies.

The three-level control model is structured so that the internal control functions of the parent entity carry out their mission with a consolidated overview of the companies in the Subgroup. As a result, the Regulatory Compliance Department and the Internal Audit Department, as areas responsible, respectively, for the Regulatory Compliance and Internal Audit Functions in the parent entity, assume the strategic direction, supervision and coordination of the respective

internal control functions of the subsidiaries, at the same time as safeguarding their responsibilities.

Each of the companies in the VidaCaixa Subgroup must guarantee the existence of controls over the appropriate application of the general principles established in this Policy, as well as their implementation in internal frameworks and procedures for the management of regulatory compliance.

8. INFORMATION/REPORTING FRAMEWORK

Establishing an appropriate reporting framework is essential for managing compliance risk. The main objectives of the information framework are:

- Providing Governing Bodies and Senior Management, in good time, with accurate, clear and sufficient information to facilitate decision-making and allow verification that the entity is operating within the established risk tolerance.
- Meeting the information requirements of supervisory bodies.
- Keeping shareholders and stakeholders informed in the area of regulatory compliance.
- Providing those responsible for the different areas, especially the management and control areas, with the necessary information to be able to monitor compliance with the defined strategy in relation to regulatory compliance.

For its part, Regulatory Compliance will periodically provide information to the Governing Bodies and Senior Management, doing so through the Global Risk Committee.

In the area of Compliance Risk, the Global Risk Committee will periodically receive at least the following information:

- Annual Compliance Plan
- Result of the risk supervision carried out
- Detected weaknesses or breaches and progress in action plans to remedy these (GAP Monitoring)
- Correspondence with the supervisory authorities (main risks detected)
 - Assessment of supervised risks and the control environment
- Risk monitoring metrics (RAF and control indicators)
- External reports (certifications, annual report of the external AML/CFT expert)
- Annual report of the activity performed

This information will be presented directly to the Global Risk Committee by the responsible areas or will reach it through their delegated bodies in the reporting that they periodically carry out on their activity.

For its part, the Regulatory Compliance Department will periodically provide relevant information on compliance risk to the Governing Bodies.

9. UPDATING OF THE POLICY

This Policy will be subject to review by the Board of Directors on an annual basis. However, VidaCaixa's Regulatory Compliance Department, as the party responsible for the Policy, will review its content annually and, if it considers this necessary, will propose modifications that will be submitted for approval by the Board of Directors.

Additionally, updating the Policy may take place at any time and at the request of any of those involved in compliance risk management who have identified the need for its modification as a result of:

- Changes in the regulatory framework.
- Changes in the business objectives and strategy.
- Changes in the management approach or processes.
- Changes derived from the results obtained in monitoring and control activities.
- New policies or modifications to existing ones that affect the content of this Policy.
- Modification of the organisational structure that implies a change of functions in compliance risk management.

As a review procedure, the party responsible for the Policy:

- Will share the result of the analysis carried out with the rest of those involved in compliance risk management and will make any necessary changes to the Policy.
- Will include a summary of the review carried out in the "Version control" section of the Policy.
- Will propose to the Global Risk Committee that it present the review to the Risk Committee, where agreement will be obtained as a step prior to submitting it to the Board of Directors for approval.

When changes are made outside the period established by default (annual), if they are minor, approval by the Global Risk Committee is sufficient. For these purposes, minor modifications are understood to be those derived from organisational changes without implications for the compliance risk management functions, merely typographical corrections or the result of the updating of documents referred to in the Policy. In this case, the Risk Committee will always be informed of the modifications approved by the Global Risk Committee. If the Risk Committee considers it appropriate, it may submit the modifications to the Board of Directors.

The Regulatory Compliance Department will be responsible for the storage and accessibility of this Policy and will be in charge of ensuring the correct functioning of the archiving, distribution and, where appropriate, publication processes.