

Educo Organic Rules of Procedure V2

REGGOV01EN

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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 its purposes, “Fundación Educación y Cooperación”, hereafter the Foundation or 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 purposes, Educo carries out activities which, without being exhaustive, are listed below¹:

- a)** Collaboration, association, alliance or integration with any kind of entity, platform or organisation in the interest or for the benefit of the foundation for the fulfilment of its 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 foundation’s projects and programs.

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 full of the content of Article 6 of the Statutes

1.2. Aim

The aim of this document is to establish the organisation, operation 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 organisation's functioning and thereby furthering the fulfilment of its foundational purposes.

1.3. Scope

This document applies to all areas 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 Educo's Ethical Code, Code of Conduct, Regulatory Compliance Code and Good Governance Code.

1.5. Educo's bodies

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

Governing bodies are those responsible for the governance and administration of Educo, including decision-making at the highest institutional or corporate, strategic and programmatic levels, and the establishment of the organisation's policies and guidelines. The governing bodies of Educo include its Board of Trustees and its Executive Committee.

Management bodies are those whose primary role is the organisational, functional, executive and strategic management of the policies, guidelines, plans and programmes approved by Educo's governing bodies. 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 establishment, as well as the definition of its duties, composition and functioning, is the responsibility of the Board of Trustees, its Executive Committee or the Executive Director. Educo's management bodies include the Executive Director, the Deputy Executive 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 institutional entities that do not exercise a single exclusive function, whether managerial, executive, supervisory or control, consultative or advisory or otherwise, but instead participate in several functions in a complementary manner. Their establishment, as well as the definition of their duties, composition and functioning, is the responsibility of the Board of Trustees or its Executive Committee. The joint bodies of Educo include the Nomination Commission, the Internal Audit Committee, the Compliance Committee and the Investment Committee.

1.6. Approval, dissemination and review

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

All members of the bodies covered by these rules of procedure are obliged to be aware of, comply with and enforce them. Each member will be provided with a copy for this purpose.

These rules of procedure will be shared internally to ensure that all Educo staff are informed.

These rules of procedure must be reviewed and updated whenever necessary to ensure alignment 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, responsible for representing and managing the organisation, and for exercising all powers and duties necessary to achieve Educo's objectives. Its members are responsible for ensuring the fulfilment of Educo's purposes of general interest, safeguarding its mission, and supervising its activities.

Equally, the responsibilities of the Board of Trustees also include approving the mission and the strategy, appointing and evaluating the Executive Director and defining and supervising the main risks faced by 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 the Foundation'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 legal capacity, who is not disqualified or incapacitated from holding public office or positions or managing property, and who has not been convicted of crimes against property, the socio-economic order or of misrepresentation, may serve as a member of the Board of Trustees. Members must not be older than 75 years of age.

Legal entities must be represented on the Board of Trustees on a permanent basis by the person responsible for this role according to their governing rules, or by a person designated for this purpose by the competent authority.

2.1.3. Appointment, renewal and exercise of office

Members of the Board of Trustees hold office for a term of four years and are eligible for re-election for a period of the same duration or, in exceptional cases, for an additional term. The adoption of resolutions and requirements for the appointment, renewal, holding and termination of office are regulated in Articles 18, 26 and 29 of Educo's Statutes.

2.1.4. Gratuity

Members of the Board of Trustees carry out their duties free of charge, without prejudice to the right to reimbursement for duly justified expenses and to compensation for any damage incurred in the performance of their duties.

2.1.5. Rules for convening meetings

The Board of Trustees Shall hold 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.

Extraordinary sessions shall be convened at the initiative of the Chairperson as often as deemed necessary for the proper functioning of Educo, or when requested by at least a quarter of its members.

While meetings are generally held in person, members may exceptionally attend and participate via videoconference, teleconference, or any other system that does not require physical presence, when necessary.

The format of the meetings, the calling of sessions, and the adoption of resolutions shall be carried out in accordance with the provisions in **Article 21 of Educo's Statutes**.

2.1.6. Positions

The Board of Trustees shall appoint a Chairperson, a Vice-Chairperson and a Secretary who need not be a Trustee. Trustees who do not hold any of these positions shall have the status of members. The duties and powers of the Chairperson, Vice-Chairperson and Secretary are established in **Articles 23 and 24 in the Educo's Statutes**.

2.1.7. Procedure for deliberating and adopting resolutions

The Board of Trustees shall be validly constituted at the first session when a majority (half of plus one) the Trustees is present, either in person or represented in the legally permitted manner. At the second session, the attendance of at least one quarter of its members is required. In both cases, a minimum of two Trustees must be present for the meetings to be valid.

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 are not Trustees, as the exercise of this role is highly personal.

However, if a Trustee is such by virtue of a role in an institution, the person authorised to replace them according to the organisational rules of the same institution may act on their behalf.

Each Trustee has one vote. Resolutions are adopted by a majority of those present or represented at the meeting. In the event of a tie, the Chairperson shall have the casting vote.

The Board of Trustees may also invite to attend meetings, granting them the right to speak but not to vote, such persons as deemed appropriate.

2.1.8. Minutes

For each meeting, the Secretary shall draw up the corresponding minutes, which must include the date, place, agenda, attendees,, a summary of the matters discussed, any interventions 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 Chairperson and may be approved after the relevant meeting has taken place or at the following meeting. However, resolutions are enforceable as soon as they are adopted, unless expressly stated in the Articles of Association or at the time of adoption that they are not enforceable until the approval of the minutes. If they require compulsory registration, they are enforceable from the moment of registration.

Minutes from Board of Trustees meetings are confidential and shall be kept under the custody of the Secretary. A certified copy of the resolutions adopted or of the minutes may be requested from the Secretary of the Board of Trustees upon proper justification.

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 objectivity in their 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) 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) For two years after ceasing to be a Trustee, no services may be performed to private companies or companies in which Educo holds a shareholding.

d) Trustees and equivalent persons may only engage in transactions with Educo if the need and the precedence of Educo's interests over the personal interests of the Trustee or equivalent person are adequately demonstrated. Before carrying out any such transaction, the Board of Trustees must issue a responsible declaration and submit it to the Protectorate together with any 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, established to facilitate the fulfilment of the Foundation's purposes, and exercises the duties of the Board of Trustees except those that cannot be delegated, described in Article 20 of Educo's Statutes.

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 Educo's Statutes. In any case, the duties of the Chairperson, Vice-Chairperson and Secretary of the sessions of the Executive Committee shall be carried out, respectively, by the Chairperson, Vice-Chairperson and Secretary of the Board of Trustees.

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

3. Management bodies

3.1. Executive Director

The Executive Director is the highest individual body of the management team, responsible for the executive direction and management of Educo. The Executive 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 Executive 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 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 Executive Director is remunerated according to the terms deemed appropriate to the nature, representativeness and responsibilities of the role.

When the Executive Director is not a trustee, they shall attend all Board of Trustees meetings which they are summoned to and may participate in discussions, but do not have voting rights.

² Article 3. Bis of Educo's statutes

3.2. Deputy Executive Director

The Deputy Executive Director is a management position created to support the Executive Director in fulfilling their responsibilities. They perform their duties under the direct supervision of the Executive Director, to whom they are accountable for their 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 Executive Director. It is the body responsible for coordinating the operation, development and implementation of Educo's activity. 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 the guidelines established by the Board of Trustees and the Executive 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)** 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 Executive Director.
- e)** Monitors the overall financial performance 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

This body is made up of the Executive Director, the Deputy Executive Director and those heads of area or department designated by the Executive Director. The Executive Director shall hold the position of chairman or, in their absence, the Deputy Executive Director. The duties of secretary shall be carried out by one of the members of the Committee or by a person delegated for that role.

3.3.3. Functioning

The body shall meet at least once a month and additionally whenever convened at the request of the Executive Director or the Deputy Executive Director.

This body, or any of its members as appropriate to the matter under consideration, shall meet with the Board of Trustees, the Executive Committee of the Board of Trustees or any other body, at the proposal of the Executive Director, in order to report on its management.

3.3.4. Procedure for deliberating and adopting agreements

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

Resolutions shall be adopted by consensus of all members present.

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

For each meeting, the secretary shall prepare the corresponding minutes, which must include the date, place, agenda, attendees, a summary of the matters discussed, any interventions requested to be recorded and the resolutions adopted.

The minutes shall be prepared and signed by the secretary with the approval of the chairperson and may be approved either following the meeting or at the next meeting.

The Head Office Executive Committee shall publish its resolutions 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 a global level, responsible for facilitating the global strategic management of the organisation in order to achieve the established strategic/corporate objectives. It performs its duties under direct supervision from the Executive Director and the Head Office Executive Committee.

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

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 Chairperson, held by the person occupying the position of Executive Director or, in their absence, the Deputy Executive Director.

3.4.3. Functioning

This body shall meet at least once a month and additionally whenever convened at the request of the Executive Director or a majority of its members.

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 the people it deems appropriate to attend the meetings.

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 Executive 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 they shall report. 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 achieving Educo's mission.

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 responsible for coordinating the operation, development and implementation of Educo's activities in the country offices, with the exception of Spain. It performs the following duties.

3.6.1. Duties

- a)** Coordinates the relationship between the operational 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 established by the Board of Trustees, the Executive Director, the Head Office Executive Committee, the Global Executive Committee and the Country Director.
- c)** Is responsible, alongside the Country Director, for the implementation of the strategy in the country office, through initiatives and specific plans for achieving the strategic and/or corporate objectives established by Educo to fulfil its mission.

- d) Approves Educo's internal regulatory documents that apply exclusively to country offices and that are not approved by the Country Director.
- e) Any other duty entrusted to it by the governing bodies to which it reports.

3.6.2. Composition

The Senior Management Team consists of the Country Director, the heads of Finance and Programme areas in the country office, and any other members designated by the Country Director. An enlarged Country Management Committee may also be established, which, in addition to the above-mentioned members, may include other individuals appointed by the Country Director based on their responsibilities and duties in the Country Office.

In all cases, there shall be a Chairperson, held by the person occupying the position of Country Director, and another member shall perform the duties of Secretary.

3.6.3. Functioning

This body shall meet at least once a month and additionally whenever convened at the request of the Country Director or the majority of its members.

3.6.4. Procedure for deliberating and adopting agreements

The Senior Management Team shall be validly constituted when a majority of its members (half plus one) are present at the meeting.

Resolutions shall be adopted by consensus of all members present.

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

The minutes of each meeting shall be prepared by one of its members and shall include the date, place, agenda, attendees, a summary of the matters discussed, any interventions 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 of Area at both the Head Office and Country Office is a single-person management body of a technical or functional nature, responsible for leading and coordinating the management of the different departments or units within each of Educo's organisational areas to carry out its duties and activities. The Head Office Heads of Area report to and perform their duties under the direct supervision of the Executive Director and the Head Office Executive Committee. The Country Office Heads of Area report to the Country Director and the Senior Management Team.

4. Joint Bodies

4.1. Nomination Commission

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

4.1.1. Duties

- a)** Oversee, establish criteria for, and participate in all selection processes for candidates to the Board of Trustees, the Executive Committee, the Executive Director positions and other managerial and executive bodies within Educo.
- b)** Inform, assess and pre-select suitable candidates for trustee, Executive Committee member, and Executive Director positions, submitting proposals for their appointment, if appropriate, to the Board of Trustees.
- c)** Directly select and appoint suitable candidates for managerial and executive positions below the level of Executive Director within the organisation.
- d)** Perform any other duties assigned 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

This body is made up of five members, three of whom shall be Trustees, and the other two shall be the Executive Director and the Head of People and Culture at Head Office. The duties of the Chairperson of the Committee shall be carried out by the Chairperson of the Board of Trustees, and the role of the Secretary shall be carried out by the Secretary of the Board of Trustees or the person delegated by them.

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 the majority (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 Chairperson shall have the casting vote³.

4.2. Internal Audit Committee

The Internal Audit Committee is a joint, collegiate body with executive, supervisory and consultative functions. Its main duty is to assess and provide specialised support for the Board of Trustees on matters relating 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 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 at Head Office and in the Country Offices.
- Analysis of the risk profile of the organisation.
- Annual review of the record of controls, their design and effectiveness, at Head Office and in the Country Offices, 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:

- Approve the Internal Audit Statute, to ensure that it accurately reflects the purpose, authority and responsibility of the internal audit activities.
- Approve the Annual Auditing Plan and its annual monitoring system.
- 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.

³ In accordance with the provisions of Article 3 of the Regulation of Appointments Committee approved by the Executive Committee of the Board of Trustees at its meeting on 22/10/2014

- 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 member shall be the Director of Audit and Compliance. Trustees will be independent; they shall not hold managerial or executive positions within the organisation, thereby ensuring impartial judgement on the matters addressed. At least one of them must have knowledge and experience in auditing and/or accounting.

The Internal Audit Committee must appoint a Chairperson 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 Educo's Board of Trustees for a period of three years, which may be renewed. Should vacancies arise for any reason before the end a term, the Board of Trustees may appoint new members for the remainder of that term. Those appointed may subsequently be reappointed for a full term in accordance with the ordinary renewal provisions.

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

The Internal Audit Committee shall be validly constituted when the majority (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 Chairperson or of the majority of its members.

The meetings shall be convened by the secretary at least seven (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 Chairperson 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 any people it deems appropriate to attend the meetings, with the right to speak but not to vote.

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

4.3. Compliance Committee

The Compliance Committee is an internal, permanent collegiate body responsible for supervising the implementation of and compliance with Educo's *Code of Conduct on Regulatory Compliance*. To this end, it exercises autonomous powers of initiative and control.

Whenever permitted by applicable law, the Compliance Committee shall have access to Educo staff, their offices, and all relevant information and documents. All staff are required to cooperate with the Committee as necessary for the proper performance of its duties.

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

The Compliance Committee shall report to Educo's Board of Trustees, at least annually, and additionally whenever it deems necessary or is required to do so, 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 risk, 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)** Definition of the monitoring and control measures that make up Educo's Legal Risk Prevention System.
- b)** Promotion of 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.
- c)** Superior and binding interpretation of the *Code of Conduct for Regulatory Compliance* and additional measures necessary for the proper implementation of Educo's Legal Risk Prevention System.
- d)** Application of the *Code of Conduct for Regulatory Compliance* and other measures that make up Educo's Legal Risk Prevention System.
- e)** Promotion of the necessary protocols for the implementation and development of Educo's Legal Risk Prevention System, in particular the development of the *Code of Conduct for Regulatory Compliance*, prevention of non-compliance, and promotion of its dissemination, understanding and compliance by staff.
- f)** Resolution of any queries or doubts that may arise in relation to the content, interpretation or compliance with the *Code of Conduct on Regulatory Compliance* and additional measures that make up Educo's Legal Risk Prevention System.
- g)** Revision, on a periodic basis, of the *Code of Conduct for Regulatory Compliance* in order to keep it up to date, and submission to the Board of Trustees of any modifications it considers necessary

when relevant breaches are identified or when changes occur in Educo, its control structure or its activities that make updates necessary.

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

i) Management of 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) Preparation of reports for 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 in relation to preventing criminal risk.

l) Submission of proposals regarding disciplinary action to the Executive Director in cases of non-compliance with internal rules.

m) Submission of proposals to the Executive Director regarding the actions they deem necessary to undertake in the area of criminal risk prevention and the necessary budget allocation for this purpose.

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

o) Integration and codification of 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.

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 Educo Board of Trustees, for a period of three years, which may be renewed. Should vacancies arise for any reason before the end of the term, the Board of Trustees may appoint new members for the remainder of that term. These new members may subsequently be reappointed for a full term according to the ordinary renewal provisions.

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

It is mandatory for the Compliance Committee to appoint a Chairperson and a Secretary. These positions shall be held by the people designated by the Board of Trustees. The attributions and duties of the Chairperson 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 Chairperson, who is responsible for convening meetings, 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 established by the Board of Trustees is three) or three of the five members (when the number of members established 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, the Chairperson 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 Chairperson 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 risk.

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

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 government, management and mixed bodies, the Statutes and aforementioned internal regulations shall take precedence.

In all matters not regulated by Educo's Statutes or by the specific rules of procedure of the bodies covered by these rules, the provisions applicable to the Board of Trustees shall apply, insofar as they are relevant, and, where no such provisions exist, the matter shall be governed by the applicable legislation.

4.4. Investment Committee

The Investment Committee is a mixed collegiate body with executive, supervisory and consultative functions. Its role is to advise the governing body on the preparation and implementation of the organisation's investment policy and strategy, as well as to continuously monitor the development and performance of investments, providing regular reports to the Board of Trustees on its decisions and actions.

4.4.1. Duties

The Investment Committee shall establish a clear investment strategy, objectives and criteria, enabling it to assess whether the portfolio's composition complies with these parameters. If the parameters are not met, the Committee shall take appropriate action, including redefining the strategy, if necessary, to ensure continued progress towards the established goals. The Investment Committee shall perform the following duties:

- 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)** Periodically review the investment policy and, if deemed appropriate, submit proposals to the Board of Trustees to adapt or modify it.
- d)** Permanently monitor the development and performance of investments and provide regular information to the Board of Trustees.
- e)** Report to the Board of Trustees, at least once every 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)** Perform any other duty related to the Investment Policy or requested by the Board of Trustees or the Executive Committee of the Board of Trustees.

4.4.2. Composition

The Investment Committee shall be composed of two members of the Board of Trustees, the Executive Director (or a delegated representative), the Director of Finance, the Head of Treasury, a representative of an external advisory body and the independent advisors engaged by Educo.

The Chairperson and Secretary of the Committee shall be agreed by the members of the Committee.

4.4.3. Appointment and renewal of office

The first Investment Committee shall be appointed by the Board of Trustees or, where applicable, the Executive Committee. Any subsequent appointments or renewals of members, for any reason, shall also be approved by the Board of Trustees or the Executive Committee.

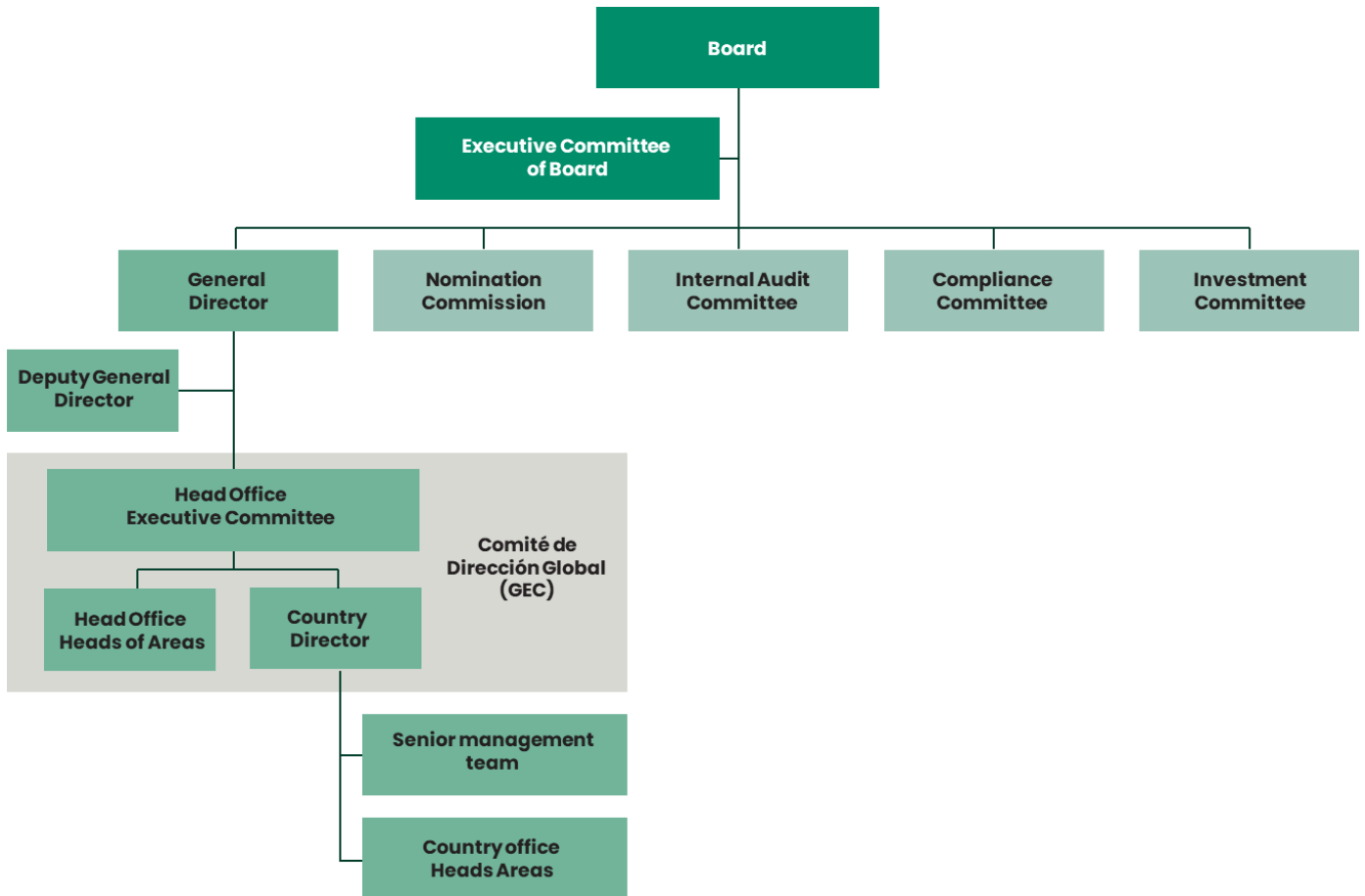
4.4.4. Rules governing the convening of meetings and the adoption of resolutions

The Investment Committee shall meet on a regular basis and at least four times a year. The Investment Committee shall be validly constituted when a majority (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 such other persons as it deems appropriate to attend meetings, with the right to speak but not to vote.

5. Organizational Chart



Board of Trustees

Executive Committee of the Board of Trustees

Executive Director (General Director)

Deputy Executive Director

Global Executive Committee

Senior Management Team

Country Office Heads of Area