

Educo organic rules of procedure v2

REGGOV01EN

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Contents

- 1. Introduction..... 5**
 - 1.1. Explanatory statement..... 5
 - 1.2. Aim..... 6
 - 1.3. Scope..... 6
 - 1.4. Principles of conduct and action by the bodies 6
 - 1.5. Educo’s bodies..... 6
 - 1.6. Approval, dissemination and reviews.....7
- 2. Governing bodies 7**
 - 2.1. Board of trustees7
 - 2.1.1. *Duties and responsibilities*..... 7
 - 2.1.2. *Composition*..... 7
 - 2.1.3. *Appointment, renewal and exercising of office*..... 8
 - 2.1.4. *Gratuity*..... 8
 - 2.1.5. *Rules for convening meetings*..... 8
 - 2.1.6. *Positions*..... 8
 - 2.1.7. *Procedure for deliberating and adopting agreements* 8
 - 2.1.8. *Minutes* 9
 - 2.1.9. *Conflicts of interest*..... 9
 - 2.2. Executive committee of the Board of trustees10
- 3. Management bodies10**
 - 3.1. General director10
 - 3.2. Deputy general director 11
 - 3.3. Head office executive committee 11
 - 3.3.1. *Duties*..... 11
 - 3.3.2. *Composition*..... 11
 - 3.3.3. *Functioning*.....12
 - 3.3.4. *Procedure for deliberating and adopting agreements*12
 - 3.4. Global executive committee (GEC).....12
 - 3.4.1. *Duties*.....12
 - 3.4.2. *Composition*.....13
 - 3.4.3. *Functioning*.....13
 - 3.4.4. *Procedure for deliberating and adopting agreements*13
 - 3.5. Country director13
 - 3.6. Senior management team.....13
 - 3.6.1. *Duties*.....14
 - 3.6.2. *Composition*.....14
 - 3.6.3. *Functioning*.....14
 - 3.6.4. *Procedure for deliberating and adopting agreements*14
 - 3.7. Heads of area15
- 4. Joint bodies15**
 - 4.1. Nomination commission15

4.1.1. Duties.....	15
4.1.2. Composition.....	15
4.1.3. Appointment, renewal and exercising of office.....	16
4.1.4. Rules governing the convening of meetings and the adoption of resolutions	16
4.2. Internal audit committee	16
4.2.1. Duties and responsibilities.....	16
4.2.2. Composition.....	17
4.2.3. Appointment of members and term of office.....	17
4.2.4. Rules governing the convening of meetings and the adoption of resolutions	17
4.3. Compliance committee.....	18
4.3.1. Duties and responsibilities.....	18
4.3.2. Composition.....	19
4.3.3. Rules governing the convening of meetings and the adoption of resolutions	20
4.3.4. Report for the Board of trustees	20
4.4. Investment Committee.....	21
4.4.1. Duties.....	21
4.4.2. 4.4.2. Composition	21
4.4.3. 4.4.3. Appointment and renewal of office	22
4.4.4. 4.4.4 Rules governing the convening of meetings and the adoption of resolutions.....	22
5. Organizational chart	23

REGGOV01EN - Educo organic rules of procedure v2

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For more information on the topics covered in this document, please contact: educos@educos.org

Change log			
N° version	Description of changes	Approval date	Approval body
Version 2	The Senior Management Committee and the Investment Committee are incorporated, and the functioning of the Global Executive Committee and the Area Directors is clarified. As the amendment is not substantial, it is approved by the Head Office Executive Committee	15/05/2024	Head Office Executive Committee
Version 1	Initial version	09/12/2020	Board of trustees



1. Introduction

1.1. Explanatory statement

In order to achieve the purposes of Educo, “Fundación Educación y Cooperación”, hereafter Educo, develops the activities the Board of trustees considers necessary directly and/or in collaboration with other bodies, organisations or people.

Specifically, in order to carry out its foundational purpose, Educo carries out activities which, without being exhaustive, are listed below¹:

a) Collaboration, association, alliance or integration with any kind of body, platform or organisation in the interest or for the benefit of the foundation in pursuit of the foundational purposes.

b) The elaboration and implementation of the strategic planning and activities, as well as the programs for action, for fulfilling the purposes of the Foundation, in accordance with the policies and guidelines set by the Board of trustees.

c) The monitoring, evaluation of objectives and, where appropriate, reviewing of the degree of compliance and execution of the different programmes, projects and activities of the Foundation with the frequency established by the governing body.

d) The signing of cooperation agreements with various non-profit organisations.

e) The search for and subscription to agreements and contracts with organisations based in the countries where the Foundation carries out its activities.

f) Direct action, carried out by the Foundation’s staff, or people contracted specifically to do so in the name of the Foundation.

g) The establishment of Delegations or head offices in the territories to protect and cover direct cooperation duties, as well as to promote awareness-raising, recruit members and sponsors, and to publicise the work it carries out.

h) The search for and use of public and private funds in order to develop the projects and programs of the foundation.

The Foundation has full legal capacity to operate without any limitations other than those imposed by its Statutes and by the regulations for foundations.

Activities related to the foundational purposes must be carried out in accordance with the rules that specifically regulate them, by obtaining, where appropriate, the relevant permits or licences.

¹ Reproduction in extenso of the content of article 6 of the statutes

1.2. Aim

The aim of this document is to establish the organisation, operating and legal regime of the governing bodies, management bodies and so-called joint bodies of Educo, in accordance with Educo's Statutes, applicable legislation and Educo's own organisational independence to regulate its internal regime, with the aim of improving the functioning of the organisation and, therefore, the fulfilment of its foundational purposes.

1.3. Scope

This document is of general application and has a global scope.

1.4. Principles of conduct and action by the bodies

The organs subject to these rules of procedure must fulfil the principles and conduct codes approved by Educo, and, in particular, the principles and responsible practice detailed in the Ethical Code, Code of Conduct, Regulatory Compliance Code and Good Governance Code of Educo.

1.5. Educo's bodies

Educo is made up of governing, management and joint bodies.

Governing bodies are those whose primary duty is the governance and administration of Educo, decision-making at the highest institutional or corporate, strategic and programmatic levels, and establishing the policies and guidelines of the organisation. The governing bodies of Educo are the Board of trustees and the Executive Committee of the Board of trustees.

Management bodies are those bodies whose primary function is the organisational, functional, executive and strategic management of the policies, guidelines, plans and programmes approved by the governing bodies of Educo. Likewise, the management bodies are responsible for steering and delivering the implementation of the corporate and strategic objectives in the exercise of Educo's activity in order to fulfil Educo's mission and achieve its foundational goals. Its creation, as well as the determining of its duties, composition and functioning is competence of the Board of trustees, the Executive Committee of the Board of trustees or the General director. The management bodies of Educo are the General Director, the Deputy General Director, the Head Office Executive Committee, the Global Executive Committee, the Country Directors, the Senior Management Teams, the Head Office Area Directors and the Country Office Area Directors.

Joint bodies are those bodies that do not have a single exclusive duty, be it managerial, executive, supervisory or control, consultative or advisory or otherwise, but which participate in several duties in a complementary manner. Their creation, as well as the determining of their duties, composition and functioning is competence of the Board of trustees or the Executive Committee of the Board of trustees. The joint bodies of Educo are the Nomination Commission, the Internal Audit Committee, the Compliance Committee and de Investment Committee.

1.6. Approval, dissemination and reviews

These rules of procedure must be approved, modified or reviewed by agreement of Educo's Board of trustees.

All members of the bodies covered by these rules of procedure are obliged to know, comply with and enforce these rules of procedure. To this effect, each of them shall be provided with a copy.

These rules of procedure shall be disseminated internally for the general knowledge of Educo's staff.

These rules of procedure must be reviewed and updated whenever necessary to align the content with internal regulations and/or legislation in force at any given time.

2. Governing bodies

2.1. Board of trustees

2.1.1. Duties and responsibilities

The Board of trustees is the collegiate governing and administrative body of Educo, which represents and manages it, and assumes all the powers and duties necessary for the achievement of Educo's objectives. Its members are responsible for ensuring the fulfilment of the purposes of general interest, safeguarding the will of Educo and supervising its activities.

Equally, the responsibilities of the Board of trustees also include approving the mission and the strategy, appointing and evaluating the General director and defining and supervising the main risks of the organisation.

The Board of trustees has the full range of powers attributed to it by the statutes and, in general, those required for the achievement of Educo's purposes, with no exceptions other than those established in the applicable legislation and in its statutes. The duties of the Board of trustees and their delegation are expressly set out in **articles 6 and 20 of Educo's statutes**.

2.1.2. Composition

The Board of trustees is made up of individuals or legal entities and consists of a minimum of five and a maximum of eleven members.

Any individual with the capacity to act, who is not disqualified or incapacitated from holding public office or positions or from administering property, and who has not been convicted of crimes against property or against the socio-economic order or for crimes of misrepresentation, may be a member of the Board of trustees. The age limit for being a member of the Board of trustees is 75 years old.

Legal entities must be represented on the Board of trustees, on a stable basis, by the person in charge of this duty according to the rules that regulate them, or by the person designated for this purpose by the corresponding competent body.

2.1.3. Appointment, renewal and exercising of office

The members of the Board of trustees hold office for a term of 4 years and are eligible for re-election for a period of the same duration or, exceptionally, for another term. The adoption of resolutions and requirements for the appointment, renewal, exercise and termination of office are regulated in articles 18, 26 and 29 of Educo's statutes.

2.1.4. Gratuity

Board of trustees members carry out their duties free of charge, without prejudice to the right to be reimbursed for duly justified expenses and to compensation for damage caused to them in the performance of the duties of their office.

2.1.5. Rules for convening meetings

The Board of trustees meets for ordinary sessions at least twice a year and, on a mandatory basis, during the first half of the calendar year in order to approve the annual accounts of the previous year.

It shall meet for extraordinary sessions, following a call and acting on the initiative of the chairman, as many times as the chairman deems necessary for the proper functioning of Educo. It shall also meet when requested by a quarter of its members.

Although the general criterion is an in-person meeting of the Board of trustees members, exceptionally the Board of trustees members can attend and participate via videoconference, multiconference or any other system that does not involve his or her physical presence, in cases where this may be necessary.

The format of the meeting, summoning and adoption of resolutions of the Board of trustees shall be carried out in accordance with the provisions in **article 21 in the statutes of Educo**.

2.1.6. Positions

The Board of trustees shall name a chairman, a vice-chairman and a secretary who does not need to be a trustee. Trustees who do not hold any of these positions have the status of members. The duties and powers of the chairman, the vice-chairman and the secretary are regulated in **articles 23 and 24 in the statutes of Educo**.

2.1.7. Procedure for deliberating and adopting agreements

The Board of trustees shall be validly constituted at the first session when half the trustees plus one is present at the meeting, in person or represented in the legally permitted manner, and at the second session the attendance of a quarter of its members is required. In order for the constitution of the meetings of the Board of trustees to be valid, at least two trustees must be present at both meetings.

The members of the Board of trustees may delegate their vote for specific acts to other trustees. The delegation of the vote must be in writing.

Under no circumstances may the members of the Board of trustees delegate their vote to individuals who do not hold the status of trustees, because the exercising of their position is very personal.

However, if a trustee is such because he or she holds a position in an institution, the person who can replace him or her according to the organisational rules of the same institution may act on his or her behalf.

Each trustee has one vote and resolutions are adopted by the majority vote of those present and represented at the meeting. In the event of a tie, the chairman shall have the casting vote.

The Board of trustees may also invite to attend the meetings, with the right to speak but not to vote, such persons as it deems appropriate.

2.1.8. Minutes

For each meeting, the secretary shall draw up the corresponding minutes, which must include the date, place, agenda, the persons attending, a summary of the matters discussed, the interventions that it has requested to be recorded and the resolutions adopted, indicating the results of the votes and the majorities.

The minutes shall be drawn up and signed by the secretary with the approval of the chairman and may be approved after the relevant meeting has taken place or at the next meeting. However, resolutions are enforceable as soon as they are adopted, unless expressly provided for in the Articles of Association or at the time of adopting the resolution, which are not enforceable until the approval of the minutes. If they require compulsory registration, they are enforceable from the moment of registration.

The minutes from Board of trustees meetings are reserved and confidential documents that are under the guard and custody of the secretary of the Board of trustees. A certificate of the content of the resolutions adopted or a certificate of the minutes may be requested upon justification and request to the secretary of the Board of trustees.

2.1.9. Conflicts of interest

a) The Board of trustees members must abstain from participating in any kind of business or financial activity which could compromise the objectivity in the management of Educo. For the purposes of assessing conflict of interest, the personal interest of the persons referred to in **Article 28 of the Statutes of Educo** shall be treated as the same as the personal interest of the Board of trustees members.

b) The trustees and equivalent persons may not participate in companies incorporated or participated in by Educo, nor may they enter into contracts for the sale or lease of real estate or property of extraordinary value, money lending, or the provision of paid services between Educo and the trustees and other equivalent persons.

c) During the two years after ceasing to be a trustee, no services may be performed in private companies or companies in which Educo has a shareholding.

d) The trustees and equivalent persons may only carry out transactions with Educo if the need and the prevalence of the interests of Educo over the particular interests of the trustee or equivalent person are sufficiently proven. Before carrying out the operation, the Board of trustees must adopt a responsible declaration and submit it to the Protectorate together with the relevant supporting documentation.

For all matters not contemplated in this section regarding conflict of interest, the provisions in **article 28 of Educo's statutes**, as well as the codes, policies and other internal rules approved by Educo shall apply.

2.2. Executive committee of the Board of trustees

The Executive Committee of the Board of trustees² is a collegiate governing body of Educo, created to facilitate the achievement of Educoal purposes, which exercises the duties of the Board of trustees except those that cannot be delegated, described in article 20 of the statutes of Educo.

It is integrated by a minimum of three and maximum five Board of trustees members, who shall be appointed, substituted or dismissed, where necessary, in accordance with the provisions of Article 18 of the Statutes of Educo. In any case, the duties of the chairman, vice-chairman and secretary of the meetings of the Executive Committee shall be performed by the chairman, vice-chairman and secretary of the Board of trustees, respectively.

The functioning and decision-making are governed by the same rules as those of the Board of trustees, insofar as they are applicable.

3. Management bodies

3.1. General director

The General director is the highest individual body of the management team, responsible for the executive direction and management of Educo. The General director performs his or her duties under the direct supervision of the governing bodies, to whom he or she is accountable for his or her management. The General director directs the rest of the management and executive bodies of the organisation and implements the policies, strategies and guidelines approved by the governing bodies, exercising duties of representation of Educo, ensuring its proper functioning and compliance with the objectives, programs and plans for the achievement of Educo's mission and the fulfilment of Educo's purposes.

In accordance with the provisions of article 30 of Educo's bylaws, this position may be held by an employer, although as a mechanism of good governance and good management practices, it is

² Article 3. Bis of Educo's statutes

advisable to separate responsibilities and functions in the same person to allow for greater objectivity and independence of these bodies and avoid possible situations of conflict of interest..

The position of General director is remunerated according to the terms considered appropriate to the nature and representativeness of the position and its duties.

When the General director is not a trustee, he or she attends all the Board of trustees of Trustee meetings he or she is summoned to and can intervene but does not have a vote.

3.2. Deputy general director

The Deputy general director is a management body created to support the Executive Director in carrying out his or her responsibilities. He or she performs his or her duties under the direct supervision of the General director, to whom he or she is accountable for his or her management.

3.3. Head office executive committee

The Head Office Executive Committee is the collegiate management body with executive duties related to Educo's head office. It performs its duties under the direct supervision of the General director. It is the body responsible for coordinating the operating, development and implementation of Educo's activity. For this purpose, it performs the following duties:

3.3.1. Duties

- a)** Coordinates the relationship between the different areas and adopts decisions in relation to different issues that could affect Educo's organisation in order to improve its performance.
- b)** Adopts agreements and makes the necessary decisions for implementing the corporate strategy and implement the guidelines set by the Board of trustees and the General director.
- c)** Is responsible for the implementation of the strategy through the initiatives and specific plans for achieving the strategies and/or corporate objectives established by Educo in order to fulfil its mission.
- d)** It approves Educo's internal regulatory documents that are not of an institutional, strategic, programmatic nature or those that contain the policies, principles and values of the organisation. In short, all documents that are not subject to approval by the governing bodies or the General director.
- e)** Monitors the overall financial scorecard of the organisation to facilitate decision-making regarding resource allocation.
- f)** Any other duties assigned to it by the governing or management bodies to which it reports.

3.3.2. Composition

It is made up of the General director, the Deputy General director and those heads of area or department designated by the General director. The General director shall hold the position of chairman or, in his or her absence, the Deputy General director. One of the members of the Committee or the person it is delegated to shall perform the duties of secretary.

3.3.3. Functioning

The body may meet at least once a month and whenever the General director or most of Deputy general director require it.

This body, or any of its members, depending on the matter to be dealt with, must meet with the Board of trustees, Delegated Commission of the Board of trustees or with any other body, via proposal by the General director, to report on its management.

3.3.4. Procedure for deliberating and adopting agreements

The Head Office Executive Committee shall be validly constituted when half plus one of its members are present at the meeting.

Resolutions shall be adopted by consensus of all members present.

The Head Office Executive Committee may also invite to attend the meetings, with the right to speak but not to vote, the people it deems appropriate.

For each meeting, the secretary shall draw up the corresponding minutes, which must include the date, place, agenda, the people attending, a summary of the matters discussed, the interventions that it has requested to be recorded and the agreements adopted.

The minutes shall be drawn up and signed by the secretary with the approval of the chairman and may be approved after the relevant meeting has taken place or at the next meeting.

The Head Office Executive Committee shall publish its agreements internally so that they are available to all Educo employees.

3.4. Global executive committee (GEC)

The Global executive committee is the collegiate executive management body at the global level, responsible for facilitating the strategic management of the organisation globally to achieve the established strategic/corporate objectives. It performs its duties under direct supervision from the General director and the Head Office Executive Committee.

For this purpose, it performs the following duties.

3.4.1. Duties

- a)** Guarantees the alignment and synchronisation of the strategy at a global and local level.
- b)** Is responsible for implementing the frameworks, programs and operational and development plans both at a global and local level.
- c)** Leads the efforts for organisational transformation in order to achieve the strategic/corporate objectives established.
- d)** Monitors the level of fulfilment of the strategic and/or corporate objectives, adopting corrective measures when necessary.

- e) Any other duties assigned to it by the governing or management bodies to which it reports.

3.4.2. Composition

The Global Executive Committee is made up of the members of the Head Office Executive Committee and the Country Directors.

In all cases, there shall be a chairman, which will be held by the person holding the position of General director or, in his or her absence, the Deputy general director, and a secretary, who can be one of the members of the body or another designated person.

In any case, there shall be a chairman, who shall be the General director or, in his or her absence, the Deputy general director.

3.4.3. Functioning

The body shall meet at least once a month whenever the General director or most of its members require it.

3.4.4. Procedure for deliberating and adopting agreements

The Global Executive Committee shall be validly constituted when half plus one of its members are present at the meeting.

Resolutions shall be adopted by consensus of all members present.

The Global Executive Committee may also invite to attend the meetings the people it deems appropriate.

3.5. Country director

The Country Directors represent the highest individual management body within the territorial scope of a branch or permanent establishment of Educo abroad. They are the legal representatives of Educo in their countries and are responsible for the executive direction and management of the branch or permanent establishment. They perform their duties under the direct supervision of the General director and the Head Office Executive Committee, which may delegate one of its members to act as a reference or focal point for liaison with the Country Director, to whom it reports. Country Directors manage the rest of the team and staff in the branch or permanent establishment in the country and implement the plans, programs and projects approved by Educo, ensuring the correct functioning of the branch and the fulfilment of the objectives for the achievement of Educo's mission and the fulfilment of the purposes of Educo.

3.6. Senior management team

The Senior management team is the collegiate management body with executive functions of Educo's Country Offices. It reports directly to the Country Director. It is the body responsible for coordinating the functioning, development and execution of Educo's activities in the country offices, with the exception of Spain. To this end, it carries out the following functions.

3.6.1. Duties

a) It coordinates the relationship between the functional areas and teams of the Country Office and adopts decisions in relation to the different matters that may affect the organisation of the Country Office for its better functioning.

b) Adopts the agreements and takes the necessary decisions to implement the corporate strategy and execute in the country offices the guidelines set by the Board of trustees, General Manager, Head Office Executive Committee, Global Executive Committee and Country Director.

c) Is responsible, together with the Country Director, for the execution in the country office of the strategy through initiatives and concrete plans to achieve the strategic and/corporate objectives set by Educo to fulfil its mission.

d) Approves Educo's internal normative documents that apply exclusively to country offices and that are not approved by the Country Director.

e) Any other function entrusted to it by the governing bodies to which it reports.

3.6.2. Composition

The Senior management team is composed of the Country Director, the Country Office Head of Finance and Programme areas and any other member as determined by the Country Director. However, there may be an enlarged Country Management Committee, which will include, in addition to the above-mentioned members of the Country Management Committee, such other persons as may be determined by the Country Director on the basis of their responsibilities and functions in the Country Office.

In any case, there will be a chairman, who will correspond to the Country Director, and one of the members of the body will act as Secretary.

3.6.3. Functioning

The body shall meet at least once a month and whenever the Country Director or the majority of its members so require.

3.6.4. Procedure for deliberating and adopting agreements

The Senior management team shall be validly constituted when half plus one of its members are present at the meeting.

Resolutions shall be adopted by consensus of all members present.

The Senior management team may also invite to attend meetings, with the right to speak but not to vote, such persons as it deems appropriate.

The minutes of each meeting shall be drawn up by one of its members and shall include the date, place, agenda, persons present, a summary of the matters discussed, the interventions that have been requested to be recorded, and the resolutions adopted.

The Senior management team shall publish its resolutions internally so that they are available to all employees of the Country Office.

3.7. Heads of area

The Head Office and Country Office Heads of Area are a single-person management body of a technical or functional nature that leads and coordinates the management of the different departments or units into which each of Educo's organisational areas is divided for the exercise of its duties and activities. The Head Office Heads of Area reports to and performs their duties under the direct supervision of the General director and the Head Office Executive Committee. The Country Office Heads of Area reports to the Country Director and the Senior management team.

4. Joint bodies

4.1. Nomination commission

The Nomination Commission is a joint collegiate body of a consultative and executive nature, with information, advisory, proposal and execution powers within its scope of activity. Its main duty is to ensure the integrity of the selection process for trustees and senior managers of Educo, ensuring that the candidates fit the profile of the position.

4.1.1. Duties

- a)** Oversee, establish criteria and participate in all selection processes and candidates for membership of the Board of trustees and the Executive Committee, as well as the General director positions and other managerial and executive bodies in Educo.
- b)** Inform, assess and pre-select the ideal candidates for filling the positions of trustee, member of the Executive Committee and General director of Educo, proposing or submitting the proposal for his or her appointment, if appropriate, to the Board of trustees.
- c)** Directly select and appoint suitable candidates to managerial and executive positions below the level of General director within the entity.
- d)** Any other duty that may be entrusted to it by the Board of trustees or the Executive Committee in relation to the provision and appointment of management and executive positions in Educo.

4.1.2. Composition

It is made up of five members, three of whom shall be trustees and the other two shall be from the General director and the Head Office People and Culture Director. The duties of the chairman of the Committee must be carried out by the chairman of the Board of trustees and the role of the secretary must be carried out by the secretary of the Board of trustees or the person delegated by him/her.

4.1.3. Appointment, renewal and exercising of office

The first Commission shall be appointed by the Board of trustees or, if applicable, the Executive Committee, and the appointment of new members of the Commission, for whatever reason, must be agreed by the Board of trustees or the Executive Committee. The members of the Nomination Committee shall be appointed for a maximum term of five years and may be re-elected one or more times for terms of the same duration.

4.1.4. Rules governing the convening of meetings and the adoption of resolutions

The Nomination Committee shall be validly constituted when half plus one of its members are present or represented at the meeting.

Resolutions shall be adopted by majority vote of those present or represented at the meeting and, in the event of a tie, the Chairman shall have the casting vote³.

4.2. Internal audit committee

The Internal Audit Committee is a joint executive, supervisory and consultative collegiate body. Its main duty is to assess and provide specialised support for the Board of trustees in anything related to audits and internal control systems.

4.2.1. Duties and responsibilities

The Internal Audit Committee must act with full autonomy and independence in the performance of its duties, and may delegate the supervision duties, as well as any other duty it deems appropriate for the fulfilment of its responsibilities, to independent internal or external advisers, such as, for example, audit firms or the organisation's own internal audit unit.

The Internal Audit Committee must fulfil the following duties and responsibilities:

a) Supervision of the effectiveness of the internal control and risk management systems of the organisation, through:

- Annual reviewing of the institutional map of risks; head office and countries.
- Analysis of the risk profile of the organisation.
- Annual review of the record of controls, their design and effectiveness, at head office and country level, assessing the degree of preparedness of the organisation to respond to and recover from the main risks identified (financial, operational, technological, reputational and strategic).

b) Supervision of the Internal Audit function, through:

³ In accordance with the provisions of article 3 of the Regulations of the Appointments Committee approved by the Executive Committee of the Board of trustees at its meeting of 22/10/2014

- Approval of the Internal Audit Statute, to ensure that it accurately reflects the purpose, authority and responsibility of the internal audit activities.
- Approval of the Annual Auditing Plan and its annual monitoring.
- Ensure the independence of the Internal Audit function.
- Guarantee proper coordination between the Internal Audit and other units within the organisation.
- Ensure there is free access for the internal auditors to any documents or information they may need to correctly carry out their functions.
- Review the internal audit reports.
- Guarantee that corrective actions or recommendations made by the Internal Audit function are monitored.
- Evaluate the quality of the Internal Audit work.

4.2.2. Composition

The Internal Audit Committee shall be composed of four members, three of whom shall be trustees and the remaining one shall be held by the Director of Audit and Compliance. Trustees will be independent; they shall not have managerial or executive functions in the organisation; thus, ensuring an impartial judgement on the matters dealt with; and at least one of them must have knowledge and experience in auditing and/or accounting.

The Internal Audit Committee is required to appoint a chairman and a secretary, the latter can be one of the members of the body.

4.2.3. Appointment of members and term of office

The members of the Internal Audit Committee shall be appointed by the Board of trustees of Educo, for a period of three years, which may be renewed. If vacancies should arise for any reason before the end of the term of office, they shall be covered by the persons appointed by the Board of trustees, for a period equal to that which remains to be fulfilled until the end of the term of office, notwithstanding the possibility of the new members being renewed in their posts for an ordinary period.

4.2.4. Rules governing the convening of meetings and the adoption of resolutions

The Internal Audit Committee shall be validly constituted when half plus one of its members are present at the meeting. The Committee shall meet in ordinary session at least twice a year, or in extraordinary session at the request of the Chairman or of the majority of its members.

The meetings will be convened by the secretary at least 7 working days in advance, setting out the items to be included on the agenda.

Each member has one vote and resolutions are adopted by majority vote of those present at the meeting. In the event of a tie, the Chairman shall have the casting vote⁴.

The Internal Audit Committee meetings shall document their meetings in minutes which feature the issues discussed and approved, and these minutes shall be approved at the end of the meeting or in the following one.

The Internal Audit Committee may also invite to attend the meetings, with the right to speak but not to vote, the people it deems appropriate.

4.3. Compliance committee

The Compliance Committee is an internal and permanent collegiate body whose function is to supervise the operation of and compliance with Educo's Code of Conduct on Regulatory Compliance, to which effect it exercises autonomous powers of initiative and control.

Whenever permitted by applicable law, the Compliance Committee shall have access to the information, documents and offices of Educo's staff. All staff must cooperate with the committee as required for the proper performance of their duties.

The Compliance Committee shall have the material and human resources necessary for the performance of its duties.

The Compliance Committee will report, at least annually, and whenever it deems necessary or is required to do so, to the Board of trustees of Educo on the measures taken to promote awareness of and ensure compliance with the Code.

4.3.1. Duties and responsibilities

Without prejudice to any other specific duty that may be assigned to it in relation to the prevention of criminal risks, the Compliance Committee's primary duty is to supervise compliance with the Code of Conduct on Regulatory Compliance.

The Compliance Committee's duties include, but are not limited to, the following:

- a)** Define the monitoring and control measures that make up Educo's Legal Risk Prevention System.
- b)** Promote the dissemination, knowledge of and compliance with the Code of Conduct on Regulatory Compliance, and of all those measures that make up Educo's Legal Risk Prevention System, establishing appropriate training policies so that staff are aware of the prevention model and internal regulations.

⁴ In accordance with the provisions of the Internal Audit Charter (code AI-01)

c) The superior and binding interpretation of the Code of Conduct for Regulatory Compliance and the rest of the measures necessary for the proper implementation of Educo's Legal Risk Prevention System.

d) Ensure the application of the Code of Conduct for Regulatory Compliance and other measures that make up Educo's Legal Risk Prevention System.

e) Promote the necessary protocols for the implementation and development of Educo's Legal Risk Prevention System, and in particular for the development of the Code of Conduct for Regulatory Compliance, the prevention of non-compliance, and promote its dissemination, knowledge and compliance by staff.

f) Resolve any queries or doubts that may arise in relation to the content, interpretation or compliance with the Code of Conduct on Regulatory Compliance and the rest of the measures that make up Educo's Legal Risk Prevention System.

g) Periodically review the Code of Conduct for Regulatory Compliance in order to keep it up to date, proposing to the Board of trustees such modifications as may be necessary when relevant breaches are brought to light or when changes occur in Educo, in the control structure or in the activity of Educo that make it necessary.

h) Promote the effective integration of the Code of Conduct on Regulatory Compliance in Educo and, particularly, in the internal procedures that regulate its activity.

i) Manage the Whistleblowing Channel, processing and giving the necessary impetus to the procedures for verifying and investigating the communications received, and ensuring throughout the process that the principles contained in the Code of Conduct on Regulatory Compliance are respected.

j) Annual evaluation of the level of compliance of the Code of Conduct for Regulatory Compliance and other measures that make up Educo's Legal Risk Prevention System.

k) Report to the Board of trustees on compliance with the Code of Conduct on Regulatory Compliance, on the activities carried out within the scope of its duties and on the issues, it raises with regard to the prevention of criminal risks.

l) Propose disciplinary actions to the General director in cases of non-compliance with internal rules.

m) Propose to the General director the actions they deem necessary to undertake in the area of criminal risk prevention and the necessary budget allocation for this purpose.

n) Develop any other regulations that may be necessary to ensure the proper functioning of the Legal Risk Prevention System.

o) Integrate and codify all Educo's internal regulations and procedures on the prevention of criminal risks, so that they are unified and easy for staff to access and consult.

In accordance with Article 9 of the Rules of Procedure of the Compliance Committee, the Committee may commission or propose the commissioning of an external expert to provide advisory services in its functions.

4.3.2. Composition

The Compliance Committee shall consist of a minimum of three members and a maximum of five members, as determined by the Board of trustees.

The members of the Compliance Committee shall be appointed by the Board of trustees of Educo, for a period of three years, which may be renewed. If vacancies should arise for any reason before the end of the term of office, they shall be covered by the persons appointed by the Board of trustees, for a period equal to that which remains to be fulfilled until the end of the term of office, notwithstanding the possibility of the new members being renewed in their posts for an ordinary period.

The members of the Compliance Committee may not be removed or dismissed by the Board of trustees except for disciplinary reasons not related to the performance of their duties.

It is mandatory for the Compliance Committee to appoint a Chairman and a secretary. The positions of chairman and secretary shall be held by the people designated by the Board of trustees. The attributions and duties of the chairman and the secretary are regulated by articles 5 and 6 of the Rules of Procedure of the Compliance Committee.

4.3.3. Rules governing the convening of meetings and the adoption of resolutions

The Compliance Committee shall meet quarterly and whenever agreed by the chairman, who is responsible for convening it, or when requested by any of its members.

The Compliance Committee shall be validly constituted when two of the three members of the Compliance Committee (when the number of members of the Committee set by the Board of trustees is three) or three of the five members (when the number of members of the CoC set by the Board of trustees is four or five) attend the meeting.

In accordance with article 8 of the Rules of Procedure of the Compliance Committee, agreements of the Compliance Committee shall be adopted by a simple majority of those attending the meeting (present or represented). In the event of a tie vote, the chairman shall have the casting vote.

The content of the sessions and the Compliance Committee agreements shall be recorded in a book of minutes, which shall be signed by the chairman and the secretary.

The rest of the rules relating to Compliance Committee meetings are set out in **article 8 of its rules of procedure**.

4.3.4. Report for the Board of trustees

At the end of each financial year, the Compliance Committee will submit a report to the Board of trustees with no less than the following minimum content:

- a)** Meetings held during the financial year and a summary of the agreements adopted.
- b)** Summary of the activities developed by the Compliance Committee within the scope of its duties.
- c)** Evaluation of the functioning and compliance of the model of prevention.
- d)** Aims and actions proposed for the following annual period in relation to the prevention of criminal risks.

In the case of managerial and joint bodies, the regulations on conflicts of interest specified above for members of governing bodies shall apply to them.

In the event of contradiction or discrepancy between the provisions of these rules of procedure and those of the statutes and other internal regulations overseeing the governing, management and mixed bodies, the statutes and said internal regulations shall take precedence.

In all matters not regulated in the statutes of Educo or in each of the specific rules of procedure of the bodies covered by these rules of procedure, the same rules shall apply as those of the Board of trustees, insofar as they are applicable and, failing this, by the applicable legislation.

4.4. Investment Committee

The Investment Committee is a mixed collegiate body of an executive, supervisory and consultative nature whose function is to advise the governing body on the preparation and execution of the institution's investment policy and strategy, as well as to carry out permanent monitoring of the development and performance of investments, providing regular information to the Board of trustees on its decisions and actions.

4.4.1. Duties

The Investment Committee shall have a clear investment strategy, objectives and criteria, enabling it to assess whether the composition of the portfolio complies with these parameters, and to act if they are not met, redefining the strategy, if necessary, in order to continue on the path set. The Investment Committee shall, in any case, perform the following functions:

- a)** Advise the governing body on the preparation and implementation of the institution's investment policy and strategy,
- b)** Maintain the relationship, where appropriate, with external advisors.
- c)** To periodically review the investment policy and, if it deems it appropriate, to submit proposals to the Board of trustees to adapt or modify it.
- d)** To carry out permanent monitoring of the development and performance of the investments and to provide regular information to the Board of trustees.
- e)** To report to the Board of trustees, at least once each financial year, on its decisions and actions. On an extraordinary basis, the Investment Committee shall inform the Board of trustees when events or acts of importance to Educo arise which, in its opinion, should be reported.
- f)** Any other function that may derive from the Investment Policy or that may be entrusted to it by the Board of trustees or the Executive Committee of the Board of trustees.

4.4.2. 4.4.2. Composition

The Investment Committee shall be composed of two members of the Board of trustees, the Director General (or person delegated by him/her), the Director of Finance HQ, the Head of Treasury HQ, a representative of an external advisory body and the independent advisors engaged by Educo.

The Chairman and Secretary of the Committee shall be agreed among the members of the Committee.

4.4.3. 4.4.3. Appointment and renewal of office

The first investment committee shall be appointed by the Board of trustees or, as the case may be, the Delegated Commission, and the appointment of new members of the committee or their renewal, for whatever reason, shall be agreed by the Board of trustees or the Delegated Commission.

4.4.4. 4.4.4 Rules governing the convening of meetings and the adoption of resolutions

The investment committee shall meet on a regular basis and at least four times a year. The investment committee shall be validly constituted when half plus one of its members are present or represented at the meeting.

Resolutions shall be adopted by consensus of all members present.

The Investment Committee may also invite to attend meetings, with the right to speak but not to vote, such other persons as it deems appropriate.

5. Organizational chart

