

## APPENDIX I

### ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

#### ISSUER'S PARTICULARS

**FINANCIAL YEAR-END**

31/12/2017

**Company Tax ID No. (C.I.F.)**

A-08663619

**CORPORATE NAME**

CAIXABANK, S.A.

**REGISTERED OFFICE**

C/ PINTOR SOROLLA, 2-4 (VALENCIA)

## ANNUAL CORPORATE GOVERNANCE REPORT FOR LISTED COMPANIES

### A OWNERSHIP STRUCTURE

A.1. Complete the following table on the company's share capital.

Date of last amendment	Share capital (€)	Number of shares	Number of voting rights
14/12/2016	5,981,438,031.00	5,981,438,031	5,981,438,031

Indicate whether different types of shares exist with different associated rights.

Yes

No

A.2 List the direct and indirect holders of significant ownership interests in your company at year-end, excluding Directors.

Name or corporate name of shareholder	Number of direct voting rights	Number of indirect voting rights	% of total voting rights
INVESCO LIMITED	0	58,429,063	0.98%
FUNDACIÓN BANCARIA LA CAIXA	3,493	2,392,575,212	40.00%
BLACKROCK, INC	0	196,905,258	3.29%

Name or corporate name of indirect shareholder	Held through: Name or corporate name of direct shareholder	Number of voting rights
INVESCO LIMITED	INVESCO ASSET MANAGEMENT LIMITED	52,428,870
INVESCO LIMITED	TOTAL OWNERSHIP OF OTHER ENTITIES (INDIVIDUALLY LISTED FOR TRADING UNDER SECTION 10)	6,000,193
FUNDACIÓN BANCARIA LA CAIXA	CRITERIA CAIXA, SAU	2,392,575,212
BLACKROCK, INC	OTHER CONTROLLED ENTITIES BELONGING TO BLACKROCK GROUP, INC	196,905,258

Indicate the most significant movements in the shareholder structure during the year.

Name or corporate name of shareholder	Date of the transaction	Description of the transaction
FUNDACIÓN BANCARIA LA CAIXA	06/02/2017	It now holds less than 45% of the share capital
CRITERIA CAIXA, SAU	06/02/2017	It now holds less than 45% of the share capital
BLACKROCK, INC	11/05/2017	It holds over 3% of the share capital
BLACKROCK, INC	27/04/2017	It now holds less than 3% of the share capital
BLACKROCK, INC	17/03/2017	It holds over 3% of the share capital

A.3. Complete the following tables on company Directors holding voting rights through company shares.

Name or corporate name of Director	Number of direct voting rights	Number of indirect voting rights	% of total voting rights
ANTONIO SÁINZ DE VICUÑA Y BARROSO	609	0	0.00%
ALAIN MINC	12,932	0	0.00%
JOSÉ SERNA MASIÁ	2,040	10,462	0.00%
KORO USARRAGA UNSAÍN	0	0	0.00%
MARÍA VERÓNICA FISAS VERGÉS	0	0	0.00%
ANTONIO MASSANELL LAVILLA	119,251	0	0.00%
JUAN ROSELL LASTORTRAS	0	42,031	0.00%
JORDI GUAL SOLÉ	51,191	0	0.00%
MARÍA AMPARO MORALEDA MARTÍNEZ	0	0	0.00%
GONZALO GORTÁZAR ROTAECHE	602,473	0	0.01%
JOHN S. REED	12,564	0	0.00%
MARÍA TERESA BASSONS BONCOMPTE	19,369	0	0.00%
JAVIER IBARZ ALEGRÍA	14,058	0	0.00%
FRANCESC XAVIER VIVES TORRENTS	3,345	0	0.00%
EDUARDO JAVIER SANCHIZ IRAZU	0	0	0.00%
IGNACIO GARRALDA RUIZ DE VELASCO	0	0	0.00%
ALEJANDRO GARCÍA-BRAGADO DALMAU	3,718	0	0.00%
CAJA CANARIAS FOUNDATION	38,237,375	0	0.64%

Name or corporate name of indirect shareholder	Through: Name or corporate name of direct shareholder	Number of voting rights
JOSÉ SERNA MASIÁ	MARÍA SOLEDAD GARCÍA CONDE ANGOSO	10,462
JUAN ROSELL LASTORTRAS	CIVISLAR, S.A.	20,850
JUAN ROSELL LASTORTRAS	CONGOST, S.A.	21,181

<b>% of total voting rights held by the Board of Directors</b>	0.65%
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Complete the following tables on share options held by Directors.

A.4. Indicate, as applicable, any family, commercial, contractual or corporate relationships between owners of significant shareholdings, insofar as these are known by the company, unless they are insignificant or arise from ordinary trading or exchange activities.

A.5. Indicate, as applicable, any commercial, contractual or corporate relationships between owners of significant shareholdings, and the company and/or its group, unless they are insignificant or arise from ordinary trading or exchange activities.

Related-party name or corporate name
FUNDACIÓN BANCARIA LA CAIXA
CAIXABANK GROUP

**Type of relationship:** Commercial

**Brief description:**

There are commercial and contractual relationships which derive from ordinary trading or exchange activities, the regulating principles of which are contained in the Internal Relations between "La Caixa" Banking Foundation, Criteria and CaixaBank. In accordance with the Financial Ownership Management Protocol, the Banking Foundation, as parent of the "la Caixa" Group, Criteria, as direct shareholder, and CaixaBank, as listed company, signed a new Internal Relations Protocol on 19 December 2016 which replaced the previous Protocol and whose main objectives are, among others, to manage related-party transactions, the preferential acquisition right over Monte de Piedad, collaboration in CSR, regulate the adequate flow of information to enable "la Caixa" Banking Foundation and Criteria and CaixaBank to prepare their financial statements and meet their periodic reporting and supervisory requirements to regulatory and resolution bodies.

Related-party name or corporate name
FUNDACIÓN BANCARIA LA CAIXA
CAIXABANK GROUP

**Type of relationship:** Contractual

**Brief description:**

There are commercial and contractual relationships which derive from ordinary trading or exchange activities, the regulating principles of which are contained in the Internal Relations between "La Caixa" Banking Foundation, Criteria and CaixaBank. In accordance with the Financial Ownership Management Protocol, the Banking Foundation, as parent of the "la Caixa" Group, Criteria, as direct shareholder, and CaixaBank, as listed company, signed a new Internal Relations Protocol on 19 December 2016 which replaced the previous Protocol and whose main objectives are, among others, to manage related-party transactions, the preferential acquisition right over Monte de Piedad, collaboration in CSR, regulate the adequate flow of information to enable "la Caixa" Banking Foundation and Criteria and CaixaBank to prepare their financial statements and meet their periodic reporting and supervisory requirements to regulatory and resolution bodies.

A.6 Indicate whether the company has been notified of any shareholders' agreements pursuant to articles 530 and 531 of the Corporate Enterprises Act ("LSC"). Provide a brief description and list the shareholders bound by the agreement, as applicable.

Yes

No

Shareholders bound by agreement
FUNDACIÓN CAJASOL GRUPO CAIXABANK
FUNDACIÓN BANCARIA LA CAIXA
CAJA CANARIAS FOUNDATION
FUNDACIÓN BANCARIA CAJA NAVARRA
CAJA DE BURGOS FOUNDATION, BANKING FOUNDATION

**% of share capital affected:** 80.60%

**Brief description of agreement:**

Following the merger by absorption of Banca Cívica by CaixaBank, the shareholders: "la Caixa" Banking Foundation, Caja Navarra (currently Caja Navarra Banking Foundation), Cajasol (currently Fundación Cajasol), Caja Canarias (currently Fundación Caja Canarias) and Caja de Burgos (currently Fundación Caja de Burgos, Banking Foundation), (hereinafter "the Foundations") entered into an agreement on 1 August 2012 which regulates the relations of "the Foundations" and "la Caixa" Banking Foundation as

shareholders of CaixaBank, and their reciprocal relations of cooperation as well as with CaixaBank, with the aim of strengthening their respective actions in respect of the latter and supporting "la Caixa" Banking Foundation with their control.

CONTINUES IN SECTION H.

Indicate whether the company is aware of the existence of any concerted actions among its shareholders. Give a brief description as applicable.

Yes  No

Expressly indicate any amendments to or termination of such agreements or concerted actions during the year.

The company is not aware of the existence of any concerted actions among its shareholders.

A.7. Indicate whether any individuals or bodies corporate currently exercise control or could exercise control over the company in accordance with article 4 of the Spanish Securities' Market Act: If so, identify them:

Yes  No

**Comments**

A.8. Complete the following tables on the company's treasury stock.

**At year end:**

Number of shares held directly	Number of shares held indirectly (*)	% of total share capital
3,520,392	45,567	0.06%

**(\*) Through:**

Name or corporate name of direct shareholder	Number of shares held directly
VIDACAIXA, S.A. DE SEGUROS Y REASEGUROS	31,757
CAIXABANK ASSET MANAGEMENT, SGIIC, S.A.U	13,810
Total:	45,567

Give details of any significant changes during the year, pursuant to Royal Decree 1362/2007.

**Details of significant changes**

A.9 Give details of the applicable conditions and time periods governing any resolutions of the General Shareholders' Meeting to issue, buy back and/or transfer treasury stock.

At the Annual General Meeting of 28 April 2016, it was agreed to authorise the Board of Directors so that, in accordance with the provisions of Articles 146 and 509 of the Corporate Enterprises Act, it could proceed with the derivative acquisition of treasury shares, directly and indirectly, through its subsidiaries, under the following terms:

- The acquisition may be made in the form of a sale, swap, dation in payment or any other legally admissible form, on one or more occasions, providing the combined nominal amount of the acquired shares and those already held by the Company does not exceed 10% of the subscribed capital.

When the acquisition is for consideration, the price or equivalent value shall be the price of the Company share on the Continuous

Market at the close of the day prior to the acquisition, +/-15%.

This authorisation is valid for five years from the adoption of the resolution at the Company's Annual General Meeting. In addition, and for the purposes of article 146.1, section a, paragraph 2 of the Corporate Enterprises Act, a resolution is made to expressly authorise the acquisition of shares in the Company by any of the subsidiaries, in the same terms as set out herein.

The shares acquired by virtue of this authorisation may be subsequently disposed of or redeemed, or else extended to employees and directors of the Company or its group as part of the remuneration systems set out in Article 146, section a, paragraph 3 of the Corporate Enterprises Act.

The Board of Directors is empowered to delegate this authorisation to any person or persons it so deems appropriate. All of the above with the remaining limits and requirements of the Corporate Enterprises Act and other applicable legislation. The unused portion of the previous authorisation granted at the Annual General Meeting held on 19 April 2012 was thereby revoked.

On 28 January 2016, the Board of Directors agreed to set the criteria for intervention in securities held in treasury on the basis of a new alerts system in accordance with the authorisation contemplated in article 46 of the Internal Rules of Conduct to define the discretion in managing the securities held in treasury shares by the ring-fenced area.

#### A.9.bis Estimated floating capital:

	%
<b>Estimated floating capital</b>	55.02

A.10 Give details of any restriction on the transfer of securities or voting rights. Indicate, in particular, the existence of any restrictions on the takeover of the company by means of share purchases on the market.

Yes

No

A.11 Indicate whether the General Shareholders' Meeting has agreed to take neutralisation measures to prevent a public takeover bid by virtue of the provisions of Act 6/2007.

Yes

No

If applicable, explain the measures adopted and the terms under which these restrictions may be lifted.

A.12. Indicate whether the company has issued securities not traded in a regulated market of the European Union.

Yes

No

If so, identify the various classes of shares and, for each class of shares, the rights and obligations they confer.

## **B**

### **GENERAL SHAREHOLDERS' MEETING**

B.1. Indicate the quorum required for constitution of the General Shareholders' Meeting established in the company's Bylaws. Describe how it differs from the system of minimum quorums established in the LSC.

Yes

No

B.2 Indicate and, as applicable, describe any differences between the company's system of adopting corporate resolutions and the framework set forth in the LSC.

Yes

No

Describe how they differ from the rules established under the LSC.

A.3 Indicate the rules governing amendments to the company's Bylaws. In particular, indicate the majorities required to amend the Bylaws and, if applicable, the rules for protecting shareholders' rights when changing the Bylaws.

CaixaBank's Bylaws establish the same limits and conditions as those set forth in the Corporate Enterprises Act.

The provisions of the Corporate Enterprises Act shall be applied to protect shareholders' rights when changing the Bylaws.

In addition, as a credit institution, and in accordance with the terms of Article 10 of Royal Decree 84/2015, of 13 February, amendments to CaixaBank's Bylaws are governed by the authorisation and registration procedure set forth therein. Nevertheless, certain amendments (including the change of registered office within Spain, an increase in the share capital, the textual incorporation of mandatory or prohibitive legal or regulatory precepts, or those to comply with judicial or administrative resolutions) are not subject to the authorisation procedure although they still must be reported to the Bank of Spain

B.4 Indicate the attendance figures for the General Shareholders' Meetings held during the year.

Date of general meeting	Attendance data				Total
	% attending in person	% by proxy	% remote voting		
			Electronic means	Other	
28/04/2016	58.58%	11.69%	0.03%	1.54%	71.84%
06/04/2017	42.54%	24.43%	0.03%	1.25%	68.25%

B.5 Indicate whether the Bylaws impose any minimum requirement on the number of shares required to attend the General Shareholders' Meetings.

Yes

No

<b>Number of shares required to attend the General Meetings</b>	1,000
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B.6 Section revoked.

B .7 Indicate the address and mode of accessing corporate governance content on your company's website as well as other information on General Meetings which must be made available to shareholders on the website.

All CaixaBank's corporate governance content is available on the website (www.caixabank.com) under "Shareholders and Investors" "Corporate Governance and Remuneration Policy":  
[https://www.caixabank.com/informacionparaaccionistaseinversores/gobiernocorporativo\\_es.html](https://www.caixabank.com/informacionparaaccionistaseinversores/gobiernocorporativo_es.html)

Specific information on Annual General Meetings can be found in the "Annual General Meeting" subsection of the "Corporate Governance and Remuneration Policy" section of the website:

[https://www.caixabank.com/informacionparaaccionistaseinversores/gobiernocorporativo/juntageneralaccionistas\\_es.html](https://www.caixabank.com/informacionparaaccionistaseinversores/gobiernocorporativo/juntageneralaccionistas_es.html)

Also, when a General Meeting is announced, a banner appears on the CaixaBank homepage with a direct link to all the pertinent information. We would also note that there is a section at the bottom of the CaixaBank homepage entitled "Direct Links" where users can access all the information on the General Meetings through the "Annual General Meeting" link.

## C

### COMPANY MANAGEMENT STRUCTURE

#### C.1. Board of Directors

C.1.1 List the maximum and minimum number of Directors included in the Bylaws.

<b>Maximum number of Directors</b>	22
<b>Minimum number of Directors</b>	12



C.1.2 Complete the following table with board members' details.

Name or corporate name of Director	Representative	Director category	Position on the Board	Date of first appt.	Date of last appt.	Election procedure
ANTONIO SÁINZ DE VICUÑA Y BARROSO		Independent	DIRECTOR	01/03/2014	24/04/2014	AGM RESOLUTION
ALAIN MINC		Independent	DIRECTOR	06/09/2007	24/04/2014	AGM RESOLUTION
JOSÉ SERNA MASIÁ		Proprietary	DIRECTOR	30/06/2016	06/04/2017	DELEGATE RESOLUTION
KORO USARRAGA UNSAIN		Independent	DIRECTOR	30/06/2016	06/04/2017	DELEGATE RESOLUTION
MARÍA VERÓNICA FISAS VERGÉS		Independent	DIRECTOR	25/02/2016	28/04/2016	DELEGATE RESOLUTION
ANTONIO MASSANELL LAVILLA		Executive	DEPUTY CHAIRMAN	30/06/2014	23/04/2015	DELEGATE RESOLUTION
JUAN ROSELL LASTORTRAS		Independent	DIRECTOR	06/09/2007	24/04/2014	DELEGATE RESOLUTION
JORDI GUAL SOLÉ		Proprietary	CHAIRMAN	30/06/2016	06/04/2017	AGM RESOLUTION
MARÍA AMPARO MORALEDA MARTINEZ		Independent	DIRECTOR	24/04/2014	24/04/2014	DELEGATE RESOLUTION
GONZALO GORTÁZAR ROTAECHE		Executive	DIRECTOR AGM	30/06/2014	23/04/2015	DELEGATE RESOLUTION
JOHN S. REED		Independent	DIRECTOR	03/11/2011	19/04/2012	AGM RESOLUTION
MARÍA TERESA BASSONS BONCOMPTE		Proprietary	DIRECTOR	26/06/2012	26/06/2012	DELEGATE RESOLUTION
JAVIER ALEGRIA IBARZ		Proprietary	DIRECTOR	26/06/2012	26/06/2012	DELEGATE RESOLUTION
FRANCESC XAVIER VIVES TORRENTS		Independent	DIRECTOR JST Coordinator (ECB) INDEPENDENT	05/06/2008	23/04/2015	DELEGATE RESOLUTION
EDUARDO JAVIER SANCHIZ IRAZU		Independent	DIRECTOR	21/09/2017	21/09/2017	CO-OPTION
IGNACIO GARRALDA RUIZ DE VELASCO		Proprietary	DIRECTOR	06/04/2017	06/04/2017	DELEGATE RESOLUTION
ALEJANDRO GARCIA-BRAGADO DALMAU		Proprietary	DIRECTOR	01/01/2017	06/04/2017	DELEGATE RESOLUTION
FUNDACIÓN CAJA CANARY ISLANDS	KORO NATALIA AZNÁREZ	Proprietary	DIRECTOR	23/02/2017	06/04/2017	DELEGATE RESOLUTION

Total number of Directors	18
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Indicate any Board members who left during this period.

Name or corporate name of Director	Status of the Director at the time	Leaving date
SALVADOR GABARRÓ SERRA	Proprietary	17/03/2017
CAJASOL FOUNDATION	Proprietary	23/02/2017

C.1.3 Complete the following tables on board members and their respective categories.

### **EXECUTIVE DIRECTORS**

Name or corporate name of Director	Position held in the company
ANTONIO MASSANELL LAVILLA	DEPUTY CHAIRMAN
GONZALO GORTÁZAR ROTAECHE	CHIEF EXECUTIVE

<b>Total number of executive Directors</b>	2
<b>% of the Board</b>	11.11%

### **EXTERNAL PROPRIETARY DIRECTORS**

Name or corporate name of Director	Name or corporate name of significant shareholder represented or proposing appointment
JOSÉ SERNA MASIÁ	FUNDACIÓN BANCARIA LA CAIXA
JORDI GUAL SOLÉ	FUNDACIÓN BANCARIA LA CAIXA
MARÍA TERESA BASSONS BONCOMPTE	FUNDACIÓN BANCARIA LA CAIXA
JAVIER IBARZ ALEGRÍA	FUNDACIÓN BANCARIA LA CAIXA
CAJA CANARIAS FOUNDATION	CAJA NAVARRA BANKING FOUNDATION, CAJASOL FOUNDATION, CAJA CANARIAS FOUNDATION AND CAJA DE BURGOS FOUNDATION
ALEJANDRO GARCÍA-BRAGADO DALMAU	FUNDACIÓN BANCARIA LA CAIXA
IGNACIO GARRALDA RUIZ DE VELASCO	MUTUA MADRILEÑA AUTOMOVILISTA SOCIEDAD DE SEGUROS A PRIMA FIJA

<b>Total number of proprietary Directors</b>	7
<b>% of the Board</b>	38.89%

### **INDEPENDENT EXTERNAL DIRECTORS**

**Name or corporate name of Director:**

ANTONIO SÁINZ DE VICUÑA Y BARROSO

**Profile:**

Born in Barcelona in 1948, Antonio Sainz de Vicuña y Barroso has been a member of the CaixaBank Board of Directors since 2014.

He earned his degree in Law and Economic and Commercial Science from Universidad Complutense in Madrid (1971), and then studied a postgraduate course with a final dissertation on European and International Law. He also holds a Diploma in International Law from Pembroke College, Cambridge University. He was awarded a grant from the Juan March Foundation.

In 1974, he became a State Attorney acting as legal advisor to the Spanish Ministries of Finance, Economy and Foreign Affairs between 1974 and 1989. From September 1989 to November 1994 he was the Chief International Legal Counsel of Banco Español de Crédito in Madrid. Between November 1994 and June 1998, he was General Counsel at the European Monetary Institute (EMI) in Frankfurt, the body entrusted with the preparatory work for the launch of the euro. He then worked at the European Central Bank from June 1998 to November 2013, where he was General Counsel and Director of Legal Services, before retiring at 65 in November 2013.

He is also a founder member of and sat on the first Board of Directors of Asociación para el Estudio del Derecho Europeo (1982-1986); a founder member of the Corte Civil y Mercantil de Arbitraje (1989-1994); founder member and member of Supervisory Board of the Institute for Law and Finance, Wolfgang Goethe Universität, Frankfurt (2000-2013); founder member and member of the Advisory Board of PRIME Finance (2011-2013); and a member the Advisory Board of the European Capital Markets Institute (2000-2013).

He has spoken at numerous financial conferences and has published a monography on "State Contracts in International Law" (Ed. Ministerio de Asuntos Exteriores, 1986) and some 30 legal articles in specialist publications. He has been awarded the Commander Cross, Order of Elizabeth the Catholic (1987) for services to Spain joining the European Community and the Commander Cross, Order of Civil Merit (2014).

**Name or corporate name of Director:**

ALAIN MINC

**Profile:**

Alain Minc, born in Paris in 1949, has been a member of the Board of Directors of CaixaBank since 2007.

He is the chairman and chief executive of his own consultancy firm, AM Conseil.

and is a graduate from the École des Mines de Paris and the École Nationale d'Administration (ENA) in Paris. In 1991, he founded his own consultancy firm, AM Conseil.

He has been Chairman of the Supervisory Board of French newspaper Le Monde, Deputy Chairman of Compagnie Industriale Riunite International and General Manager of Cerus (Compagnies Européennes Réunies).

He was also a finance inspector and CFO at the French industrial group Saint-Gobain.

He is currently Chairman of Sanef.

He has been named Commandeur de la Légion d' Honneur and Commander of the British Empire and was awarded Gran Cruz de la Orden del Mérito Civil.

He has written more than 30 books since 1978, many of them best-sellers, including: Rapport sur l'informatisation de la société; La Machine égalitaire; Les vengeances des Nations; Le Nouveau Moyen-âge; Rapport sur la France de l'an 2000; www.capitalisme.fr; Épître à nos nouveaux maîtres (2003); Les Prophètes du bonheur: histoire personnelle de la pensée économique (2004); Ce monde qui vient (2004); Le Crépuscule des petits dieux (2006); Une sorte de Diable, les vies de John M. Keynes (December 2006); Une histoire de France (2008); Dix jours qui ébranleront le monde (2009); Une histoire politique des intellectuels (2011); Un petit coin de paradis, L'Âme des Nations (2012); L' Homme aux deux visages (2013); Vive l'Allemagne (2013); Le mal français n'est plus ce qu'il était (2014); and Un Français de tant de souches (2015).

**Name or corporate name of Director:**

KORO USARRAGA UNSAÍN

**Profile:**

Koro Usarraga Unsain (San Sebastián, 1957) has been a member of CaixaBank's Board of Directors since 2016.

She has a degree in Business Administration and a Masters in Business Management from ESADE, took the PADE (Senior Management Programme) at IESE and is a qualified chartered accountant.

She was an independent Director of NH Hotel Group from 2015 to October 2017.

She worked at Arthur Andersen for 20 years and in 1993 was appointed partner of the audit division.

In 2001 she assumed responsibility for the General Corporate Management of Occidental Hotels & Resorts, a group with significant international presence and specialising in the holiday sector. She was responsible for the finance, administration and management control departments, as well as IT and human resources.

She was General Manager of Renta Corporación, a real estate group specialising in the purchase, refurbishment and sale of properties.

She has been shareholder and administrator of the company 2005 KP Inversiones, S.L. since 2005, which is dedicated to investing in companies and management consultancy.

**Name or corporate name of Director:**

MARÍA VERÓNICA FISAS VERGÉS

**Profile:**

Born in Barcelona in 1964, Verónica Fisas has served on the Board of Directors of CaixaBank since February 2016.

She holds a degree in Law and a Master in Business Administration. She joined Natura Bissé very early in her career, thus acquiring extensive knowledge of the company and of all its departments.

She has been the CEO of the Board of Directors of Natura Bissé and the General Director of the Natura Bissé Group since 2007. Since 2008, she has also been a trustee of Ricardo Fisas Natura Bissé Foundation.

In 2001, as the CEO of the United States subsidiary of Natura Bissé, she was responsible for the expansion and consolidation of the business, and obtained outstanding results in product distribution and brand positioning.

In 2009 she joined the Board of Directors of Stanpa, Asociación Nacional de Perfumería y Cosmética. In 2012 she was named Vice Chair of Stanpa and Chair of the Association's Committee of Professional Aesthetics. She received the Work-Life Balance Award at the 2nd Edition of the National Awards for Women in Management in 2009, and the IWECA Award (International Women's Entrepreneurial Challenge) for her professional career, in 2014. In November 2017, the magazine Emprendedores recognised Verónica Fisas with the award of "Woman Executive of the Year".

**Name or corporate name of Director:**

JUAN ROSELL LASTORTRAS

**Profile:**

Born in Barcelona in 1957, Juan Rosell Lastortras has been a member of the CaixaBank Board of Directors since 2007.

He holds a degree in Industrial Engineering from Barcelona Polytechnic University and studied Political Science at Universidad Complutense in Madrid. He is currently Chairman of Congost Plastic.

During his professional career, Mr Rosell has served as Managing Director of Juguetes Congost and has been Chairman of Enher (1996-1999), Fecsa-Enher (1999-2002) and Corporación Unliand (2005-2006). He has also been a board member of Gas Natural, S.D.G, S.A., Agbar, Endesa, Endesa Italia S.p.A., Siemens España and Applus Servicios Tecnológicos.

In addition, he is Chairman of the Spanish Confederation of Business Organisations (CEOE), a member of the Mont Pelerin Society, and Deputy Chairman of Business Europe.

Mr. Rosell has received numerous decorations including the Gold Medal of Merit of the International Trade Fair of Barcelona and the Silver Medal of the Barcelona Chamber of Commerce; was named a Commander of the Order Merit of the Italian Republic; he was given the Keys to the City of Barcelona and the Tiepolo Prize.

**Name or corporate name of Director:**

MARÍA AMPARO MORALEDA MARTÍNEZ

**Profile:**

Born in Madrid in 1964, María Amparo Moraleda has been a member of the CaixaBank Board of Directors since 2014.

She graduated in Industrial Engineering from the ICAI and holds an MBA from the IESE Business School.

She is an independent Director at several companies: Solvay, S.A. (since 2013), Airbus Group, S.E. (since 2015) Vodafone Group (since 2017).

She is also a member of the Supervisory Board of the Spanish High Council for Scientific Research (since 2011) and a member of the advisory boards of SAP Ibérica (since 2017) and of Spencer Stuart (since 2017).

Between 2012 and 2017, she was a member of the board of directors of Faurecia, S.A. and member of the Advisory Board of KPMG España (since 2012).

Between January 2009 and February 2012 she was Chief Operating Officer of Iberdrola's International Division with responsibility for the United Kingdom and the United States. She also headed Iberdrola Engineering and Construction from January 2009 to January 2011.

She was General Manager at IBM Spain and Portugal between July 2001 and January 2009. The reach of her division was subsequently extended to encompass Greece, Israel and Turkey from July 2005 to January 2009. Between June 2000 and 2001 she was assistant executive to the President of IBM Corporation. From 1998 to 2000 she was General Manager at INSA (a subsidiary of IBM Global Services). From 1995 to 1997 she was Head of HR for EMEA at IBM Global Services and from 1988 to 1995 she held various offices and management positions at IBM España.

She is also a member of various boards and trusts of different institutions and bodies, including the Academy of Social Sciences and the Environment of Andalusia, the Board of Trustees of the MD Anderson Cancer Center in Madrid and the International Advisory Board of Instituto de Empresa.

In December 2015 she was named full academic member of Real Academia de Ciencias Económicas y Financieras.

In 2005 she was inducted into the Women in Technology International (WITI) organisation's Hall of Fame, which recognises, honours, and promotes the outstanding contributions women make to the scientific and technological communities that improve and evolve society. Her numerous accolades include: the Values Leadership Award (FIGEVA Foundation – 2008), the Javier Benjumea Prize (Engineering Association of the ICAI – 2003) and the Award for Excellence (Spanish Federation of Female Directors, Executives, Professionals and Entrepreneurs – Fedepe – 2002).

**Name or corporate name of Director:**

JOHN S. REED

**Profile:**

Born in Chicago in 1939, John Reed has been a member of the Board of Directors of CaixaBank since 2011.

He was raised in Argentina and Brazil and completed his university studies in the United States. In 1961, he earned a degree in Philosophy and Arts and Sciences from Washington and Jefferson College and the Massachusetts Institute of Technology under a double degree programme. He was a lieutenant in the US Army Corps of Engineers from 1962 to 1964 and again enrolled at MIT to study a Master in Science.

John Reed worked for Citibank/Citicorp and Citigroup for over 35 years, holding the position of President for the last 16 before retiring in April 2000.

From September 2003 to April 2005, he returned to work as the Chairman of the New York Stock Exchange and was Chairman of the MIT Corporation from May 2010 to October 2014.

He was appointed Chairman of the Board of American Cash Exchange in February 2016.

John Reed is trustee of the Boston Athenaeum and of the NBER, and of the Boston Symphony Orchestra. He is also a member of the board of the American Academy of Arts and Sciences and the American Philosophical Society.

**Name or corporate name of Director:**

FRANCESC XAVIER VIVES TORRENTS

**Profile:**

Xavier Vives Torrents was born in Barcelona in 1955. He has been a member of the CaixaBank Board of Directors since 2008 and the Lead Director from 2017.

He is a Professor of Economics and Finance at the IESE Business School. He also holds a PhD in Economics from the University of California, Berkeley.

He was Professor of European Studies at the INSEAD Business School in 2001-2005; Director of the Institute of Economic Analysis at the Spanish High Council for Scientific Research in 1991-2001; and a visiting lecturer at the universities of California (Berkeley), Harvard, Pennsylvania and New York (King Juan Carlos I Chair 1999-2000), as well as the Autonomous University of Barcelona and the Pompeu Fabra University.

He has also advised the World Bank, the Inter-American Development Bank, the New York Federal Reserve, the European Commission (where he was Special Advisor to the EU Vice President and Competition Commissioner, Joaquín Almunia). He is also a member of CARE (Advisory Council for Economic Recovery and Growth) of the Government of Catalonia and has advised many international companies. Mr Vives also served as Chairman of the Spanish Economic Association in 2008; and Deputy Chairman of the Spanish Energy Economics Association in 2006-2009 and was a Duisenberg Fellow at the European Central Bank in 2015.

He is currently a member of the board of the Aula Escola Europea, a member of the European Academy of Sciences and Arts and of the Academia Europaea, and a Research Fellow of the CESifo and the Centre for Economic Policy Research. He has been a Fellow of the European Economic Association since 2004 and a Fellow of the Econometric Society since 1992. He is the Chairman of EARIE (European Association for Research in Industrial Economics) for 2016-2018.

He has published numerous articles in international journals and directed the publication of various books. Mr. Vives Torrents has also received several awards including the King Juan Carlos I Prize for Research into Social Sciences in 1988; the Catalan Society for Economics prize in 1996; the Narcís Monturiol Medal from the Catalanian regional government in 2002; and the Catalonia Economics Prize in 2005, in addition to the IEF Award for academic excellence for his professional career in 2012. He is also the recipient of a European Research Council Advanced Grant in 2009-2013 and was awarded the King Jaime I Award for economics in 2013.

**Name or corporate name of Director:**

EDUARDO JAVIER SANCHIZ IRAZU

**Profile:**

Eduardo Javier Sanchiz Irazu was born in Vitoria in 1956. He has been a member of the CaixaBank Board of Directors since 2017.

He holds a degree in economics the University of Deusto, San Sebastián campus, and a Master's Degree in Business Administration from the Instituto Empresa in Madrid.

He was Chief Executive of Almirall since July 2011 until 30 September 2017. During this period, the company underwent a significant strategic transformation with the aim of becoming a global leader in skin treatment.

Previously, after joining Almirall in May 2004, he was executive director of Corporate Development and Finance and Chief Financial Officer. In both positions, Eduardo led the company's international expansion through a number of alliances with other companies, and through licensing of external products, in addition to five acquisitions of companies and product portfolios. He also coordinated the IPO process in 2007.

He was a member of the Almirall Board of Directors from January 2005 and member of the Dermatology Committee from its creation in 2015.

Prior to joining Almirall, he worked for 22 years (17 outside Spain) at Eli Lilly & Co, an American pharmaceutical company, in finance, marketing, sales and general management positions. He was able to live in six different countries and some of his significant positions include General Manager in Belgium, General Manager in Mexico and, in his last position in the company, Executive Officer for the business area that encompasses countries in the centre, north, east and south of Europe.

He was a member of the American Chamber of Commerce in Mexico and of the Association of Pharmaceutical Industries in a number of countries in Europe and Latin America.

<b>Total number of independent Directors</b>	9
<b>% of the Board</b>	50.00%

List any independent Directors who receive from the company or group any amount or payment other than standard Director remuneration or who maintain or have maintained during the last year a business relationship with the company or any group company, either in their own name or as a significant shareholder, director or senior manager of an entity which maintains or has maintained the said relationship.

No director classified as independent receives from the company or group any amount or payment other than standard Director remuneration or maintains or has maintained during the last year a business relationship with the company or any group company, either in their own name or as a significant shareholder, director or senior manager of an entity which maintains or has maintained the said relationship.

If applicable, include a statement from the Board detailing the reasons why the said Director may carry out their duties as an independent Director.

### **OTHER EXTERNAL DIRECTORS**

Identify all other external Directors and explain why these cannot be considered proprietary or independent Directors and detail their relationships with the company, its executives or shareholders.

List any changes in the category of each Director which have occurred during the year.

C.1.4 Complete the following table on the number of women Directors over the past four years and their category.

	Number of women Directors				% of total Directors of each type			
	Year 2017	Year 2016	Year 2015	Year 2014	Year 2017	Year 2016	Year 2015	Year 2014
<b>Committee</b>	0	0	0	0	0.00%	0.00%	0.00%	0.00%
<b>Proprietary</b>	2	1	3	3	28.57%	16.67%	33.33%	30.00%
<b>Independent</b>	3	3	1	1	33.33%	37.50%	16.66%	16.67%
<b>Other external</b>	0	0	0	0	0.00%	0.00%	0.00%	0.00%
<b>Total:</b>	5	4	4	4	27.78%	25.00%	23.53%	21.05%

- C.1.5 Explain the measures, if applicable, which have been adopted to ensure that there is a sufficient number of women Directors on the Board to guarantee an even balance between men and women.

**Explanation of measures**

At 31 December 2017, the Board of Directors included 5 women out of 18 Directors.

This percentage of women on Caixabank's Board of Directors, though not equal, and which could be improved, increased in the past year and stands in the upper range of the companies on the IBEX 35.

When analysing and proposing candidates' profiles for appointment to the Board of Directors, the Appointments Committee not only takes into account matters of gender diversity but also criteria of repute, knowledge and professional experience to be appointed a Director of a credit institution as stipulated in prevailing legislation. However, it has yet to set a quota for female Directors.

- C.1.6 Explain the measures taken, if applicable, by the Nomination Committee to ensure that the selection processes are not subject to implicit bias that would make it difficult to select women Directors, and whether the company makes a conscious effort to search for women candidates who have the required profile.

**Explanation of measures**

Women candidates are not discriminated against in the selection process of Directors. Likewise, article 15 of the Regulations of the Board of Directors states that one of the duties assigned to the Appointments Committee is to report to the Board on gender diversity issues, ensuring that the procedures for selection of its members favour the diversity of experience, knowledge, and facilitate the selection of women Directors, and establish a representation target for the less represented sex on the Board of Directors as well as preparing guidelines for how this should be achieved.

When, despite the measures taken, there are few or no women Directors, explain the reasons.

**Explanation of the reasons**

At year end 2017, women comprised 33.3% of the independent Directors and 28.6% of proprietary Directors, while 25% of the members of the Executive Committee are women and 67% of the members of the Appointments Committee and of the Remuneration Committee are women, and the latter committee is chaired by a woman.

The Risks Committee and the Audit and Control Committee each have one woman member, representing 25% and 33.3% of each committee, respectively. That is to say, women are represented on all the Committees of the Company. Therefore, even though the number of female Directors is not equal, it is not deemed to be few.

- C.1.6 bis Explain the Nomination Committee's conclusions on its checks that the Director selection policy is being complied with. Particularly whether the policy pursues the goal of having at least 30% of total Board places occupied by women Directors before the year 2020.

**Explanation of conclusions**

The Appointments Committee, in compliance with the provisions of section 7 of the Directors' Selection Policy, approved by the Board on 19 November 2015, states that it has verified compliance with this Policy in the agreements adopted referring to the appointments of directors, which have been in keeping with the principles and guidelines contained therein, and that the percentage of the lesser represented sex is situated at 29.4% on the date of verifying compliance with the Policy. However, this will change to 27.8% when the appointment of Mr. Muniesa is verified by the European Central Bank and he accepts the post.



### C.1.7 Explain how shareholders with significant holdings are represented on the Board.

As a significant shareholder of CaixaBank and in representation of this share holding, the "la Caixa" Banking Foundation proposed the appointment of six (6) Directors, namely:

JORDI GUAL SOLÉ - CHAIRMAN - PROPRIETARY  
ANTONIO MASSANELL LAVILLA- DEPUTY CHAIRMAN/PROPRIETARY  
MARÍA TERESA BASSONS BONCOMPTE - MEMBER-PROPRIETARY  
ALEJANDRO GARCÍA-BRAGADO DALMAU - MEMBER - PROPRIETARY  
JAVIER IBARZ ALEGRÍA - MEMBER - PROPRIETARY  
JOSÉ SERNA MASIÁ - MEMBER - PROPRIETARY

Likewise, within the framework of the merger by absorption of Banca Cívica by CaixaBank, on 1 August 2012 Caja de Ahorros y Pensiones de Barcelona, "la Caixa" (currently "la Caixa" Banking Foundation) and Caja Navarra (currently Fundación Caja Navarra), Cajasol (currently Fundación Cajasol), Caja Canarias (currently Fundación Caja Canarias) and Caja de Burgos (currently Fundación Caja Burgos, Banking Foundation) (hereinafter "the Foundations"), entered into a shareholders agreement which, inter alia, stated the pledge given by "la Caixa" Banking Foundation to vote in favour of the appointment of two (2) Directors to the CaixaBank Board of Directors proposed by "the Foundations".

On 17 October 2016, the amendments to the Integration Agreement between CaixaBank and Banca Cívica and the CaixaBank Shareholders' Agreement were agreed, which means that the "Foundations", instead of proposing the appointment of two (2) directors at CaixaBank, one director at CaixaBank and one at VidaCaixa is proposed, and that the extension of the agreements that automatically occurred at the beginning of August, for three years, will have a duration of four years instead of the aforementioned three.

And, therefore, the current representative of "the Foundations" on the CaixaBank's Board is: FUNDACIÓN CAJA CANARIAS (represented by Natalia Aznárez Gómez) - MEMBER - PROPRIETARY

### C.1.8 Explain, when applicable, the reasons why proprietary Directors have been appointed upon the request of shareholders who hold less than 3% of the share capital.

#### **Name or corporate name of shareholder:**

FUNDACIÓN BANCARIA CAJA NAVARRA

#### **Justification:**

Following the merger by absorption of Banca Cívica by CaixaBank, the shareholders: Caja de Ahorros y Pensiones de Barcelona, "la Caixa" (currently "la Caixa" Banking Foundation) and Caja Navarra (currently Fundación Caja Navarra), Cajasol (currently Fundación Cajasol), Caja Canarias (currently Fundación Caja Canarias) and Caja de Burgos (currently Fundación Caja de Burgos, Banking Foundation), (hereinafter "the Foundations") entered into an agreement on 1 August 2012 to regulate their relations as shareholders of CaixaBank, and their reciprocal relations of cooperation as well as with CaixaBank, with the aim of strengthening their respective actions in respect of the latter and supporting their control of "la Caixa" Banking Foundation. They also agreed to appoint two members of the Board of Directors of CaixaBank proposed by "the Foundations" and, in order to give stability to their shareholding in CaixaBank, the "Foundations" agreed on a four-year lock up period, as well as a commitment to exercise their pre-emptive acquisition rights over two years in favour of the other foundations in the first place and subsidiarily "la Caixa" Banking Foundation, should any of the Savings Banks wish to transfer all or part of their stake, once the lock-up period has expired. On 17 October 2016, the amendments to the Integration Agreement between CaixaBank and Banca Cívica and the CaixaBank Shareholders' Agreement were agreed, which means that the "Foundations", instead of proposing the appointment of two (2) directors at CaixaBank, one director at CaixaBank and one at VidaCaixa is proposed, and that the extension of the agreements that automatically occurred at the beginning of August, for three years, will have a duration of four years instead of the aforementioned three.

#### **Name or corporate name of shareholder:**

CAJASOL FOUNDATION

**Justification:**

Following the merger by absorption of Banca Cívica by CaixaBank, the shareholders: Caja de Ahorros y Pensiones de Barcelona, "la Caixa" (currently "la Caixa" Banking Foundation) and Caja Navarra (currently Fundación Caja Navarra), Cajasol (currently Fundación Cajasol), Caja Canarias (currently Fundación Caja Canarias) and Caja de Burgos (currently Fundación Caja de Burgos, Banking Foundation), (hereinafter "the Foundations") entered into an agreement on 1 August 2012 to regulate their relations as shareholders of CaixaBank, and their reciprocal relations of cooperation as well as with CaixaBank, with the aim of strengthening their respective actions in respect of the latter and supporting their control of "la Caixa" Banking Foundation. They also agreed to appoint two members of the Board of Directors of CaixaBank proposed by "the Foundations" and, in order to give stability to their shareholding in CaixaBank, the "Foundations" agreed on a four-year lock up period, as well as a commitment to exercise their pre-emptive acquisition rights over two years in favour of the other foundations in the first place and subsidiarily "la Caixa" Banking Foundation, should any of the Savings Banks wish to transfer all or part of their stake, once the lock-up period has expired. On 17 October 2016, the amendments to the Integration Agreement between CaixaBank and Banca Cívica and the CaixaBank Shareholders' Agreement were agreed, which means that the "Foundations", instead of proposing the appointment of two (2) directors at CaixaBank, one director at CaixaBank and one at VidaCaixa is proposed, and that the extension of the agreements that automatically occurred at the beginning of August, for three years, will have a duration of four years instead of the aforementioned three.

**Name or corporate name of shareholder:**

CAJA CANARIAS FOUNDATION

**Justification:**

Following the merger by absorption of Banca Cívica by CaixaBank, on 1 August 2012, the shareholders: Caja de Ahorros y Pensiones de Barcelona, "la Caixa" (currently "la Caixa" Banking Foundation) and Caja Navarra (currently Fundación Caja Navarra), Cajasol (currently Fundación Cajasol), Caja Canarias (currently Fundación Caja Canarias) and Caja de Burgos (currently Fundación Caja de Burgos, Banking Foundation), (hereinafter "the Foundations") entered into an agreement on 1 August 2012 to regulate their relations as shareholders of CaixaBank, and their reciprocal relations of cooperation as well as with CaixaBank, with the aim of strengthening their respective actions in respect of the latter and supporting their control of "la Caixa" Banking Foundation. They also agreed to appoint two members of the Board of Directors of CaixaBank proposed by "the Foundations" and, in order to give stability to their shareholding in CaixaBank, the "Foundations" agreed on a four-year lock up period, as well as a commitment to exercise their pre-emptive acquisition rights over two years in favour of the other foundations in the first place and subsidiarily "la Caixa" Banking Foundation, should any of the Savings Banks wish to transfer all or part of their stake, once the lock-up period has expired. On 17 October 2016, the amendments to the Integration Agreement between CaixaBank and Banca Cívica and the CaixaBank Shareholders' Agreement were agreed, which means that the "Foundations", instead of proposing the appointment of two (2) directors at CaixaBank, one director at CaixaBank and one at VidaCaixa is proposed, and that the extension of the agreements that automatically occurred at the beginning of August, for three years, will have a duration of four years instead of the aforementioned three.

**Name or corporate name of shareholder:**

CAJA DE BURGOS FOUNDATION, BANKING FOUNDATION

**Justification:**

Following the merger by absorption of Banca Cívica by CaixaBank, the shareholders: Caja de Ahorros y Pensiones de Barcelona, "la Caixa" (currently "la Caixa" Banking Foundation) and Caja Navarra (currently Fundación Caja Navarra), Cajasol (currently Fundación Cajasol), Caja Canarias (currently Fundación Caja Canarias) and Caja de Burgos (currently Fundación Caja de Burgos, Banking Foundation), (hereinafter "the Foundations") entered into an agreement on 1 August 2012 to regulate their relations as shareholders of CaixaBank, and their reciprocal relations of cooperation as well as with CaixaBank, with the aim of strengthening their respective actions in respect of the latter and supporting their control of "la Caixa" Banking Foundation. They also agreed to appoint two members of the Board of Directors of CaixaBank proposed by "the Foundations" and, in order to give stability to their shareholding in CaixaBank, the "Foundations" agreed on a four-year lock up period, as well as a commitment to exercise their pre-emptive acquisition rights over two years in favour of the other foundations in the first place and subsidiarily "la Caixa" Banking Foundation, should any of the Savings Banks wish to transfer all or part of their stake, once the lock-up period has expired. On 17 October 2016, the amendments to the Integration Agreement between CaixaBank and Banca Cívica and the CaixaBank Shareholders' Agreement were agreed, which means that the "Foundations", instead of proposing the appointment of two (2) directors at

CaixaBank, one director at CaixaBank and one at VidaCaixa is proposed, and that the extension of the agreements that automatically occurred at the beginning of August, for three years, will have a duration of four years instead of the aforementioned three.

**Name or corporate name of shareholder:**

MUTUA MADRILEÑA AUTOMOVILISTA SOCIEDAD DE SEGUROS A PRIMA FIJA

**Justification:**

These are set out in the report of the Appointments Committee to the Board, which includes as an appendix, the Board Report on the proposed appointment of Ignacio Garralda Ruiz de Velasco as a proprietary director is submitted to and approved by the 2017 Annual General Meeting.

The aforementioned report states that the arrival of M. Garralda as board member will bring with it a number of significant benefits due to his extensive experience and expertise, while also facilitating the current strategic alliance between the CaixaBank Group and the Mutua Madrileña Group.

Provide details of any rejections of formal requests for Board representation from shareholders whose equity interest is equal to or greater than that of other shareholders who have successfully requested the appointment of proprietary Directors. If so, explain why these requests have not been entertained.

Yes

No

- C.1.9 Indicate whether any Director has resigned from office before their term of office has expired, whether that Director has given the board their reasons and through which channel. If made in writing to the whole board, list below the reasons given by that Director.

**Name of Director**

CAJASOL FOUNDATION

**Reasons for resignation**

On 23 February 2017, CaixaBank announced that Fundación Cajasol had tendered its resignation as member of the Board of Directors. In accordance with the amendment to the Integration Agreement between CaixaBank and Banca Cívica and the Shareholders' Agreement of CaixaBank was announced through the significant event on 17 October 2016, the Cajasol Foundation was replaced on the Board by the Caja Canarias Foundation, which was appointed by co-option on the same date and designated Ms. Natalia Aznárez Gómez as its representative.

**Name of Director**

SALVADOR GABARRÓ SERRA

**Reasons for resignation**

On 17 March 2017, CaixaBank announced with regret the cessation as Board member of Salvador Gabarró Serra, who passed away on that same date.

- C.1.10 Indicate what powers, if any, have been delegated to the Chief Executive Officer(s).

**Name or corporate name of Director:**

GONZALO GORTÁZAR ROTAECHE

**Brief description**

All powers delegable under the law and the Bylaws are delegated, without prejudice to the limitations established in the Regulations of the Board of Directors for the delegation of powers that, in all events, apply for procedural purposes.

C.1.11 List the Directors, if any, who hold office as Directors or executives in other companies belonging to the listed company's group.

Name or corporate name of Director	Corporate name of the group entity	Position	Do they have executive duties?
JUAN ROSELL LASTORTRAS	VidaCaixa, S.A., de Seguros y Reaseguros	Director	NO
GONZALO GORTÁZAR ROTAECHE	VidaCaixa, S.A., de Seguros y Reaseguros.	Chairman	NO
JAVIER IBARZ ALEGRÍA	VidaCaixa, S.A., de Seguros y Reaseguros	Director	NO
GONZALO GORTÁZAR ROTAECHE	Banco BPI, S.A.	Director	NO

C.1.12 List any company board members who likewise sit on the boards of directors of other non-group companies that are listed on official securities markets in Spain, insofar as these have been disclosed to the company.

Name or corporate name of Director	Corporate name of the group entity	Position
MARÍA AMPARO MORALEDA MARTÍNEZ	SOLVAY, S.A.	DIRECTOR
MARÍA AMPARO MORALEDA MARTÍNEZ	AIRBUS GROUP, S.E.	DIRECTOR
GONZALO GORTÁZAR ROTAECHE	REPSOL, S.A.	FIRST DEPUTY CHAIRMAN
JORDI GUAL SOLÉ	REPSOL, S.A.	DIRECTOR
JORDI GUAL SOLÉ	ERSTE GROUP BANK, AG	DIRECTOR
ALEJANDRO GARCÍA-BRAGADO DALMAU	GAS NATURAL SDG, S.A.	DIRECTOR
IGNACIO GARRALDA RUIZ DE VELASCO	ENDESA, S.A.	DIRECTOR
IGNACIO GARRALDA RUIZ DE VELASCO	BME HOLDING, S.A.	FIRST DEPUTY CHAIRMAN
MARÍA AMPARO MORALEDA MARTÍNEZ	VODAFONE GROUP PLC	DIRECTOR

C.1.13 Indicate and, where appropriate, explain whether the company has established rules about the number of Boards on which its Directors may sit.

Yes

No

**Explanation of rules**

Article 32.4 of the Regulations of the Board of Directors' stipulates that Directors must abide by the limitations on belonging to Boards of Directors set forth in the current regulations of organisation, supervision and solvency of credit institutions.

C.1.14 Section revoked.

C.1.15 List the total remuneration paid to the Board of Directors in the year.

<b>Board remuneration (thousands of euros)</b>	7,135
<b>Cumulative amount of rights of current Directors in pension scheme (thousands of euros)</b>	17,169
<b>Cumulative amount of rights of former Directors in pension scheme (thousands of euros)</b>	236

C.1.16 List any members of senior management who are not executive Directors and indicate total remuneration paid to them during the year.

<b>Name or corporate name</b>	<b>Position</b>
JORGE MONDÉJAR LÓPEZ	CHIEF RISKS OFFICER
MARIA VICTORIA MATIA AGELL	HEAD OF INTERNATIONAL BANKING
JOAQUIN VILAR BARRABEIG	CHIEF INTERNAL AUDIT OFFICER
JAVIER PANO RIERA	CHIEF FINANCIAL OFFICER
FRANCESC XAVIER COLL ESCURSELL	CHIEF HUMAN RESOURCES AND ORGANISATION OFFICER
JORGE FONTANALS CURIEL	HEAD OF RESOURCES
TOMÁS MUNIESA ARANTEGUI	CHIEF INSURANCE AND ASSET MANAGEMENT OFFICER
MARÍA LUISA MARTÍNEZ GISTAU	EXECUTIVE DIRECTOR FOR COMMUNICATION, INSTITUTIONAL RELATIONS, BRAND AND CSR
ÓSCAR CALDERÓN DE OYA	GENERAL AND BOARD SECRETARY
JUAN ANTONIO ALCARAZ GARCIA	CHIEF BUSINESS OFFICER
MATTHIAS BULLACH	HEAD OF FINANCIAL ACCOUNTING, CONTROL AND CAPITAL

<b>Total remuneration received by senior management (thousands of euros)</b>	11.267
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C.1.17 List, if applicable, the identity of those Directors who are likewise members of the boards of directors of companies that own significant holdings and/or group companies.

<b>Name or corporate name of Director</b>	<b>Corporate name of significant shareholder</b>	<b>Position</b>
ALEJANDRO GARCÍA-BRAGADO DALMAU	CRITERIA CAIXA, SAU	FIRST DEPUTY CHAIRMAN

List, if appropriate, any relevant relationships, other than those included under the previous heading, that link members of the Board of Directors with significant shareholders and/or their group companies.

C.1.18 Indicate whether any changes have been made to the board regulations during the year.

Yes

No

<b>Description of amendments</b>
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The Board of Directors of CaixaBank, at a meeting held on 23 February 2017, resolved to amend articles 1 ("Origin and purpose"), 4 ("Functions of the Board of Directors"), 5 ("Qualitative composition"), 7 ("The Chairman of the Board"), 8 ("The Deputy Chairman"), 12 ("Delegation of powers. Committees of the Board of Directors"), 14 ("The Audit and Control Committee and the Risk Committee"), 15 ("The Appointments Committee and the Remuneration Committee"), 16 ("Meetings of the Board of Directors"), 17 ("Course of the meetings") and 27 ("Duty of loyalty") of the current Regulations of the CaixaBank Board. It also incorporated a new article 9 ("The coordinating director") and a Final Provision. The aim was to adapt the regulations to the amendment of the by-laws, which was approved by the Annual General Meeting of 6 April 2017.

In line with the proposed amendment of the Bylaws approved by the 2017 Annual General Meeting, the amendments to the Regulations of the Board mainly aimed, in accordance with the policy defining the CaixaBank Group Structure, to add to the powers of the Board of Directors a specification of its scope of action with respect to CaixaBank companies and to incorporate certain enhancements to corporate governance in line with prudential deconsolidation requirements for Criteria Caixa, (notified by the European Central Bank on 3 March 2016). Lastly, also in connection with deconsolidation requirements, supplement good governance measures, first, by specifying the duties of the Chairman of the Board and, second, introducing specialisations for appointments of the Appointments Committee. Along with the aforementioned amendments directly related to the proposed amendments to the Bylaws, some technical improvements were made.

The amendments to the Board's Regulation and, therefore, the new restated text of the Regulations entered into force at the same time as the entry into force of the amendment to the Bylaws which was approved by the Annual General Meeting. This amendment to the Bylaws was authorised in accordance with the regime set forth in article 10 of Royal Decree 84/2015, of 13 February, which implements Law 10/2014, of 26 June, on the organisation, supervision and solvency of credit institutions.

In accordance with the provisions of article 529 of the Corporate Enterprises Act, the amended text of both was reported to the Comisión Nacional del Mercado de Valores ("CNMV"), executed in a public document and filed in the Companies' Registry. Once filed, the full texts were published by the CNMV and by CaixaBank, S.A. on its corporate website ([www.caixabank.com](http://www.caixabank.com)).

### C.1.19 Indicate the procedures for appointing, re-electing, evaluating and removing Directors. List the competent bodies, procedures and criteria used for each of these procedures.

Pursuant to article 529.10 of Royal Legislative Decree 1/2010 of 2 July, approving the restated text of the Corporate Enterprises Act, and articles 5 and 18-21 of the Regulations of the Board of Directors, proposed appointments of Directors submitted by the Board of Directors for the General Shareholders' Meeting and resolutions regarding appointments which said body adopts by virtue of the powers of co-option legally attributed to it must be preceded by the pertinent proposal of the Appointments Committee, in the case of independent Directors, and by a report, in the case of the remaining Directors. Proposals for the appointment and re-election of directors must be accompanied by a report from the Board of Directors setting out the competencies, experience and merits of the candidate.

In addition, when exercising its powers to propose appointments to the General Shareholders' Meeting and co-opt Directors to cover vacancies, the Board shall endeavour to ensure that external Directors or non-executive Directors represent a majority over executive Directors and that the latter should be the minimum necessary.

The Board shall also seek to ensure that the majority group of non-executive directors includes holders of stable significant shareholdings in the company or their representatives, or those shareholders that have been proposed as directors even though their holding is not significant (proprietary directors), and persons of recognised experience who can perform their functions without being influenced by the company or its group, its executive team or significant shareholders (independent directors).

Directors shall be classified using the definitions established in applicable regulations, as set out in article 18 of the Regulations of the Board of Directors.

The Board will also strive to ensure that its external directors include proprietary and independent directors who reflect the existing proportion of the Company's share capital represented by proprietary directors and the rest of its capital. At least one third of the Company's directors will be independent directors.

No shareholder may be represented in the Board of Directors by a number of proprietary Directors higher than 40% of the total members of the Board, without prejudice to shareholders' right of proportional representation under the provisions of the law.

Directors shall remain in their posts for the term of office stipulated in the Bylaws while the General Meeting does not agree their removal and they do not resign from the position, and may be re-elected one or more times for periods of equal length. Nevertheless, independent Directors will not remain as such for a continuous period of more than 12 years.

Directors designated by co-option shall hold their post until the date of the next General Meeting or until the legal deadline for holding the General Meeting that is to decide whether to approve the financial statements for the previous financial year has passed. In the event that the vacancy arises after the General Meeting is called but before it is held, the appointment of the director by co-option to cover the vacancy will take effect until the next General Meeting is held.

Pursuant to article 529.9 of Royal Legislative Decree 1/2010, of 2 July, and article 16.7 of the Regulations of the Board of Directors, at least once a year, the Board, as a plenary body, shall: evaluate the quality and efficiency of the functioning of the Board; the performance of their duties by the Chairman of the Board and the chief executive of the company; and the functioning of the Committees. The Board shall propose an action plan to correct any issues detected in this review.

CONTINUES IN SECTION H.

### C.1.20 Explain, if applicable, to what extent this evaluation has prompted significant changes in its internal organisation and the procedures applicable to its activities.

Description of amendments
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The Board of Directors evaluated its performance during the year. In a new development, the Board engaged an external consultant, whose independence was first verified by the Appointments Committee.
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In view of the regulatory environment for banks and taking account of the conclusions of the external advisor, changes have been implemented in the committees (see the significant event notice of 1 February 2018, with registration number 261,218).
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### C.1.20.bis Describe the evaluation process and the areas evaluated by the board, assisted, if

applicable, by an external advisor, concerning diversity in its composition and skills, the functioning and composition of its committees, the performance of the Chairman of the board and the Chief Executive Officer and the performance and contribution of each Director.

As stipulated in article 529.9 of the Corporate Enterprises Act and article 16 of the Regulations of the Board of Directors, the Board evaluates its performance annually. It is also compliant with Recommendation 36 of the current Code of Good Governance dated February 2015 which recommends that a regular self-assessment be carried out on the performance of the Board of Directors and its Committees.

In 2017, and with the aim of achieving full compliance with the aforementioned Recommendation 36 of the Code of Good Governance, the Board of Directors, subject to a report of the Appointments Committee, engaged an independent external consultant to facilitate the performance of the evaluation of the Board and its committees and, individually, the performance of the Chairman and Chief Executive, and of the contribution and performance of each Director.

To perform the assessment, a questionnaire was sent to each Director requesting his/her views on the functioning of the Board of Directors and its Committees, the performance of the Chairman and Chief Executive, in addition to the contribution and performance of each Director during the year.

The methodology used by the external consultant was mainly based on an analysis of the answers to questionnaires configured for CaixaBank and subsequent individual interviews with each Director. After tabulating and analysing all answers received, in-person interviews were conducted with all Directors, wherein further discussion focused on areas where there is greater room for improvement. In addition, information was gathered from all Directors on the challenges faced by the Bank and its Board, and the values that define the culture of the CaixaBank Board.

Directors answered questions in nine categories, namely:

- Preparation
- Dynamics and Culture
- General Aspects
- Evaluation of Board Chairman
- Evaluation of CEO
- Effectiveness of Committees (Members)
- Effectiveness of Committees (Non-Members)
- Evaluation of Secretary to the Board
- Individual Evaluation of Each Director by peers

#### C.1.20 ter Explain, if applicable, the business relationship the advisor or any group company maintains with the company or any group company.

Except for the provision of services relating to the evaluation process of the Board, there were no business dealings outside the ordinary trade and business activities with the consultant or any company in the same group.

#### C.1.21 Indicate the cases in which Directors must resign.

Article 21.2 of the Regulations of the Board of Directors stipulates that the Directors must place their position at the disposal of the Board of Directors and formalise, if the latter deems appropriate, the pertinent resignation, in the following cases:

- a) when they depart the executive positions, posts or functions with which their appointment as Director was associated;
- (b) when they are subject to any of the cases of incompatibility or prohibition provided by law or no longer meet the suitability requirements according to the applicable regulations;
- (c) when they are indicted for an allegedly criminal act or are subject to a disciplinary proceeding for serious or very serious fault instructed by the supervisory authorities;
- (d) when their remaining on the Board, they may place at risk the Company's interest, or when the reasons for which they were appointed cease to exist. In particular, in the case of external proprietary Directors, when the shareholder they represent transfers its stake in its entirety. They must also do so when the said shareholder lowers its shareholding to a level which requires the reduction of the number of proprietary Directors;
- (e) when significant changes in their professional status or in the conditions under which they were appointed Director take place; and
- (f) when due to facts attributable to the Director, his remaining on the Board could cause serious damage to the corporate net worth or reputation in the judgement of the Board.

In the event that a natural person representative of a Director who is a legal person falls under any of the situations foreseen in the previous section, the natural person representative should offer their post to the legal person appointing them. If this latter decides to maintain the representative to exercise its position of Director, the Director who is a legal entity must offer its post of Director to the Board of Directors.

#### C.1.22 Section revoked.

C.1.23 Are qualified majorities other than those prescribed by law required for any type of decision?

Yes  No

If applicable, describe the differences.

C.1.24 Indicate whether there are any specific requirements other than those relating to the Directors, to be appointed Chairman.

Yes  No

C.1.25 Indicate whether the Chairman has the casting vote.

Yes  No

<b>Matters where the Chairman has the casting vote</b>
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Articles 35. (v) and 17.4 of the Bylaws and of the Regulations of the Board stipulate that the Chairman shall have a casting vote in case of a tie in meetings of the Board of Directors over which he presides.

C.1.26 Indicate whether the Bylaws or the Board Regulations set any age limit for Directors.

Yes  No

C.1.27 Indicate whether the Bylaws or the Board Regulations set a limited term of office for independent Directors.

Yes  No

C.1.28 Indicate whether the Bylaws or Board Regulations stipulate specific rules on appointing a proxy to the Board, the procedures thereof and, in particular, the maximum number of proxy appointments a Director may hold. Also indicate whether there are any restrictions as to what categories may be appointed as a proxy other than those stipulated by law. If so, give brief details.

Article 17 of the Regulations of the Board of Directors states that Directors should attend Board meetings in person. However, when they are unable to do so in person, they shall endeavour to grant their proxy in writing, on a special basis for each meeting, to another Board member, including the appropriate instructions therein. Non-executive Directors can only grant their proxy to another non-executive Director, while independent Directors may only delegate to another independent Director.

Likewise, the internal regulations stipulate that the proxy shall be granted by any postal, electronic means or by fax, provided that the identity of the Director is assured.

Notwithstanding the above, so that the proxyholder can respond to the outcome of the debate by the Board, proxies, when they are granted, always in accordance with the legal conditions, are not usually granted with specific instructions. This is in keeping with the law on the powers of the Chairman of Board, who is given, among others, the responsibility of encouraging a good level of debate and the active involvement of all Directors during the meetings, safeguarding their rights to adopt positions.

C.1.29 Indicate the number of Board meetings held during the year and how many times the Board has met without the Chairman's attendance. Attendance will also include proxies appointed with specific instructions.

<b>Number of Board meetings</b>	17
<b>Number of Board meetings held without the Chairman's attendance</b>	0



If the Chairman is an executive Director, indicate the number of meetings held without an executive Director present or represented and chaired by the lead Director

<b>Number of meetings</b>	0
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Indicate the number of meetings of the various Board committees held during the year.

<b>Committee</b>	<b>No. meetings</b>
AUDIT AND CONTROL COMMITTEE	15
APPOINTMENTS COMMITTEE	14

<b>Committee</b>	<b>No. meetings</b>
REMUNERATION COMMITTEE	7
RISKS COMMITTEE	16
EXECUTIVE COMMITTEE	22

C.1.30 Indicate the number of Board meetings held during the year with all members in attendance. Attendance will also include proxies appointed with specific instructions.

<b>Number of meetings with all members present</b>	6
<b>% of attendances of the total votes cast during the year</b>	93.71%

C.1.31 Indicate whether the consolidated and individual financial statements submitted for authorisation for issue by the Board are certified previously.

Yes  No

Identify, where applicable, the person(s) who certified the company's individual and consolidated financial statements prior for their authorisation for issue by the Board.

C.1.32 Explain the mechanisms, if any, established by the Board of Directors to prevent the individual and consolidated financial statements it prepares from being laid before the General Shareholders' Meeting with a qualified Audit Report.

The Audit and Control Committee is responsible for ensuring that the financial information is correctly drawn up in addition to other functions it has the following in order to avoid a qualified audit report:

\* to serve as a channel of communication between the Board of Directors and the auditors, to evaluate the results of each audit and the responses of the management team to its recommendations and to mediate in cases of discrepancies between the former and the latter in relation to the principles and criteria applicable to the preparation of the financial statements, as well as to examine the circumstances which, as the case may be, motivated the resignation of the auditor;

\* to establish appropriate relationships with the auditor in order to receive information, for examination by the Audit and Control Committee, on matters which may jeopardize the independence of said auditor and any other matters relating to the audit process and any other communications provided for in audit legislation and audit regulations.

\* to supervise the compliance with the auditing contract, striving to ensure that the opinion of the Annual Financial Statements and the principal contents of the auditor's report are drafted clearly and precisely;

\* to review the Company's accounts and previously report to the Board of Directors about the periodic financial information which the Company must periodically publish to the markets and their supervisory bodies and, in general, to monitor compliance with legal requisites on this subject matter and the correct application of generally accepted accounting principles, as well as to report on proposals for modification of accounting principles and criteria suggested by management, in order to guarantee the integrity of the accounting and financial systems, including the financial and operational control, and compliance with the applicable legislation;

### C.1.33 Is the Secretary of the Board also a Director?

Yes

No

Complete if the Secretary is not also a Director:

Name or corporate name of Secretary	Representative
ÓSCAR CALDERÓN DE OYA	

### C.1.34 Section revoked.

### C.1.35 Indicate and explain, where applicable, the mechanisms implemented by the company to preserve the independence of the auditor, financial analysts, investment banks and rating agencies.

As well as submitting to the Board of Directors, for submission to the Annual General Meeting, the proposals for selection, appointment, re-election and replacement of the external auditor, the Audit and Control Committee is responsible for maintaining the appropriate relations with the external auditor in order to receive information on those matters that could jeopardise their independence and any other matters related to the process of auditing the accounts. In all events, on an annual basis, the Audit and Control Committee must receive from the external auditors a declaration of their independence with regard to the Company or entities directly or indirectly related to it, in addition to information on the additional services of any kind rendered to these entities by the aforementioned auditors or persons or entities related to them as stipulated by auditing legislation. In addition, the Audit and Control Committee will issue annually, prior to the issuance of the audit report, a report containing an opinion on the independence of the auditor. This report must address, in all cases, the evaluation of the provision of any additional services referred to above, individually and collectively considered, different from the legal audit and related to the degree of independence or to the regulatory audit regulations.

An additional measure taken to ensure the independence of the auditor is explained in article 45.4 of the Bylaws which stipulates that the General Meeting may not dismiss the auditors until the period for which they were appointed ends, unless there is just cause. The Company has policies governing the relationship with the external auditor to guarantee compliance with applicable legislation and the independence of auditing work.

With regard to its relationship with market agents, the Company acts on the principles of transparency and non-discrimination set out in the applicable legislation and those stated in the Regulations of the Board of Directors which stipulate that the Board, through communications of material facts to the Spanish Securities Market Commission (CNMV) and the corporate website, shall inform the public immediately with regard to any material information. With regard to the Company's relationship with analysts and investment banks, the Investor Relations department shall coordinate the Company's relationship with analysts, shareholders and institutional investors and manage their requests for information in order to ensure they are treated fairly and objectively.

In this regard, and pursuant to Recommendation 4 of the Good Governance Code of Listed Companies, at its meeting on 30 July 2015 the Board of Directors, under its general powers to determine the Company's general policies and strategies, resolved to approve the Policy on information, communication and contact with shareholders, institutional investors and proxy shareholders which is available on the Company's website.

Within this Policy, and pursuant to the authority vested in the Coordinating Director appointed in 2017, he is must maintain contact, as appropriate, with investors and shareholders to hear their views and develop a balanced understanding of their concerns, especially those to do with the Company's corporate governance.

Also, the powers delegated to the Board of Directors legally and through the internal regulations specifically include the duty of supervising the dissemination of information and communications relating to the Company. Therefore, the Board of Directors is responsible for managing and supervising at the highest level the information distributed to shareholders, institutional investors and the markets in general. Consequently, the Board of Directors, through the corresponding bodies and departments, works to ensure, protect and facilitate the exercising of the rights of the shareholders, institutional investors and the markets in general in the defence of the corporate interest, in compliance with the following principles:

Transparency, equality and non-discrimination, continuous information, affinity with public interest, being at the cutting edge in the use of new technologies and compliance with the Law and CaixaBank's internal regulations.

These principles are applicable to all information disclosed and the Company's communications with shareholders, institutional investors and relations with markets and other stakeholders such as, inter alia, intermediary financial institutions, management companies and depositories of the Company's shares, financial analysts, regulatory and supervisory bodies, proxy advisors, information agencies and credit rating agencies.

The Company pays particular heed to the rules governing the processing of insider information and relevant information contained in the applicable legislation and the Company's regulations on shareholder relations and communications with securities markets contained in CaixaBank's Code of Business Conduct and Ethics, and the Internal Code of Conduct on Matters Relating to the Stock Market of CaixaBank, S.A. and the Regulations of the Board of Directors (these are also available on the Company's website).

C.1.36 Indicate whether the company has changed its external audit firm during the year. If so, identify the incoming audit firm and the outgoing auditor.

Yes

No

Explain any disagreements with the outgoing auditor and the reasons for the same.

C.1.37 Indicate whether the audit firm performs non-audit work for the company and/or its group. If so, state the amount of fees paid for such work and the percentage they represent of the fees invoiced to the company and/or its group.

Yes

No

	Company	Group	Total
Amount of non-audit work (thousands of euros)	1,389	824	2,213
Amount of non-audit work as a % of the total amount billed by the audit firm	23.79%	15.87%	20.06%

C.1.38 Indicate whether the audit report on the previous year's financial statements is qualified or includes reservations. Indicate the reasons given by the Chairman of the Audit Committee to explain the content and scope of those reservations or qualifications.

Yes

No

C.1.39 Indicate the number of consecutive years during which the current audit firm has been auditing the financial statements of the company and/or its group. Likewise, indicate for how many years the current firm has been auditing the financial statements as a percentage of the total number of years over which the financial statements have been audited.

	Company	Group
Number of consecutive years	18	18
Number of years audited by current audit firm/Number of years the company's financial statements have been audited (%)	100.00%	100.00%

C.1.40 Indicate and give details of any procedures through which Directors may receive external advice.

Yes

No

#### Procedures

Article 23 of the Regulations of the Board of Directors expressly states that to receive assistance in fulfilling their duties, non-executive Directors may request that legal, accounting or financial advisors or other experts be hired, at the expense of the Company.

The decision to contract must be notified to the Chairman of the Company, if they hold executive status, and, otherwise, to the Chief Executive Officer, and may be vetoed by the Board of Directors, provided that it demonstrates that:

- \* it is not necessary for the proper performance of the duties entrusted to the other non-executive Directors;
- \* the cost thereof is not reasonable in view of the importance of the problem and of the assets and income of the Company;
- \* the technical assistance being obtained may be adequately dispensed by experts and technical staff of the Company; or
- \* it may entail a risk to the confidentiality of the information that must be handled.

C.1.41 Indicate whether there are procedures for Directors to receive the information they need in sufficient time to prepare for the meetings of the governing bodies.

Yes

No

**Procedures**

Pursuant to article 22 of the Regulations of the Board of Directors, when carrying out their duties, Directors have the duty to demand and the right to obtain from the company any information they need to discharge their responsibilities. For such purpose, they may request information on any aspect of the Company and examine its books, records, documents and further documentation. The right to information extends to investee companies provided that this is possible.

Requests for information must be directed to the Chairman of the Board of Directors, if they hold executive status, and otherwise to the Chief Executive Officer, who will forward the request to the appropriate party in the Company. If they deem that the information is confidential, they will notify the Director of this as well as their duty of confidentiality. Notwithstanding the above, documents must be approved by the Board. In particular, documents that cannot be fully analysed and discussed during the meeting due to their size are sent out to Board members prior to the Board meeting in question.

C.1.42 Indicate and, where appropriate, give details of whether the company has established rules obliging Directors to inform the board of any circumstances that might harm the organisation's name or reputation, tendering their resignation as the case may be.

Yes

No

**Details of rules**

In addition to that set out in section C.1.21 above, article 21 of the Regulations of the Board stipulates that Directors must place their position at the disposal of the Board of Directors and formalise, if the latter deems appropriate, the pertinent resignation when due to facts attributable to the Director, their remaining on the Board could cause serious damage to the corporate net worth or reputation in the judgement of the Board.

C.1.43 Indicate whether any Director has notified the company that they have been indicted or tried for any of the offences stated in article 213 of the LSC.

Yes

No

Indicate whether the Board of Directors has examined this matter. If so, provide a justified explanation of the decision taken as to whether or not the Director should continue to hold office or, if applicable, detail the actions taken or to be taken by the Board.

C.1.44 List the significant agreements entered into by the company which come into force, are amended or terminate in the event of a change of control of the company due to a takeover bid, and their effects.

Not applicable.

C.1.45 Identify, in aggregate form and provide detailed information on agreements between the company and its officers, executives and employees that provide indemnities for the event of resignation, unfair dismissal or termination as a result of a takeover bid or other.

**Number of beneficiaries: 30**

**Type of beneficiary:**

Managing Director and 2 Management Committee members, 6 executives// 21 middle managers

**Description of resolution:**

Chief Executive Officer: One year of the fixed components of his remuneration.

2 members of the Management Committee: up to 0.8 annual payments of the fixed components of their remuneration above that provided for at law.

Further, the executive directors and members of the Management Committee are entitled to one annual payment of their fixed remuneration, paid in monthly instalments, as consideration for their non-compete undertaking. This payment would be discontinued if this covenant were to be breached.

27 executives and middle managers: between 0.1 and 2 annual payments of their fixed remuneration above that provided for at law.

Indicate whether these agreements must be reported to and/or authorised by the governing bodies of the company or its group.

	<b>Board of Directors</b>	<b>General Shareholders' Meeting</b>
<b>Body authorising clauses</b>	Yes	No

	<b>Yes</b>	<b>No</b>
Is the General Shareholders' Meeting informed of such clauses?		X

## C.2 Board committees

C.2.1. Give details of all the board committees, their members and the proportion of proprietary and independent Directors.

### **AUDIT AND CONTROL COMMITTEE**

<b>Name</b>	<b>Position</b>	<b>Category</b>
ALAIN MINC	CHAIRMAN	Independent
KORO USARRAGA UNSAÍN	MEMBER	Independent
JOSÉ SERNA MASÍA	MEMBER	Proprietary

<b>% of proprietary Directors</b>	33.33%
<b>% of independent Directors</b>	66.67%
<b>% of other external Directors</b>	0.00%

Explain the committee's duties, describe the procedure and organisational and operational rules and summarise the main actions taken during the year.

Due to space limitations, see our response in "Appendix to 2017 ACGR" attached to section H.

Identify the Director who has been appointed Chairman on the basis of knowledge and experience of accounting or auditing, or both and state the number of years they have been Chairman.

<b>Name of Director with experience</b>	ALAIN MINC
<b>Number of years as Chairman</b>	2

### **APPOINTMENTS COMMITTEE**

Name	Position	Category
ANTONIO SÁINZ DE VICUÑA Y BARROSO	CHAIRMAN	Independent
MARÍA TERESA BASSONS BONCOMPTE	MEMBER	Proprietary
MARÍA AMPARO MORALEDA MARTÍNEZ	MEMBER	Independent

<b>% of proprietary Directors</b>	33.33%
<b>% of independent Directors</b>	66.67%
<b>% of other external Directors</b>	0.00%

Explain the committee's duties, describe the procedure and organisational and operational rules and summarise the main actions taken during the year.

Due to space limitations, see our response in "Appendix to 2017 ACGR" attached to section H.

### **REMUNERATION COMMITTEE**

Name	Position	Category
MARÍA AMPARO MORALEDA MARTÍNEZ	CHAIRMAN	Independent
ALAIN MINC	MEMBER	Independent
MARÍA TERESA BASSONS BONCOMPTE	MEMBER	Proprietary

<b>% of proprietary Directors</b>	33.33%
<b>% of independent Directors</b>	66.67%
<b>% of other external Directors</b>	0.00%

Explain the committee's duties, describe the procedure and organisational and operational rules and summarise the main actions taken during the year.

Due to space limitations, see our response in "Appendix to 2017 ACGR" attached to section H.

### **RISKS COMMITTEE**

Name	Position	Category
ANTONIO SÁINZ DE VICUÑA Y BARROSO	CHAIRMAN	Independent
JAVIER IBARZ ALEGRÍA	MEMBER	Proprietary
MARÍA AMPARO MORALEDA MARTÍNEZ	MEMBER	Independent
JUAN ROSELL LASTORTRAS	MEMBER	Independent

<b>% of proprietary Directors</b>	25.00%
<b>% of independent Directors</b>	75.00%
<b>% of other external Directors</b>	0.00%

Explain the committee's duties, describe the procedure and organisational and operational rules and summarise the main actions taken during the year.

Due to space limitations, see our response in "Appendix to 2017 ACGR" attached to section H.

## EXECUTIVE COMMITTEE

Name	Position	Category
JORDI GUAL SOLÉ	CHAIRMAN	Proprietary
ANTONIO MASSANELL LAVILLA	MEMBER	Executive
GONZALO GORTÁZAR ROTAECHE	MEMBER	Executive
MARÍA VERÓNICA FISAS VERGÉS	MEMBER	Independent
JAVIER IBARZ ALEGRÍA	MEMBER	Proprietary
MARÍA AMPARO MORALEDA MARTÍNEZ	MEMBER	Independent
ANTONIO SÁINZ DE VICUÑA Y BARROSO	MEMBER	Independent
FRANCESC XAVIER VIVES TORRENTS	MEMBER	Independent

% of executive Directors	25.00%
% of proprietary Directors	25.00%
% of independent Directors	50.00%
% of other external Directors	0.00%

Explain the committee's duties, describe the procedure and organisational and operational rules and summarise the main actions taken during the year.

Due to space limitations, see our response in "Appendix to 2017 ACGR" attached to section H.

Indicate whether the composition of the Executive Committee reflects the participation within the Board of the different types of Directors.

Yes

No

C.2.2 Complete the following table on the number of female Directors on the various board committees over the past four years.

	Number of women Directors							
	2017		2016		2015		2014	
	Number	%	Number	%	Number	%	Number	%
AUDIT AND CONTROL COMMITTEE	1	33.33%	1	33.33%	0	0.00%	0	0.00%
APPOINTMENTS COMMITTEE	2	66.67%	2	66.67%	2	66.67%	2	66.67%
REMUNERATION COMMITTEE	2	66.67%	1	33.33%	1	33.33%	1	25.00%
RISKS COMMITTEE	1	25.00%	1	25.00%	1	20.00%	1	20.00%
EXECUTIVE COMMITTEE	2	25.00%	1	14.29%	2	25.00%	2	25.00%

C.2.3 Section revoked

C.2.4 Section revoked.

C.2.5 Indicate, as appropriate, whether there are any regulations governing the board committees. If so, indicate where they can be consulted, and whether any amendments have been made during the year. Also, indicate whether an annual report on the activities of each committee has been prepared voluntarily.

EXECUTIVE COMMITTEE

Brief description

There are no specific regulations for the Board committees. The Executive Committee is governed by the applicable legislation, the company's Bylaws and the Regulations of the Board of Directors. Aspects not specifically defined for the Executive Committee are governed by the rules of procedure of the Board set forth in the Regulations of the Board of Directors which is available on CaixaBank's website ([www.caixabank.com](http://www.caixabank.com)). There is no express mention in the Company's Bylaws that the Committee must prepare an activities report. Nevertheless, at its meeting on 8 February 2018 the Committee approved its annual activities report which includes the main aspects of its regulation as described in the various corporate documents. It also evaluates the committee's performance during 2017.

#### AUDIT AND CONTROL COMMITTEE

##### Brief description

There are no specific regulations for the Board committees. The organisation and functions of the Audit and Control Committee are set out in the Regulations of the Board of Directors which is available on CaixaBank's corporate website ([www.caixabank.com](http://www.caixabank.com)) together with its structure and composition.

In compliance with article 14.3 (v) of the Regulations of the Board of Directors, at its meeting on 8 February 2018, the Audit and Control Committee approved its annual activities report which includes the main aspects of its regulation as described in the various corporate documents. It also evaluates the committee's performance during 2017.

#### RISKS COMMITTEE

##### Brief description

There are no specific regulations for the Board committees. The organisation and functions of the Risks Committee are set out in the Regulations of the Board of Directors which is available on CaixaBank's corporate website ([www.caixabank.com](http://www.caixabank.com)) together its structure and composition.

In compliance with article 14.3 (e) of the Regulations of the Board of Directors, at its meeting on 8 February 2018, the Risks Committee approved its annual activities report which includes the main aspects of its regulation as described in the various corporate documents. It also evaluates the committee's performance during 2017.

#### APPOINTMENTS COMMITTEE

##### Brief description

There are no specific regulations for the Board committees. The organisation and functions of the Appointments Committee are set out in the Regulations of the Board of Directors which is available on CaixaBank's corporate website ([www.caixabank.com](http://www.caixabank.com)) together its structure and composition.

In compliance with prevailing legislation, at its meeting on 31 January 2018, the Appointments Committee approved its annual activities report detailing its performance during 2017.

#### REMUNERATION COMMITTEE

##### Brief description

There are no specific regulations for the Board committees. The organisation and functions of the Remuneration Committee are set out in the Regulations of the Board of Directors which is available on CaixaBank's corporate website ([www.caixabank.com](http://www.caixabank.com)) together its structure and composition.

In compliance with prevailing legislation, at its meeting on 16 February 2018, the Appointments Committee approved its annual activities report detailing its performance during 2017.

## C.2.6 Section revoked.



## D RELATED-PARTY AND INTRAGROUP TRANSACTIONS

### D.1 Explain, if applicable, the procedures for approving related party or intragroup transactions.

#### Procedures for approving related party transactions

The Board of Directors, as a plenary body, shall approve, subject to a report from the Audit and Control Committee of the operations that the Company or companies of its group perform with Directors, in terms established by Law, or when the authorisation corresponds to the Board of Directors, with shareholders holding (individually or in concert with others) a significant stake, including shareholders represented in the Board of Directors of the Company or of other companies forming part of the same group or with persons related to them (Related Party Transactions). The operations that simultaneously meet the following three characteristics will be exempt from the need for this approval:

- they are governed by standard-form agreements applied on an across-the-board basis a large amount of clients;
- they go through at market prices, generally set by the person supplying the goods or services;
- their amount is no more than 1% of the company's annual income.

Therefore, the Board of Directors or, in its absence other duly authorised bodies or persons (for reasons of urgency, duly justified and in the scope of the authorisation conferred. In these cases the decision must then be ratified at the first Board meeting held following its approval) shall approve related-party transactions subject to a favourable report from the Audit and Control Committee. Any Directors affected by the approval of these transactions shall abstain from the debate and voting on the transactions.

With regard to relations with significant shareholders with an interest of more than 30%, as explained in Note A.7 of section H.1 of this Report, Law 26/2013 on savings banks and banking foundations obligate banking foundations to approve basic criteria for managing the financial interest that must, inter alia, refer to general criteria for carrying out operations between the foundation and the investee credit institution, and mechanisms to avoid potential conflicts of interest. Accordingly, the "la Caixa" Banking Foundation approved its Protocol for managing its ownership interest in CaixaBank. On 19 December 2016, in accordance with the Protocol for Managing the Ownership Interest, "la Caixa", as the parent of "la Caixa" Group, CriteriaCaixa, as direct shareholder of CaixaBank, and Caixabank, as a listed company, signed a new Internal Relations Protocol (available on the corporate website). This sets, inter alia, the general criteria to carry out transactions or provide services under market conditions, as well as identifying the services that "la Caixa" Banking Foundation Group companies provide and will provide to the CaixaBank Group companies and those which the CaixaBank Group companies provide or will provide in turn to the "la Caixa" Banking Foundation Group companies. The Protocol establishes the circumstances and terms for approving transactions. In general the Board of Directors is the competent body for approving these transactions. In specific circumstances described in Clause 3.3 of the Protocol, certain intragroup operations shall be subject to prior approval of the CaixaBank Board of Directors, which must first have received a report from the Audit Committee and the same, with regard to the other signatories of the Protocol.

Intragroup transactions are regulated by the Internal Relations Protocol between the CaixaBank and Banco BPI. This sets, inter alia, the general criteria to carry out transactions or provide intragroup services under market conditions, as well as identifying the services which CaixaBank Group companies provide and may provide to BPI Group companies and those which BPI Group companies provide or may provide, in turn, to CaixaBank Group companies. The Protocol establishes the circumstances and terms for approving intragroup transactions. In general the Board of Directors is the competent body for approving these operations.

It should be noted that certain intragroup operations described in Clause 3.3, given their importance, shall be subject to prior approval of the CaixaBank Board of Directors which must be in possession of a prior report from the Audit and Control Committee and also of the Banco BPI, in which case, the Board of Directors must be in possession of a report from its Tax Board.

### D.2 List any relevant transactions, by virtue of their amount or importance, between the company or its group of companies and the company's significant shareholders.

Name or corporate name of significant shareholder	Name or corporate name of the company or its group company	Nature of the relationship	Type of transaction	Amount (thousands of euros)
CRITERIA CAIXA, S.A.U.	CAIXABANK, S.A.	Corporate	Dividends and other profit distributed	311,100
CRITERIA CAIXA, S.A.U.	CAIXABANK, S.A.	Commercial	Other instruments that could imply a transfer of resources or obligations between the Company and the related party	1,100,000

### D.3 List any relevant transactions, by virtue of their amount or importance, between the company or its group of companies and the company's managers or Directors.

### D.4 List any relevant transactions undertaken by the company with other companies in its group that are not eliminated in the process of drawing up the consolidated financial statements and whose subject matter and terms set them apart from the company's ordinary trading activities.

In any case, list any intragroup transactions carried out with entities in countries or territories considered to be tax havens.

**D.5 Indicate the amount from other related party transactions.**

0 (thousands of euros)

**D.6 List the mechanisms established to detect, determine and resolve any possible conflicts of interest between the company and/or its group, and its Directors, management or significant shareholders.**

**Directors and Executives**

Article 29 of the Regulations of the Board of Directors regulates the duty not to compete of company Directors. This non-competition prohibition can only be lifted if the Company is not expected to incur damages or it is expected that it will be indemnified for an amount equal to the benefits expected to be obtained from the exemption. The obligation to abide by the conditions and guarantees provided by the dispensation agreement and, in any case, the obligation to abstain from participating in the deliberations and voting in which there is a conflict of interest shall be applicable to the Director who has obtained the dispensation, all of this in accordance with the provisions of current legislation.

Pursuant to article 30 of the Regulations, Directors shall avoid situations which may imply a conflict of interest between the Company and themselves or persons related thereto, taking for these purposes any measures that may be necessary. In all cases, Directors must inform the Board of Directors of the situations of direct or indirect conflict that they or persons related thereto may have with the interests of the Company and these shall be disclosed in the notes to the financial statements.

Further, article 3 of the Code of Conduct on Matters relating to the Securities Market of CaixaBank stipulates that Concerned Persons shall include members of the Board of Directors, and senior executives and members of the Company's Management Committee. Section VII of the Regulation establishes the Policy on Conflicts of Interest of the Company, and article 43 lists the duties regarding personal or family-related conflicts of interest of Concerned Persons. These include acting with loyalty to CaixaBank, its shareholders and customers, abstaining from participating in or influencing the decisions that may affect the persons or entities with whom such conflict exists and informing the Monitoring Committee of the same.

**Significant shareholders**

In order to strengthen the transparency and good governance of the Company, and in accordance with the provisions of the Protocol for Managing the Financial Investment, "la Caixa" Banking Foundation, as parent of the "la Caixa" Group and CriteriaCaixa, as direct shareholder in CaixaBank, and CaixaBank, as a listed company, signed an Internal Relations Protocol that is available on the Company's corporate website, as explained in Note A.7 of section H.1 of this Report.

The Protocol currently in force aims mainly: manage the related-party transactions deriving from carrying out transactions or providing services; establish mechanisms that try to avoid the emergence of conflicts of interest; anticipate the granting of a pre-emptive acquisition right in favour of "la Caixa" Banking Foundation in the event of a transfer by CaixaBank of Monte de Piedad, of which it is the owner; establish the basic principles of a possible collaboration between CaixaBank and "la Caixa" Banking Foundation in matters of CSR; regulate the suitable flow of information which allows "la Caixa" Banking Foundation, Criteria and CaixaBank to prepare their financial statements and to comply with periodic reporting and supervisory duties. The Protocol lays down the procedures to be followed by CaixaBank and "la Caixa" Banking Foundation with regard to, inter alia, conflicts of interest, their relationship with core shareholders, related party transactions and the use of privileged information, pursuant to prevailing legislation at all times.

**D.7 Is more than one group company listed in Spain?**

Yes

No

Identify the listed subsidiaries in Spain

**Listed subsidiaries**

Indicate whether they have provided detailed disclosure on the type of activity they engage in, and any business dealings between them, as well as between the subsidiary and other group companies;

**Business dealings between the parent and listed subsidiary, as well as between the subsidiary and other group companies**

Indicate the mechanisms in place to resolve possible conflicts of interest between the listed subsidiary and other group companies.

**Mechanisms**

### E.1 Describe the risk management system in place at the company, including for fiscal risks.

The Company hereby states that of the descriptions contained in CNMV Circular 7/2015, of 22 December, regarding the scope of entities' risk management systems, that which best describes the Company's is number 1, namely:

"The Risk Management System functions in an integrated and continuous manner, with each area, business unit, activity, subsidiary, geographical area and support area (for example human resources, marketing or management control) managing risk at a corporate level."

In other words, risk control is fully integrated into the business and the organisation plays a proactive role in ensuring that it is implemented. The Board of Directors determines the risk control and management policies and strategies. To this end it is advised by the Risks Committee, which also regularly reviews the policy in depth.

Senior management participates directly in maintaining the internal control framework, ensuring that it is executed prudently, and in the ongoing management and planning of capital to guarantee that the level of capital available is in keeping with the Entity's risk level. The Risk Management System is comprehensive and integrated, and is adapted and streamlined for application at subsidiaries and business units, while adhering to materiality and reasonableness criteria.

The Risk Management System itself comprises the following elements:

- **Governance and organisation:** The governing bodies are the Annual General Meeting and the Board of Directors, which have the powers that, respectively, are assigned to them under the Law and in the Bylaws, and in accordance with them, in those developments established in the Regulations of each body. As a result, the Company is managed and run by its Board of Directors: this is the representative and senior decision-making body, except in those matters that are the jurisdiction of the Annual General Meeting.
- **Risk Assessment:** CaixaBank Group conducts a six-monthly risk self-assessment, covering all risks included in the Risks Catalogue. This includes a process for identifying emerging risks that may be incorporated within the catalogue
- **Risk catalogue:** CaixaBank Group has a Corporate Risk Catalogue, updated in December 2017, to support internal and external monitoring and reporting of the Group's risks, grouped into three main categories: Business Model Risks, Specific risks for the Bank's financial activity, and Operational and Reputational Risk, which includes risks of a fiscal nature. (further information is provided in section E.3).
- **Risk Appetite Framework (RAF):** A comprehensive and forward-looking tool used by the CaixaBank Group's Board of Directors to determine the types and thresholds of risk it is willing to assume in achieving the Group's strategic objectives for all risks included in the Catalogue.
- **Risk planning:** CaixaBank Group has institutional processes and mechanisms in place for assessing changes to the Group's risk profile (recent, future and hypothetical in stress scenarios).
- **Risk culture in organisation:** It is constantly evolving. It is articulated around general risk management, as well as other drivers, such as:
  - (i) training, exemplified by the so-called Corporate Risk School, where training is identified as a strategic tool designed to provide support to business areas in matters pertaining to risk, while simultaneously being the channel to convey the Group's risk culture and policies, and allowing staff to act accordingly, while also providing training, information and tools to all personnel
  - (ii) information: publication of the main principles of risk management, standards, circulars and manuals, which are reported during monthly meetings held by the CEO and senior management with the directors of the branch network and Central Services. – and
  - (iii) incentives: at present this applies to the variable remuneration of certain managers annual linked to compliance with the Risk Appetite Framework.

CONTINUES IN SECTION H

### E.2 Identify the bodies responsible for preparing and implementing the risk management system, including fiscal risks.

The governing bodies are the Annual General Meeting, as the representative body and the Board of Directors, which is, except for matters within the powers of the Annual General Meeting, the bank's senior decision-making body. As part of its responsibilities, the Board of Directors sets and monitors the business model and strategy, monitors the result of the risk assessment process, establishes the Corporate Risk Map and the Risk Appetite Framework and is in charge of internal governance policies and risk management and control, supervising the organisation of the Entity to implement and monitor these.

The Board of Directors has created several committee, including the Risks Committee, whose functions are described below.

#### Risks Committee

The Risks Committee comprises exclusively non-executive Directors who possess the appropriate knowledge, skills and experience to fully understand and manage the risk strategy and risk propensity, where a majority must be independent Directors.

The main functions of this committee are:

- Advise the Board of Directors on the Bank's overall susceptibility to risk, current and future, and its strategy in this area, reporting on the Risk Appetite Framework.
- Propose the Group's risk policy to the Board, including the different types of risk to which the Entity is exposed, the information and internal controls systems use to control and manage these risks and the measures in place to mitigate the impact of identified risks should these materialise.
- Determine with the Board of Directors, the nature, quantity, format and frequency of the information concerning risks that the Board of Directors should receive and establish what the Committee should receive.
- Regularly reviewing exposures with its main customers and business sectors, and by geographic region and type of risk.
- Examine the information and control processes of the Group's risk as well as the information systems and indicators.
- Evaluate regulatory compliance risk in its scope of action and decision making, carrying out monitoring and examining possible deficiencies in the principles of professional conduct.
- Report on new products and services or significant changes to existing ones.

#### Organisational structure

##### General Risks Division

As part of the executive team, the Chief Risks Officer (CRO), a member of CaixaBank's Management Committee, is ultimately responsible for the Group's risks. The CRO operates independently of the business areas from both a reporting and operational perspective. The CRO has direct access to the Group's governance bodies, especially the Risks Committee, reporting regularly to the members thereof on the status of and expected changes to the Entity's risk profile.

The CRO has organised his team as follows:

- Risk Validation Model, responsible for ensuring the internal models used for internal management and/or regulatory purposes are fit for purpose.
- Individual Loan Analysis and Approval division, responsible for analysing and granting loans to individuals (retail customers and self-employed professionals, the latter not including self-employed professionals in the farming sector).
- Business Loan Analysis and Approval division, responsible for analyses and risk approvals for other business segments and specialised sectors (Companies and SMEs, Corporate, Public Sector, Sovereign, Financial Entities, Real Estate, Project Finance, Tourism and Food & Agriculture).
- Global Risk Management Committee, responsible for risk management and overseeing asset performance, and solvency and capital adequacy mechanisms;
- Foreclosure assets division, which controls and monitors property investments and divestments, and is responsible for the policies associated with property management.
- Defaults and Recoveries.

The Risks Division's duties include identifying, measuring and integrating the different risk exposures and risk-adjusted returns of each area of business, from the global perspective of the CaixaBank Group and in accordance with its management strategy;

Furthermore, one of its most significant tasks, in collaboration with the Bank's other areas, is to lead implementation in the entire branch network of instruments for the end-to-end management of risks under Basel guidelines, in order to assure a balance between the risks assumed and expected returns.

CONTINUES IN SECTION H

### E.3 Indicate the main risks, including fiscal, which may prevent the entity from achieving its targets.

- Business model risk
- Business returns: Obtaining results lower than market expectations or the Group's targets which prevent the Entity from reaching a profitability level that is higher than the cost of capital.
- Eligible own funds/Solvency: Risk caused by a restriction of the CaixaBank Group's ability to adapt its level of capital to regulatory requirements or to a change in its risk profile.
- Funding and liquidity: Risk of insufficient liquid assets or limited access to market financing to meet contractual maturities of liabilities, regulatory requirements, or the investment needs of the Group.
- Risks affecting financial activity
- Credit risk: Risk of a decrease in the value of the CaixaBank Group's assets due to uncertainty in a counterparty's ability to meet its obligations.
- Impairment of other assets: Reduction in the carrying amount of the shareholdings and non-financial assets (tangible, intangible, deferred tax assets (DTAs) and other assets) of the CaixaBank Group.
- Market risk: Risk of a decrease in the value of the Group's assets held for trading or an increase in the value of its liabilities held-for-trading and in the held-to-maturity portfolio, due to fluctuations in interest rates, credit spreads, external factors or prices in the market where the assets and liabilities are traded.
- Interest rate risk in the banking book: Risk of a negative impact on the economic value of the balance sheet or results, caused by the renewal of assets and liabilities at rates different to those previously established, arising from changes in the structure of the interest rate curve.
- Actuarial risk: Risk of an increase in the value of commitments assumed through insurance contracts with customers (insurance business) and employee pension plans (pension obligations), due to differences between claims estimates and actual performance.

- Operational and reputational risk

Legal/Regulatory risk: Loss or decline in the CaixaBank Group's profitability due to legislative or regulatory changes, errors in interpreting or applying the laws or regulations in force, court rulings or administrative action that goes against the Entity's interests or tax-related decisions taken by the Entity or the tax authorities.

- Conduct and Compliance: Risk of CaixaBank applying criteria for action contrary to the interests of its clients and stakeholders and deficient procedures that generate actions or omissions that are not aligned with the legal or regulatory framework, or with internal codes and rules, and which could result in administrative sanctions or reputational damage.

Fiscal risk, understood as the risk of negative effects on the financial statements and/or reputation of the CaixaBank Group arising from tax decisions taken either by the bank itself or by the tax and judicial authorities, would be covered by the management and control of the legal and compliance risk.

- Technological: Losses due to hardware or software inadequacies or failures in the technical infrastructures that could compromise the availability, integrity, accessibility and security of the infrastructures and data.

- Operating processes and external events: Risk of loss or damage caused by operational errors in processes related to the Bank's activity, due to external events beyond the Bank's control, or due to third parties outside the Bank, both accidentally and fraudulently. Includes errors in the management of suppliers, model risk and the custody of securities.

- Reliability of financial reporting: Deficiencies in the accuracy, integrity and criteria of the process used when preparing the data necessary to evaluate the financial and equity situation of the CaixaBank Group.

Reputational risk: The possibility that CaixaBank's competitive edge could be blunted by loss of trust by some of its stakeholders, based on their assessment of actions or omissions, real or purported, by the Entity, its Senior Management or governing bodies, or because of related unconsolidated entities becoming bankrupt (step-in risk).

In order to bolster the confidence of its customers in the Group, the CaixaBank Group has focused on solvency and quality as strategic priorities. In this regard, CaixaBank has spent the last few years strengthening the necessary internal control and compliance structures.

#### E.4 State whether the company has a risk tolerance level, including tax risk.

CaixaBank has established risk tolerance levels in its Risk Appetite Framework (already detailed in point E.1, as part of its Risk Management System).

The Risk Appetite Framework is a comprehensive and forward-looking tool used by the Board of Directors to determine the types and thresholds of risk it is willing to assume to achieve the Group's strategic objectives. The RAF therefore sets the risk appetite for the activity.

The Board of Directors has established four key dimensions (qualitative statements) expressing the Group's aspirations regarding the main risks included in the Corporate Risk Catalogue. These are the following:

- Loss buffer: CaixaBank has set an objective of maintaining a medium-low risk profile and a comfortable level of capital adequacy to strengthen its position as one of the soundest entities in the European banking market.
- Funding and liquidity: CaixaBank seeks certainty in its ability to always honour its obligations and funding needs in a timely manner, even under adverse market conditions, and aims to have a stable and diversified funding base permanently in place to protect and safeguard its depositors' interests.
- Composition of the business: CaixaBank strives to maintain its leadership position in the retail banking market and to generate income and capital in a balanced and diversified manner.
- Franchise value: CaixaBank is committed to the highest ethical and governance standards in its business conduct, encouraging sustainability and social responsibility, and ensuring operating excellence. Similarly, there are statements regarding minimum risk appetite, including the monitoring of fiscal risk as part of legal and compliance risk.

In line with best practices in the financial sector, the Framework structure complements said statements with management indicators and levers to ensure that these practices are reflected, in a consistent, clear and efficient manner, in business and risk management. The Framework constitutes a pyramid structure that culminates in Tier 1 principles and indicators, supplemented by more detailed metrics (Tier 2). All of this is included in the day-to-day activity and employee decision-making through management mechanisms (Tier 3).

- Tier 1 comprises the Risk Appetite Statement and key metrics, which are assigned tolerance and non-compliance thresholds. The Board of Directors defines, approves, oversees and can amend this tier as often as is determined in the policy governing the Framework, with specialist advice and ongoing monitoring by the Risks Committee.

"Tolerance" and "Breach" levels are set for each of the metrics via a system of traffic lights alerts:

- o "Green traffic light": target risk
- o "Amber traffic light": early warning
- o "Red traffic light": breach

There is also a "Black traffic light" for certain metrics included in the Recovery Plan. Once this is activated, certain internal

communication and governance processes are triggered based on the established severity of the situations.

This ensures a comprehensive and scaled monitoring process of potential impairments in the Bank's risk profile.

- Tier 2 includes more detailed metrics, which are monitored by the management team, especially the Global Risk Committee. These indicators tend to derive from the factorial decomposition of Tier 1 or from a greater breakdown of the contribution to the higher tier of risk portfolios or business segments. They also include the most complex and specialised risk measurement parameters, enabling risk management units to take level 1 metrics into account in the decision-making process.

The Board of Directors is thus assured that its management team monitors the same risks, and more exhaustively, so as to identify and prevent potential deviations from the risk profile established.

- Finally, level 3 represents the management mechanisms that the management team - through the business units and areas responsible for the intake, monitoring and control of each risk - defines and implements to bring execution into line with the established Framework. These mechanisms are:

1. Training and communication as key vehicles through which the risk culture is instilled.
2. The methodologies used to measure risk and assets-liabilities, which are crucial to monitoring the RAF properly.
3. The definition of risk approval, management and control policies, including limits and approval powers in the different levels of the organisation and in governance.
4. The incentives and appointments, used as key tools in HR policies, which help shape staff conduct.
5. The tools and processes used to properly construct and monitor the RAF and introduce the metrics and thresholds thereof in the relevant environments.

For more information (e.g. risk assessment process) see Note 3 of the Consolidated Financial Statements of the CaixaBank Group for 2017.

## E.5 Identify any risks, including fiscal, which have occurred during the year.

The main figures characterising credit risk in 2017 are:

- NPLs. At 31 December 2017 the Group's non-performing loans totalled EUR 14,305 million (6.0%). At 31 December 2016 this was EUR 14,754 million (6.9%).
- CaixaBank's NPL ratio compares very favourably with that of the resident private sector in the system total, which has gone from 9.1% (December 2016) to 8.22% (October 2017).

Property development and foreclosed assets. At 31 December 2017, the Group's gross financing of real estate development stood at EUR 7,101 million (EUR 8,024 million at 31 December 2016) and the net carrying amount of foreclosed assets was EUR 5,900 million at 31 December 2017 (EUR 6,300 million at 31 December 2016).

For the NPL coverage ratio, in 2017 the Group recognised insolvency provisions of EUR 799 million (EUR 314 in 2016), stripping out recoveries. Including these provisions, total credit loss provisions were EUR 7,135 million at the end of 2017 (EUR 6,880 at the end of 2016).

- This gave a Cost of Risk of 0.34% in 2017, vs. 0.46% in 2016 Operation of management and control systems.

Despite operating in a complex environment, the Group's ability to generate value over the long term has not been affected.

The proper functioning of the risk management and control systems during 2017 has significantly contributes to this. The Group's Board of Directors has been informed of its performance.

For further information, see Note 3 to the Consolidated Financial Statements of the CaixaBank Group for 2017.

## E.6 Explain the response and monitoring plans for the main risks the entity is exposed to, including fiscal

Due to space limitations, see our response in "Appendix to 2017 ACGR" attached to section H.

## F INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR)

Describe the mechanisms which comprise the internal control over financial reporting (ICFR) risk control and management system at the entity.

### F.1 Entity's control environment

Specify at least the following components with a description of their main characteristics:

#### F.1.1. The bodies and/or functions responsible for: (i) the existence and regular updating of a suitable, effective ICFR; (ii) its implementation; and (iii) its monitoring.

The Board of Directors of CaixaBank has formally assumed responsibility for ensuring the existence of a suitable, effective ICFR and has delegated powers to Financial Accounting, Control and Capital (FACC) to design, implement and monitor the same.

Article 40.3 of CaixaBank's Bylaws, states that the Audit and Control Committee's responsibilities shall include at least the following:

- Overseeing the effectiveness of the Company's internal control environment, internal audit and risk management systems, and discussing with auditors of accounts any significant weaknesses in the internal control system identified during the course of the audit.
- Overseeing the process for preparing and submitting regular prescriptive financial information. In this regard, the Audit and Control Committee is charged with overseeing ICFR. Its oversight activity seeks to ensure ICFR's continued effectiveness, gathering sufficient evidence of its correct design and operation. This assigning of responsibilities has been disseminated to the organisation in the "Internal Control over Financial Reporting" policy and the equivalent Regulation.

The ICFR Policy was approved by the Board of Directors. It describes the most general aspects of ICFR such as the financial information to be covered, the applicable internal control model, policy supervision, custody and approval, etc.

For its part, the ICFR Regulation has been approved by the Management Committee. It outlines the Internal Control over Financial Reporting Function (hereinafter, ICFR), whose responsibilities are to:

- Assesses whether the practices and processes in place at the Institution ensure the reliability of the financial information and compliance with applicable regulations.
- To assess whether the financial information reported by the various companies comprising the CaixaBank Group comply with the following principles:
  - i. The transactions, facts and other events presented in the financial information in fact exist and were recorded at the right time (existence and occurrence).
  - ii. The information includes all transactions, facts and other events in which the bank is the affected party (completeness).
  - iii. The transactions, facts and other events are recorded and valued in accordance with applicable standards (valuation).
  - iv. Transactions, facts and other events are classified, presented and disclosed in the financial information in accordance with applicable standards (presentation, disclosure and comparability).
  - v. The financial information shows, at the corresponding date, the bank's rights and obligations through the corresponding assets and liabilities, in accordance with applicable standards (rights and obligations).

Both regulations allow for disseminating a common methodology in the Group. All CaixaBank Group entities that have an ICFR model act in a coordinated manner. Following the takeover of BPI in 2017, a project has been undertaken to standardise the methodology applied.

The Policy and the Regulation both describe the internal control model of the 3 lines of defence applicable to ICFR:

- First line of defence: This comprises the Group's business units and support areas, which are responsible for identifying, measuring, controlling, mitigating and reporting the key risks affecting the Group as it carries out its business.
- Second line of defence: This acts independently from the business units, and has the function of covering the risks from the Group's Corporate Risk Map, ensuring the existence of risk management and control policies and procedures, monitoring their application, assessing the control environment and reporting all of the Group's material risks. It includes the ICFR Function, which focuses its actions on the "Reliability of financial information" risk.
- Third line of defence: Internal Audit, which is responsible for assessing the effectiveness and efficiency of risk management and the internal control systems, applying principles of independence and objectivity.

### F.1.2. The existence or otherwise of the following components, especially in connection with the financial reporting process:

- Departments and/or mechanisms in charge of: (i) the design and review of the organisational structure; (ii) defining clear lines of responsibility and authority, with an appropriate distribution of tasks and functions; and (iii) deploying procedures so this structure is communicated effectively throughout the entity.

CaixaBank's Board of Directors has entrusted its Management Committee and Appointments Committee with reviewing and approving the organisational structure and the lines of responsibility and authority at the Entity. The area of the Organisation designs the organisational structure of CaixaBank and proposes to the bank's governing bodies any suitable changes. Then, the General Human Resources and Organisation Division proposes the people to be appointed to carry out the duties defined.

The lines of responsibility and authority for drawing up the bank's financial information are clearly defined. It also has a comprehensive plan which includes, amongst other issues, the allocation of tasks, key dates and the various revisions to be carried out by each of the hierarchical levels. Both the above-mentioned lines of authority and responsibility and planning have been duly documented and all of those people taking part in the financial reporting process have been informed of the same.

In 2017, noteworthy was the creation of the "Policy on disclosure and verification of financial information". The objectives of this Policy are as follows:

- Define the scope of information to disclose, the general policy and criteria related to control and verification of financial information.
- Provide the bank with a reference framework that allows management of the reliability risk of the financial information to be disclosed, and standardising control activities.
- Define the governance framework to be followed both for information to disclose and for verification of documentation.

Under this Policy, verification of information to be disclosed is structured around three main points:

- Suitability and quality of information. That is, when information is disclosed, it meets the specifications in current regulations with respect to criteria, content and type of information to be disclosed, and it is also subject to a control environment that can provide a reasonable degree of assurance with regard to quality.
- Compliance with the internal governance prior to disclosure of information.
- Compliance with periodicity and disclosure deadlines.

- Code of conduct, approving body, dissemination and instruction, principles and values covered (stating whether it makes specific reference to record keeping and financial reporting), body in charge of investigating breaches and proposing corrective or disciplinary action.

The CaixaBank Code of Business Conduct and Ethics, which has been approved by the Board of Directors, sets out the core ethical values and principles that guide its conduct and govern the actions of all employees, executives and members of its management bodies. The Code is available to all employees on the Company's intranet. can also be accessed by shareholders, customers, suppliers and other stakeholders under the Corporate Responsibility section of the CaixaBank website.

The ethical values and principles outlined in the Code are as follows: compliance with the law, respect, integrity, transparency, excellence, professionalism, confidentiality and social responsibility.

The Code also states that the bank undertakes to provide its customers and shareholders with accurate, truthful and understandable information on its transactions and commissions and the procedures for handling claims and resolving incidents.

CaixaBank also makes all its relevant financial and corporate information available to its shareholders, in line with prevailing legislation.

All new employees must adhere to the Code.

The Queries and Complaints Committee, which includes Compliance, General Council, Legal and Human Resources, is responsible for analysing any breaches or proposing corrective measures and penalties.

Likewise, due to prevailing legislation and self-regulatory agreements proposed by Management and the Governing Bodies, there are other codes regulating the conduct of employees in specific areas. These are:

Internal Code of Conduct on Matters Relating to the Stock Market (IRC)

Approved by the Board of Directors, its objective is to adapt the procedures of CaixaBank and CaixaBank Group companies (and of its administrative and management bodies, employees and agents) that are applicable to them in the exercise of activities in relation to the securities market, in relation to which rules of conduct are set out in Regulation (EU) No 596/2014 of the European Parliament and Spain's Securities Market Law and implementation standards.



The overall purpose is to promote transparency in markets and to protect, at all times, the legitimate interests of investors.

The Code is available to all employees on the Control & Compliance portal of the corporate intranet, and all covered persons must declare that they are cognisant of it. Other stakeholders may also access it on the CaixaBank website.

The IRC Committee shall be responsible for analysis of any breaches and proposal of corrective measures or corresponding disciplinary action. Likewise, any queries regarding the content of the IRC can be forwarded to the IRC Committee Secretary or the Corporate Regulatory Compliance Division, depending on the issue.

## II. Telematic Code of Conduct

It has been approved by the Management Committee and implements the conduct and best practices associated with access to the Entity's data and information systems.

It applies to all CaixaBank employees and is disseminated internally on the Control & Compliance portal on the intranet.

All new employees must adhere to the Telematic Code of Conduct and all new versions of the same are announced on the intranet.

The Consulting and Whistle-blowing Committee is charged with analysing any breaches and imposing corresponding corrective measures or sanctions.

Finally, we would note that there is an Internal Confidential Consulting Channel where employees can send any queries regarding the interpretation and application of the Code of Ethics and the Telematic Code of Conduct. The channel is available to all employees on the intranet. Queries are handled by management

Corporate Regulatory Compliance except for those regarding the Telematic Code of Conduct which are handled by the IT Security Area.

As we have already mentioned, all queries regarding the Code of Conduct can be sent to the IRC Committee or the Corporate Regulatory Compliance Division, depending on the subject.

All of these issues have been included in the bank's Training Regulations and courses must be taken by all employees. At the end of each course all participants must pass a test to receive formal validation.

The Entity currently offers the following courses:

- The Code of Ethics, which also addresses the Confidential Consulting and Whistle-blowing Channels. This is a 90-minute e-learning course.
- Information Security training provides knowledge on the protection measures and criteria to be adopted concerning information. The course also included the guidelines of the Telematic Code of Conduct. This is a 120-minute e-learning course.
- The bank also has two e-learning courses available on the Internal Code of Conduct (IRC) of approximately two hours each:
  - o one for all covered persons; and
  - o Another for all employees which focuses on identifying and notifying any suspicious transactions, conflicts of interest and employees' general obligations regarding insider information.

In 2017 all new employees were required to take Courses on the Code of Ethics and on IRC. New employees are always required to take these courses of regulatory training.

- Whistle-blowing' channel, for the reporting to the audit committee of any irregularities of a financial or accounting nature, as well as breaches of the code of conduct and malpractice within the organisation, stating whether reports made through this channel are confidential.

All notifications about possible breaches of the Code of Ethics or the Code of Conduct, as well as reports of potential irregularities regarding financial and accounting information must be sent to the Corporate Regulatory Compliance Division via the Confidential Consulting and Whistle-blowing Channel set up by CaixaBank and available to all employees on the intranet. This corporate division is responsible for its management while the above-mentioned Whistle-blowing Channel Committee is responsible for resolving complaints. It is also responsible for notifying the Audit and Control Committee of any complaints regarding, among other, financial and accounting information pursuant to the ICFR guidelines.

This internal channel is exclusively for employees and can be accessed via various links on the intranet. All reports must be individual and confidential. The whistle-blower is only identified to the business areas involved in the investigation if it is absolutely necessary and only with the employee's consent. This also guarantees the employee's indemnity except in cases of malicious reporting or their participation in the reported events.

We would note that in 2017 the Entity offered training on this channel and its use (see previous section).

- Training and refresher courses for personnel involved in preparing and reviewing financial information or evaluating ICFR, which address, at least, accounting rules, auditing, internal control and risk management.

The Entity and its subsidiaries strive to offer an ongoing accounting and financial training plan which is adapted to the requirements inherent in the jobs and responsibilities of personnel involved in preparing and reviewing financial information.

In 2017, training courses focused on the following areas:

- Accounting
- Audit
- Internal Control
- Legal/Tax
- Risk management
- Regulatory Compliance
- Risks

The various courses were aimed mainly at personnel in Financial Accounting, Control and Capital (FACC), the Deputy General Audit and Control Division, Defaults and Recoveries and Risks, as well as members of the bank's Senior Management. An estimated 3,000 hours of this type of training were provided.

In the last quarter of 2017 the entity relaunched an online course on ICFR aimed at 66 employees from Accounts and audit inspection, Corporate Information and Control of Investees, Planning and Capital and Risks. This is in addition to the 51 employees who took the course in 2016, the 81 people in 2015, 64 in 2014 and 236 people in 2013.

This two-hour long course is intended to raise awareness amongst all employees either directly or indirectly involved in preparing financial information of the importance of establishing mechanisms which guarantee the reliability of the same, as well as their duty to ensure compliance with applicable regulations. The first section covers ICFR standards, with particular reference to the CNMV's guidelines issued in June 2010, while

the second covers the methodology established at the CaixaBank Group to ensure compliance with all prevailing ICFR regulatory requirements.

Financial Accounting, Control and Capital (FACC) also subscribes to various national and international accounting and financial publications, journals and websites. These are checked regularly to ensure that the entity takes into account any developments when preparing financial information.

One of the key features of CaixaBank's Strategic Plan for 2015-2018 is "to be leaders in service quality and have the best trained and dynamic team and develop the professional skills of all Branch and Central Services employees".

In 2015 the entity set up the Risks School in collaboration with the Instituto de Estudios Bursátiles (IEB), Pompeu Fabra University (UPF) and the Open University of Catalonia (UOC). The main purpose of this initiative is to support the training of critical professional skills and promote a decentralised management model so that employees increasingly have the necessary skills to approve lending transactions.

The Risks School has four different levels and training is adapted to the various profiles of CaixaBank employees according to their professional functions and requirements. It offers virtual content on the Virtaula corporate platform which is complemented with classroom-based sessions with internal training staff. The training is accredited by external experts from UPF.

In 2017, 925 employees from various levels were accredited and a further 2,614 are currently receiving training. Over the coming years it is expected that all CaixaBank employees will receive training in the four levels offered by the Risks School.

Another important initiative is CaixaBank's agreement with the UPF Barcelona School of Management and the CISI (Chartered Institute for Securities & Investment) whereby both institutions certify the training taken by the bank's employees with a single demanding exam, in accordance with European regulations on specialist training for bank employees. This training initiative is aimed at branch managers and Premier Banking managers as well as CaixaBank Private banking advisers, directors and centre managers and so that they are able to offer customers the best possible service. With this, CaixaBank is anticipating the prevailing EU regulations and is also the first Spanish financial institution to certify employee training with a post-graduate university diploma in Financial Advice and a prestigious international financial sector certificate. In 2017, 1,084 employees (branch managers, Premier banking managers and Private banking staff) took exams to be awarded the post-graduate Financial Advisory diploma and the international CISI certificate. They join the over 7,000 CaixaBank employees who already hold these qualifications. A further 1,400 employees are currently enrolled.

In 2016, the Group signed an agreement with the UPF Barcelona School of Management to accredit employees with the Post-graduate course in Financial Information and Advice. This is a shorter course but still meets the advisory requirements of MiFID II and will be offered to Assistant Commercial Managers, in addition to employees of the Business Banking segment. A total of 3,516 employees participated in the first three editions, which ended in October and November 2017. Currently, 1,400 employees are taking new editions that will end in 2018.

As in 2016, professional development programmes and courses for the various business areas were drawn up in accordance with the profiles and skills of potential participants and the objectives set.

In 2017, specific training was also provided to executives in the Rethink management development programme, with a general refocusing of these development programmes in three areas: C1 programme for junior executives and C2 programme for senior executives, with broader scope and greater dedication, and programmes focused on strengthening specific skills. Talent identification and management programmes were also available.

In 2017, there were 24 training sessions lasting 2 hours each, for Directors and members of the various governing bodies which provided specific training related to the main developments and subject areas necessary for the optimal performance of their duties. These sessions were arranged according to each Director's profile and the most suitable training recommended for each by their Supervisor. Particular emphasis was given to new appointments.

In addition, occasional joint training sessions have been held with members of the Audit and Control Committee and the Risks Committee on subjects of special interest to them. Notable, in this case, is the training provided on the content and impacts of the new IFRS 9, which was given subsequently to the other members of the Board of Directors.

The Entity gave classroom-based and online training to its staff. Among the subjects covered were accounting and auditing principles, as well as internal control and risk management. CaixaBank is strongly committed to transversal e-learning via its Virtaula platform where employees can share knowledge.

In addition, Financial Accounting, Control and Capital (FACC), the main area involved in the elaboration and preparation of financial information, during the year provided training and classroom workshops on different topics that are relevant to the performance of their duties, mainly related to developments in accounting standards (IFRS 9, IFRS 16, etc.) and internal training sessions for sharing knowledge between different management teams. The sessions, numbering more than ten, were prepared and given by CaixaBank specialists in this function, and there were a large number of participants.

## F.2 Risk assessment in financial reporting.

Report, at least:

### F.2.1. The main characteristics of the risk identification process, including risks of error or fraud, stating whether:

The process exists and is documented.

CaixaBank's risk identification process is as follows:

1. Determining the scope, including the selection of the financial information, relevant headings and Entities of the Group generating it, using quantitative and qualitative criteria. In 2017, this exercise was carried out at the beginning of the year using data at 31 December 2016 and revised in the second half using data at 30 June 2017.
2. Identification of the Group's material processes which are involved, either directly or indirectly, in preparing financial information.
3. Updating the reliability risk map of the financial information, identifying those risks which mitigate each process.
4. Documentation of existing controls to mitigate critical risks identified.
5. Classification and assessment of risks and controls. Assesses the criticality of risks and controls in order to identify the coverage of ICFR.
6. Continual assessment of the efficiency of ICFR. Issuing of reports.

As indicated in the regulations which govern Internal Control over Financial Reporting, CaixaBank has a methodology to identify processes, relevant areas and risks associated with financial reporting, including risks of error or fraud.

The regulations provide the methodology to identify the key areas and significant processes associated with the financial information relating to the identification of risks, based on:

- establishing specific guidelines for responsibilities and implementation and updating; and
- establishing the criteria to be followed and information sources to be used in the identification process,
- establishing criteria to be followed to identify the relevant subsidiaries with regard to ICFR.

The ICFR Function periodically, at least once a year, reviews all the risks within the ICFR scope and all control activities designed to mitigate these. This process is carried out in conjunction with all the areas involved. However, if, during the course of the year, unidentified circumstances arise that could affect the preparation of financial information, the ICFR function must evaluate the existence of risks in addition to those already identified.

In any case, risks will refer to possible errors (intentional or otherwise) in relation to the financial information objectives: (i) existence and occurrence; (ii) completeness; (iii) valuation; (iv) presentation, disclosure and comparability; and (v) rights and obligations.

The risk identification process takes into account both routine transactions and less frequent transactions which are potentially more complex, as well as the effects of other types of risks (operational, technological, financial, legal, reputational, environmental, etc.).

The entity also has an analysis procedure in place implemented by the various business areas involved in corporate transactions and non-recurring or special transactions, with all accounting and financial impacts being studied and duly reported.

The consolidation perimeter is also assessed on a monthly basis by the Consolidation function which is part of Accounts and Audit Inspection.

The impact of risks on the reliability of the reporting of financial information is analysed in each of the processes entailed in its preparation. The governing and management bodies receive periodic information on the main risks inherent in the financial information, while the Audit and Control Committee monitors the generation, development

and review of the financial information via the Internal Audit function and the opinion of both External Audit and Supervisory Bodies.

- The process covers all financial reporting objectives, (existence and occurrence; completeness; valuation; presentation, disclosure and comparability; and rights and obligations), is updated and with what frequency.

See the explanation in the first section.

- A specific process is in place to define the consolidation perimeter, with reference to the possible existence of complex corporate structures, special purpose vehicles, holding companies. etc.

See the explanation in the first section.

- The process addresses other types of risk (operational, technological, financial, legal, reputational, environmental, etc.) insofar as they may affect the financial statements.

See the explanation in the first section.

- Finally, which of the entity's governing bodies is responsible for overseeing the process.

See the explanation in the first section.

### F.3. Control activities

Indicate the existence of at least the following components, and specify their main characteristics:

- F.3.1. Procedures for reviewing and authorising the financial information and description of ICFR to be disclosed to the markets, stating who is responsible in each case and documentation and flow charts of activities and controls (including those addressing the risk of fraud) for each type of transaction that may materially affect the financial statements, including procedures for the closing of accounts and for the separate review of critical judgements, estimates, evaluations and projections.

Financial Accounting, Control and Capital is responsible for preparing and reviewing all financial information. It demands that the various Business Areas and Group companies collaborate in ensuring that the financial information submitted is sufficiently detailed.

Financial information is the cornerstone of the control and decision-making process of the bank's senior governing bodies and Management.

The preparation and review of all financial information hinge on suitable human and technical resources which enable the bank to disclose accurate, truthful and understandable information on its transactions in compliance with applicable standards.

In particular, the professional experience of the personnel involved in reviewing and authorising the financial information is of a suitable standard and all are appointed in light of their knowledge and experience in accounting, audit and/or risk management. Likewise, by establishing control mechanisms, the technical measures and IT systems ensure that the financial information is reliable and complete. Also, the financial information is monitored by the various hierarchical levels within Financial Accounting, Control and Capital (FACC) and, where applicable, double checked with other business areas. Finally, the key financial information disclosed to the market is examined and, if applicable, approved by the highest-ranking governing bodies (the Board of Directors and the Audit and Control Committee) and the bank's management.

With regard to activities and control procedures directly related to transactions which may have a material impact on the financial statements, the Entity has in place a process whereby it constantly revises all documentation concerning the activities carried out, any risks inherent in reporting the financial information and the controls needed to mitigate critical risks. This ensures that all documentation is complete and up-to-date.

The documentation of the critical processes and control activities for financial reporting contains the following information:

- Processes and associated sub-processes.

- A description of the financial information risks along with the financial assertions and the possibility of the risk of fraud. In this regard, we would note that the risks are classified into risk category and risk models which comprise the bank's Corporate Risk Map which is managed by the Executive Global Risk Management Division.

- Control activities carried out to mitigate the risk along with their characteristics: or

- o Classification - Key / Standard
- o Purpose – Preventive / Detective / Corrective
- o Automation – Manual / Automatic / Semiautomatic
- o Frequency - How often the control is executed
- o Evidence – Evidence/proof that the control is working correctly
- o COSO Component – Type of control activity, according to COSO classification (Committee of Sponsoring Organizations of the Treadway Commission)
- o System – IT applications or programmes used in the control activity
- o Control executor – Person responsible for implementing the control
- o Person responsible for the control – Person who ensures the control is executed correctly

All activities and controls are designed to guarantee that all transactions carried out are correctly recorded, valued, presented and itemised.

CaixaBank has an upward internal key control certification process to ensure the reliability of financial information disclosed to the markets. The persons responsible for each of the controls identified shall submit attestations guaranteeing their efficient execution during the period in question. The process is carried out quarterly although there are also ad-hoc attestations where controls of financial reporting are carried out during different periods.

The Head of Financial Accounting, Control and Capital informs the Management Committee and the Audit and Control Committee of the outcome of this attestation process as well as the Board of Directors. In 2017, the bank carried out four quarterly attestation processes, plus the ad-hoc attestation of certain controls. No significant incidences which may affect the accuracy of the financial information were identified.

Internal Audit carries out the monitoring functions described in F.5.1 and F.5.2 below.

The preparation of the financial statements requires senior executives to make certain judgements, estimates and assumptions in order to quantify certain of the assets, liabilities, income, expenses and obligations shown in them. These estimates are based on the best information available at the date the financial statements are prepared, using generally-accepted methods and techniques and observable and tested data and assumptions.

The procedures for reviewing and approving the judgements and estimates are outlined in the Policy and the Internal ICFR Regulation under "Reviewing and Approving Judgements and Estimates". This specifies that the Board of Directors and the Management Committee are responsible for approving this information.

This year the Entity has addressed the following:

- The fair value of certain financial assets and liabilities.
- The fair value of assets, liabilities and contingent liabilities in the context of the purchase price allocation in business combinations.
- Impairment losses on certain financial assets and the fair value of the related guarantees.
- The measurement of stakes in joint ventures and associates.
- Determination of share of profit (loss) of associates.
- Actuarial assumptions used to measure liabilities arising under insurance contracts
- The useful life of and impairment losses on other tangible assets and intangible assets
- The measurement of goodwill and intangible assets.
- Impairment losses on non-current assets and disposal groups classified as held for sale
- Actuarial assumptions used to measure post-employment liabilities and commitments
- The measurement of the provisions required to cover labour, legal and tax contingencies.
- The income tax expense based on the income tax rate expected for the full year and the capitalisation and recoverability of tax assets
- The criterion for timing of recognition in profit and loss of income from ancillary activities provided by CaixaBank

### F.3.2. Internal control policies and procedures for IT systems (including secure access, control of changes, system operation, continuity and segregation of duties) giving support to key processes regarding the preparation and publication of financial information.

The IT systems which give support to processes regarding the preparation of financial information are subject to internal control policies and procedures which guarantee completeness when preparing and publishing financial information.

Specifically these are policies regarding:

I. Information Security Management System: CaixaBank has an Information Security Management System (ISMS) based on international best practices. This ISMS has obtained, and each year renews, ISO 27001:2013 certification by the British Standards Institution (BSI). This system defines, among other policies, those for accessing IT systems and the internal and external controls which ensure all of the policies defined are correctly applied.

II. Operating and business continuity: the bank has in place an IT Contingency Plan to deal with serious situations to guarantee its IT services are not interrupted. It also has strategies in place to enable it to recover information in the shortest time possible. This IT Contingency Plan has been designed and operates according to ISO 27031:2011. Ernst&Young has certified that the regulatory governance body for Technological Contingency at CaixaBank has been designed, developed and is operating in accordance with this regulation.

The British Standards Institution (BSI) has certified that CaixaBank's business continuity programme is ISO 22301:2012 compliant. These certifications attest:

- CaixaBank management's commitment to business continuity and technological contingency
- The existence of business continuity and technological contingency management best practices
- A cyclical process based on continuous improvement
- That CaixaBank has deployed and operates business continuity and technological contingency management systems which are compliant with international standards.

Which offer:

- Assurance to our customers, investors, employees and society in general that the Entity is able to respond to serious events that may affect business operations.
- Compliance with the recommendations of regulators, the Bank of Spain, MiFID and Basel III
- Advantages in terms of the Entity's image and reputation
- Annual audits, both internal and external, which ensure we keep our systems up-to-date

III. Information technology (IT) governance: CaixaBank's information and technology (IT) governance model ensures that its IT services are aligned with the Entity's business strategy and comply with all regulatory, operational and business requirements. IT governance is an essential part of overall governance and encompasses organisational structures and guidelines to ensure that the IT services support and facilitate the fulfilment of strategic objectives. The governance model has been designed and developed according to ISO 38500:2008 standard, and was certified by Deloitte Advisory, S.L. in July 2014.

CaixaBank's IT services have been designed to meet the business' needs, guaranteeing the following:

- Segregation of duties;
- Change management;
- Incident management;
- IT quality management;
- Risk management: operational, reliability of financial reporting, etc.;
- Identification, definition and monitoring of indicators (scorecard);
- Existence of governance, management and monitoring committees;
- Periodic reporting to management;
- Rigorous internal controls which include annual internal and external audits.

### F.3.3. Internal control policies and procedures for overseeing the management of outsourced activities, and of the appraisal, calculation or valuation services commissioned from independent experts, when these may materially affect the financial statements.

The CaixaBank Group has a Costs, Budget Management and Purchasing Policy which regulates the Management Model throughout the entire cycle (budgeting, demand management, negotiating with suppliers, supply and invoicing). This policy is detailed in the internal regulations which mainly regulate processes regarding:

- Drawing up, approving, managing and settling the budget
- Applying the budget: procurement and commissioning
- Paying supplier invoices

All of the processes carried out between Group entities and suppliers are managed and recorded by programmes which include all activities. The Efficiency Committee is responsible for ensuring that the budget is applied in accordance with internal regulations.

To ensure correct cost management, the CaixaBank Efficiency Committee has delegated duties to two committees:

- Expenses and Investments Committee (EIC): reviews and ratifies all expenses and investment proposed by the various areas and subsidiaries in projects. It queries the need and reasonableness for same by means of a profitability and/or efficiency analysis.
- Procurement Desk: oversees achieving maximum savings in contracting goods and services, encouraging equal opportunities among suppliers. The bank's Code of Business Conduct and Ethics stipulates that goods must be purchased and services engaged objectively and transparently, avoiding situations that could affect the objectiveness of the people involved. Auctions and budget requests are acceptable procurement methods according to the Procurement Department and a minimum of three tenders from suppliers must be submitted.

The CaixaBank Group has a Suppliers' Portal offering quick and easy communication between suppliers and Group companies. This channel allows third party companies to submit all the necessary documentation when bidding for contracts as well as all the necessary documentation once services have been contracted. This not only ensures compliance with internal procurement regulations but also makes management and control easier.

CaixaBank has an Outsourcing Policy which establishes the methodological framework and criteria to take into account when outsourcing services. The policy determines the roles and responsibilities of each activity and states that all outsourcings must be assessed according to their critical nature, as well as defining various control and supervision levels according to their classification.

Deloitte Consulting, S.L.U. has certified that the design and wording of the outsourcing governance complies with ISO standard 37500:2014, which attests:

- Senior management's commitment to outsourcing governance.
- The existence of outsourcing management initiative best practices
- A cyclical process based on continuous improvement

The policy was shored up in 2017, as it was updated to the current rules and regulations of the Bank of Spain.

Formalisation of this Policy means:

- Our customers, investors, employees and other stakeholders trust in the decision-making and control process for outsourcing initiatives.
- Compliance with the recommendations of regulators, such as the Bank of Spain, MiFID and Basel III
- Advantages in terms of the Entity's image and reputation

CaixaBank ensures that any future outsourcing does not entail a loss of supervisory capacity, analysis or demands of the service or activity under contract. The following procedure is followed when there is a new outsourcing initiative:

- Analysis of the applicability of the outsourcing model to the supplier
- Assessment of the outsourcing decision by measuring criticality, risks and the outsourcing model
- Engagement of the supplier
- Transfer of service to external supplier
- Oversight and monitoring of the activity or service rendered.

All outsourced activities have control activities largely based on performance indicators. Each person in charge of an outsourced activity shall request that the supplier report all indicators and keep these up-to-date. These are then reviewed internally on a periodical basis.

In 2017, valuation and calculation services commissioned from independent experts mainly concerned the following:

- Certain internal audit and technology services
- Certain financial consultancy and business intelligence services
- Certain marketing and various procurement services
- Certain IT and technology services
- Certain financial services
- Certain financial, fiscal and legal advisory services
- Certain processes related to Human Resources and various procurement services
- Certain processes related to Information Systems

## F.4 Information and communication

Indicate the existence of at least the following components, and specify their main characteristics:

- F.4.1. A specific function in charge of defining and maintaining accounting policies (accounting policies area or department) and settling doubts or disputes over their interpretation, which is in regular communication with the team in charge of operations, and a manual of accounting policies regularly updated and communicated to all the entity's operating units.

The Accounts and audit inspection Area – Accounting Policies and Regulation Department, which reports to Financial Accounting, Control and Capital (FACC), is responsible for defining the Entity's accounting criteria.

These criteria are based on and documented according to the characteristics of the product/transaction defined by the business areas involved and to the applicable accounting regulations, being formalised in the creation of amendment of an accounting circuit. The various documents comprising an accounting circuit explain in detail all the likely events which could affect the contract or transaction and describe the key features of the operating procedures, tax regulations and applicable accounting criteria and principles.

This department is charged with resolving any accounting queries not included in the circuit and any queries as to its interpretation. Additions and amendments to the accounting circuits are notified immediately to the Organisation and most can be consulted on the Entity's intranet.

Accounting criteria are constantly updated in line with new contract or transaction types or any regulatory changes. In this process all new events reported to the department and which may have an accounting impact both for the bank and the consolidated Group are analysed. The various areas involved in these new events work together to review them. The conclusions of these reviews are transferred to and implemented in the various accounting circuits and, if necessary, the various documents comprising the general accounting documents. The affected business areas are informed via existing mechanisms, mainly the Intranet and the accounting policies manual.

In addition, this Department is responsible for analysing and studying the accounting impact of one-off transactions and for monitoring and developing ex ante and ex post regulations, of which the Regulation Committee is regularly informed. Once the regulatory implementation is definitive, the department is responsible for training and updating the affected areas.

#### F.4.2. Mechanisms in standard format for the capture and preparation of financial information, which are applied and used in all units within the entity or group, and support its main financial statements and accompanying notes as well as disclosures concerning ICFR.

CaixaBank has internal IT tools which guarantee the completeness and consistency of the processes for capturing and preparing financial information. All of these applications have IT contingency mechanisms which guarantee that the data is held and can be accessed in any circumstances.

We would note that the Entity is currently upgrading its accounting information architecture to improve the quality, completeness, immediacy and access to the information provided by business applications. The various IT applications are gradually being included in the scope of the project which currently includes a very significant materiality of balances.

To prepare the consolidated information, both CaixaBank and other Group entities use specialist tools providing mechanisms to capture, analyse and prepare financial information in standard format.

The accounts plan, which is incorporated in the consolidation application, has been defined to comply with requirements of the various regulators.

The bank also has a SAP Governance, Risk and Compliance (SAP GRC) tool to guarantee the completeness of ICFR, reflecting existing risks and controls. The application also supports the Corporate Risk Map (CRM) and Operational Risk Indicators (KRIs), for which the Executive Global Risk Management Division is responsible.

#### F.5. Monitoring

Indicate the existence of at least the following components, describing their main characteristics:

##### F.5.1. The ICFR monitoring activities undertaken by the audit committee and an internal audit function whose competencies include supporting the audit committee in its role of monitoring the internal control system, including ICFR. Describe the scope of the ICFR assessment conducted in the year and the procedure for the person in charge to communicate its findings. State also whether the entity has an action plan specifying corrective measures for any flaws detected, and whether it has taken stock of their potential impact on its financial information.

Notwithstanding the risk management and control functions of the Board of Directors, the Audit and Control Committee is entrusted with overseeing the process for preparing and submitting regulated financial information and the effectiveness of the bank's internal control and risk management systems and discussing with auditors of accounts any significant weaknesses in the internal control system identified during the course of the audit.

The duties of the Audit and Control Committee include those related to overseeing the process for preparing and submitting regular financial information as described in point F.1.1.

As part of its duty to oversee the process for preparing and submitting regular financial information, the Audit and Control Committee carries out, inter alia, the following activities:

- Review of the Annual Internal Audit Plan and assessing whether the Plan has sufficient scope to provide appropriate coverage for the main risks to which the bank is exposed. Then, the Annual plan is submitted to the Board of Directors.
- Assessment of the conclusions of the audits carried out and the impact on financial information, where applicable.
- Constant monitoring of corrective action, prioritising each one.

The Internal Audit function, which is part of the Deputy General Audit and Control Division, is governed by the principles contained in the Internal Audit Regulations approved by the CaixaBank Board of Directors. CaixaBank's Internal Audit function is an independent activity providing assurance and consultation services; it is designed to add value and improve activities.

It contributes to achieving the strategic objectives of the CaixaBank Group, providing a systematic and disciplined approach to evaluating and improving risk control and management processes and corporate governance. Its objective is to guarantee effective and efficient supervision of the internal control system through ongoing assessment of the organisation's risks and provide support to the Audit and Control Committee by drafting reports and reporting regularly on the results of work carried out. Point E.6 provides a description of the Internal Audit function and all the functions of the Deputy General Audit Division.

Internal Audit has auditors working in various audit teams which specialise in reviewing the main risks to which the bank is exposed. One of these teams is the Financial Audit, Investees and Regulatory Compliance Division where specialists oversee processes at Financial Accounting, Control and Capital, which is responsible for preparing the bank's financial and accounting information. The Internal Audit's annual plan includes a multiyear review of the risks and controls in financial reporting for all auditing work where these risks are relevant.



In each review Internal Audit:

- Identifies the necessary controls to mitigate the risks associated with the process' activities.
- Analyses the effectiveness and efficiency of the existing controls on the basis of their design
- Verifies that these controls are applied.
- Reports its conclusions of the review and issues an opinion on the control environment.
- Recommends corrective actions.

Internal Audit has developed a specific working plan to review ICFR, focusing on the periodical review of the relevant processes (transversal and business) defined by the Internal Control over Financial Reporting team which is supplemented by a review of existing auditing controls in other processes.

This working programme is currently complemented by an ongoing review of evidence of the effective execution of all controls. Based on this, the Audit function publishes an annual global report which includes an assessment of the performance of ICFR during the year.

The annual assessment of ICFR at 31/12/2017 focused on:

- Revising the application of the framework defined in the document "Internal Control over Financial Reporting in Listed Companies" published by the CNMV which sets out the best practices for internal control over financial reporting.
- Verifying the application of the methodology established in the Internal Control over Financing Reporting System to guarantee that Group ICFR is adequate and effective.
- Assessing the hierarchical attestation of key controls identified process.
- Evaluating the descriptive documentation of the relevant processes, risks and controls in drafting financial information

In 2017, Internal Audit also carried out different reviews of the processes which affect the generation, preparation and presentation of financial information, focusing on, inter alia, financial-accounting, financial instruments, legal and compliance, information systems and the insurance and foreclosed assets businesses.

The Audit and Control Committee and executive team will be informed of the results of the ICFR evaluation. These reports also include an action plan detailing corrective measures, their urgency to mitigate risks in financial information and the timeframe for resolving these.

**F.5.2. A discussion procedure whereby the auditor (pursuant to TAS), the internal audit function and other experts can report any significant internal control weaknesses encountered during their review of the financial statements or other assignments, to the bank's senior management and its audit committee or Board of Directors. State also whether the entity has an action plan to correct or mitigate the weaknesses found.**

The Entity has in place a discussion procedure with its auditor. Senior management is kept permanently informed of the conclusions reached during the review of the financial statements. Also, the Audit and Control Committee receives information from the auditor on the audit plan, the preliminary conclusions reached concerning publication of the financial statements and the final conclusions as well as, if applicable, any weaknesses encountered in the internal control system, prior to preparing the financial statements. Also, when reviewing the interim financial information, the Audit and Control Committee shall be informed of the work carried out and the conclusions reached.

In addition, and within its areas of activity, Internal Audit's reviews conclude with the issue of a report evaluating the relevant risks and the effectiveness of internal control of the processes and the transactions analysed. It also evaluates the possible control weaknesses and shortcomings and formulates recommendations to correct them. Internal Audit reports are sent to senior management. The Audit and Control Committee also issues a monthly report on the activities carried out by Internal Audit, with specific information on all significant weaknesses identified during the reviews.

Internal Audit constantly oversees the fulfilment of recommendations, focusing particularly on critical and high-risk weaknesses, and reports to senior management on a regular basis. This monitoring information, as well as the relevant incidents identified in the Audit reviews, are reported to the Audit and Control Committee and senior management.

In December 2016, the Board of Directors of CaixaBank appointed the new auditor of the CaixaBank Group from 2018, on the proposal of the Audit and Control Committee. In 2017, this Committee monitored the transition process for the assumption of audit work by the new auditor.

## F.6 Other relevant information

No other relevant information.

## F.7 External auditor report

Report on:

F.7.1. The ICFR information supplied to the market has been reviewed by the external auditor, in which case the corresponding report should be attached. Otherwise, explain the reasons for the absence of this review.

In accordance with the recommendation concerning the Auditor's Report included in the guidelines on the information relating to Internal Control over Financial Reporting in Listed Companies published by the National Securities Market Commission on its website, the annual accounts auditor of CaixaBank has reviewed the information on internal control over financial reporting system. The final report concludes that, as a result of the procedures applied regarding information on ICFR, there are no relevant inconsistencies or incidents.

This report is attached as an Appendix to the Annual Corporate Governance Report.

## **G DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS**

Indicate the degree of the company's compliance with the recommendations of the Good Governance Code of Listed Companies.

Should the company not comply with any of the recommendations or comply only in part, include a detailed explanation of the reasons so that shareholders, investors and the market in general have enough information to assess the company's behaviour. General explanations are not acceptable.

1. The Bylaws of listed companies should not place an upper limit on the votes that can be cast by a single shareholder, or impose other obstacles to the takeover of the company by means of share purchases on the market.

Compliant

Explain

2. When a dominant and a subsidiary company are stock market listed, the two should provide detailed disclosure on:

- a) The type of activity they engage in, and any business dealings between them, as well as between the subsidiary and other group companies;  
b) The mechanisms in place to resolve possible conflicts of interest.

Compliant

Partially compliant

Explain

Not applicable

3. During the annual general meeting the chairman of the board should verbally inform shareholders in sufficient detail of the most relevant aspects of the company's corporate governance, supplementing the written information circulated in the annual corporate governance report. In particular:

- a) Changes taking place since the previous annual general meeting.  
b) The specific reasons for the company not following a given Good Governance Code recommendation, and any alternative procedures followed in its stead.

Compliant

Partially compliant

Explain

4. The company should draw up and implement a policy of communication and contacts with shareholders, institutional investors and proxy advisors that complies in full with market abuse regulations and accords equitable treatment to shareholders in the same position.

This policy should be disclosed on the company's website, complete with details of how it has been put into practice and the identities of the relevant interlocutors or those charged with its implementation.

Compliant

Partially compliant

Explain

5. The Board of Directors should not make a proposal to the general meeting for the delegation of powers to issue shares or convertible securities without pre-emptive subscription rights for an amount exceeding 20% of capital at the time of such delegation.

When a Board approves the issuance of shares or convertible securities without pre-emptive subscription rights, the company should immediately post a report on its website explaining the exclusion as envisaged in company legislation.

Compliant

Partially compliant

Explain

The Board of Directors, in its meeting dated 10 March 2016, agreed to propose to the General Shareholders' Meeting on 28 April the approval of an agreement to delegate powers in favour of the Board of Directors in order to issue bonds, preference shares and any other fixed income securities or instruments of a similar nature which are convertible into CaixaBank shares, or which directly or indirectly give the right to the subscription or acquisition of the company's shares, including warrants. The proposed delegation expressly included the power to disapply the pre-emptive subscription right of shareholders. This proposal was approved at the Annual General Meeting held on 28 April 2016.

The capital increases that the Board of Directors may approve under this authorisation to carry out the conversion of shares in whose issuance the pre-emptive subscription right has been disapplied are not subject to the maximum limit of 20% of the share capital that the Annual General Meeting of 23 April 2015 unanimously agreed for any capital increases that the Board of Directors may approve (the legal limit of 50% of the capital at the time of the approval does apply).

Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment companies, and Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms, and Spanish Act 11/2015 of 18 June on the recovery and resolution of credit institutions and investment services companies, anticipate the need for credit entities to provide, in certain proportions, different instruments in the composition of their regulatory capital so that they can be considered suitably capitalised. Therefore, different capital categories are contemplated that must be covered by specific instruments. Despite the Company's adequate capital situation, it was deemed necessary to adopt an agreement that allows instruments to be issued that may be convertible in certain cases. To the extent that the issuance of these instruments implies the need to have an authorised capital that, at the time of its issuance, covers a possible convertibility and in order to provide the company with greater flexibility, it was deemed convenient for the capital increases that the Board approves to be carried out under the delegation agreement in this report in order to address the conversion of shares in whose issuance the pre-emptive subscription right has been excluded, not being subject to the maximum limit of 20% of the capital which is applicable to all other capital increases that the Board is authorised to approve.

6. Listed companies drawing up the following reports on a voluntary or compulsory basis should publish them on their website well in advance of the annual general meeting, even if their distribution is not obligatory:

a) Report on auditor independence.

b) Reviews of the operation of the audit committee and the nomination and remuneration committee.

c) Audit committee report on third-party transactions.

d) Report on corporate social responsibility policy.

Compliant

Partially compliant

Explain

7. The company should broadcast its general meetings live on the corporate website.

Compliant

Explain

8. The audit committee should strive to ensure that the Board of Directors can present the company's accounts to the general meeting without limitations or qualifications in the auditor's report. In the exceptional case that qualifications exist, both the Chairman of the audit committee and the auditors should give a clear account to shareholders of their scope and content.

Compliant

Partially compliant

Explain

9. The company should disclose its conditions and procedures for admitting share ownership, the right to attend general meetings and the exercise or delegation of voting rights, and display them permanently on its website.

Such conditions and procedures should encourage shareholders to attend and exercise their rights and be applied in a non-discriminatory manner.

Compliant  Partially compliant  Explain

10. When an accredited shareholder exercises the right to supplement the agenda or submit new proposals prior to the general meeting, the company should:

- a) Immediately circulate the supplementary items and new proposals.
- b) Disclose the model of attendance card or proxy appointment or remote voting form duly modified so that new agenda items and alternative proposals can be voted on in the same terms as those submitted by the board of directors.
- c) Put all these items or alternative proposals to the vote applying the same voting rules as for those submitted by the board of directors, with particular regard to presumptions or deductions about the direction of votes.
- d) After the general meeting, disclose the breakdown of votes on such supplementary items or alternative proposals.

Compliant  Partially compliant  Explain  Not applicable

With regard to section c), the Board agrees that there are different presumptions about the direction of the vote for proposals submitted by shareholders and those submitted by the Board (as established in the Regulations of the Company's General Meeting), opting for the presumption of a vote in favour of agreements proposed by the Board of Directors (because the shareholders absent for the vote have had the opportunity to record their absence so their vote is not counted and they can also vote early in another direction through the mechanisms established for that purpose) and for the presumption of a vote against agreements proposed by shareholders (since there is a probability that the new proposals will deal with agreements that are contradictory to the proposals submitted by the Board of Directors and it is impossible to attribute opposite directions for their votes to the same shareholder. Additionally, shareholders who were absent have not had the opportunity to assess and vote early on the proposal).

Although this practice does not reflect the wording of Recommendation 10, it does better achieve the final objective of Principle 7 of the Good Governance Code which makes express reference to the Corporate Governance Principles of the OECD, which outline that the procedures used in Shareholders' Meetings must ensure the transparency of the count and the adequate registration of votes, especially in situations of voting battles, new items on the agenda and alternative proposals, because it is a measure of transparency and a guarantee of consistency when exercising voting rights.

11. In the event that a company plans to pay for attendance at the general meeting, it should first establish a general, long-term policy in this respect.

Compliant  Partially compliant  Explain  Not applicable

12. The Board of Directors should perform its duties with unity of purpose and independent judgement, according the same treatment to all shareholders in the same position. It should be guided at all times by the company's best interest, understood as the creation of a profitable business that promotes its sustainable success over time, while maximising its economic value.

In pursuing the corporate interest, it should not only abide by laws and regulations and conduct itself according to principles of good faith, ethics and respect for commonly accepted customs and good practices, but also strive to reconcile its own interests with the legitimate interests of its employees, suppliers, clients and other stakeholders, as well as with the impact of its activities on the broader community and the natural environment.

Compliant  Partially compliant  Explain

13. The Board of Directors should have an optimal size to promote its efficient functioning and maximise participation. The recommended range is accordingly between five and fifteen members.

Compliant

Explain

At year-end 2017 the Board of Directors comprised 18 members. However, on 21 December CaixaBank announced that Antonio Massanell Lavilla had resigned as Deputy Chairman and member of the Board of Directors, effective as of 31 December 2017. To fill the vacancy, on the same date the Board of Directors resolved, subject to a favourable report from the Appointments Committee and subject to a suitability assessment by the European Central Bank, to appoint Tomás Muniesa Arantegui as a member of the Board of Directors. Likewise, also at the proposal of the Appointments Committee and subject to verification by the European Central Bank, Mr. Muniesa was appointed Deputy Chairman of the Board of Directors and member of the Executive Committee. The composition of the Board is deemed to be suitable to ensure maximum effectiveness and participation with a wide variety of opinions.

The size of the Board is also deemed to be suitable given the Bank's history, namely that it was previously a savings bank with a 21-member board.

The current size and composition of the Board of Directors is justified, as well, by the need to include a certain number of independent Directors and to comply with the shareholders agreement stemming from the merger with Banca Cívica. This agreement calls for the inclusion of two additional Board members representing the savings banks (currently banking foundations) acquired as a result of the merger. Notwithstanding this, it is recorded that, in the framework of the amendment to the Integration Agreement between CaixaBank and Banca Cívica (SE of 17 October 2016, which reported the amendment to Clause 5 of the Shareholders' Agreement between "la Caixa" Banking Foundation and the Foundations so that they could propose only one member of the CaixaBank Board of Directors), in 2016 Caja Navarra Banking Foundation submitted its resignation, with just one representative of said shareholders' agreement as a member of the CaixaBank Board of Directors.

Finally, and in compliance with legal requirements, as the Bank has five board committees it requires a sufficient number of directors to avoid, if relevant, duplications therein. Therefore, despite the Bank exceeding the recommended number of directors, it considers this number to be appropriate as it ensures maximum effectiveness and participation of both the Board and its committees.

14. The Board of Directors should approve a Director selection policy that:

a) Is concrete and verifiable;

b) Ensures that appointment or re-election proposals are based on a prior analysis of the board's needs; and

c) Favours a diversity of knowledge, experience and gender.

The results of the prior analysis of board needs should be written up in the nomination committee's explanatory report, to be published when the general meeting is convened that will ratify the appointment and re-election of each Director.

The Director selection policy should pursue the goal of having at least 30% of total board places occupied by women Directors before the year 2020.

The nomination committee should run an annual check on compliance with the Director selection policy and set out its findings in the annual corporate governance report.

Compliant

Partially compliant

Explain

15. Proprietary and independent Directors should constitute an ample majority on the Board of Directors, while the number of executive Directors should be the minimum practical bearing in mind the complexity of the corporate group and the ownership interests they control.

Compliant

Partially compliant

Explain

16. The percentage of proprietary Directors out of all non-executive Directors should be no greater than the proportion between the ownership stake of the shareholders they represent and the remainder of the company's capital.

This criterion can be relaxed:

- a) In large cap companies where few or no equity stakes attain the legal threshold for significant shareholdings.
- b) In companies with a plurality of shareholders represented on the board but not otherwise related.

Compliant  Explain

17. Independent Directors should be at least half of all Board members.

However, when the company does not have a large market capitalisation, or when a large cap company has shareholders individually or concertedly controlling over 30 percent of capital, independent Directors should occupy, at least, a third of Board places.

Compliant  Explain

18. Companies should post the following Director particulars on their websites, and keep them permanently updated:

- a) Professional experience and background;
- b) Directorships held in other companies, listed or otherwise, and other paid activities they engage in, of whatever nature.
- c) Statement of the director class to which they belong, in the case of proprietary directors indicating the shareholder they represent or have links with.
- d) Dates of their first appointment as a board member and subsequent re-elections.
- e) Shares held in the company, and any options on the same.

Compliant  Partially compliant  Explain

19. Following verification by the nomination committee, the Annual Corporate Governance Report should disclose the reasons for the appointment of proprietary Directors at the urging of shareholders controlling less than 3 percent of capital; and explain any rejection of a formal request for a Board place from shareholders whose equity stake is equal to or greater than that of others applying successfully for a proprietary directorship.

Compliant  Partially compliant  Explain  Not applicable

20. Proprietary Directors should resign when the shareholders they represent dispose of their ownership interest in its entirety. If such shareholders reduce their stakes, thereby losing some of their entitlement to proprietary Directors, the latter's number should be reduced accordingly.

Compliant  Partially compliant  Explain  Not applicable

21. The Board of Directors should not propose the removal of independent Directors before the expiry of their tenure as mandated by the Bylaws, except where they find just cause, based on a proposal from the nomination committee. In particular, just cause will be presumed when Directors take up new posts or responsibilities that prevent them allocating sufficient time to the work of a board member, or are in breach of their fiduciary duties or come under one of the disqualifying grounds for classification as independent enumerated in the applicable legislation.

The removal of independent Directors may also be proposed when a takeover bid, merger or similar corporate transaction alters the company's capital structure, provided the changes in board membership ensue from the proportionality criterion set out in Recommendation 16.

Compliant

Explain

22. Companies should establish rules obliging Directors to inform the board of any circumstance that might harm the organisation's name or reputation, tendering their resignation as the case may be, with particular mention of any criminal charges brought against them and the progress of any subsequent trial.

The moment a Director is indicted or tried for any of the offences stated in company legislation, the Board of Directors should open an investigation and, in light of the particular circumstances, decide whether or not he or she should be called on to resign. The Board should give a reasoned account of all such determinations in the annual corporate governance report.

Compliant

Partially compliant

Explain

23. Directors should express their clear opposition when they feel a proposal submitted for the board's approval might damage the corporate interest. In particular, independents and other Directors not subject to potential conflicts of interest should strenuously challenge any decision that could harm the interests of shareholders lacking board representation.

When the Board makes material or reiterated decisions about which a Director has expressed serious reservations, then he or she must draw the pertinent conclusions. Directors resigning for such causes should set out their reasons in the letter referred to in the next Recommendation.

The terms of this Recommendation also apply to the Secretary of the Board, even if he or she is not a Director.

Compliant

Partially compliant

Explain

Not applicable

24. Directors who give up their place before their tenure expires, through resignation or otherwise, should state their reasons in a letter to be sent to all members of the board. Irrespective of whether such resignation is filed as a significant event, the motive for the same must be explained in the Annual Corporate Governance Report.

Compliant

Partially compliant

Explain

Not applicable

25. The Nomination Committee should ensure that non-executive Directors have sufficient time available to discharge their responsibilities effectively.

The Board of Directors regulations should lay down the maximum number of company boards on which Directors can serve.

Compliant

Partially compliant

Explain

26. The Board should meet with the necessary frequency to properly perform its functions, eight times a year at least, in accordance with a calendar and agendas set at the start of the year, to which each Director may propose the addition of initially unscheduled items.

Compliant

Partially compliant

Explain

27. Director absences should be kept to a strict minimum and quantified in the Annual Corporate Governance Report. In the event of absence, Directors should delegate their powers of representation with the appropriate instructions.

Compliant

Partially compliant

Explain

In the event of unavoidable absences, in order to prevent de facto changes to the balance of the Board of Directors, legislation allows for delegation to another director (non-executives only to other non-executives) - this is established in Principle 14 of the Good Governance Code and also envisaged in bylaws (article 37), as well as the Board's Regulations (article 17), which determine that Directors must personally attend Board meetings. However, when they are unable to do so in person, they shall endeavour to grant their proxy in writing, on a special basis for each meeting, to another Board member, including the appropriate instructions therein. Non-executive Directors may only delegate a proxy who is another non-executive Director, while independent Directors may only delegate to another independent Director. This latter limitation was introduced in 2017, due to amendments to both texts in order to comply with certain corporate governance improvements coherent with conditions for the prudential deconsolidation of Criteria Caixa, as announced by the European Central Bank.

The Board of Directors considers, as good corporate governance practice, that when directors are unable to attend meetings, proxies are not generally delegated with specific instructions. This does not amend, de facto, the balance of the Board given that delegations may only be made by non-executive directors to other non-executive directors, and independent directors may only delegate to other independent directors, while directors are always required to defend the company's corporate interest regardless of their director status.

Moreover, and reflecting the freedom of each director who may also delegate with the appropriate instructions as suggested in the Board's Regulations, the decision to delegate without instructions represents each director's freedom to consider what provides most value to their proxy, and they may finally decide on the grounds that they want to give their proxy freedom to adapt to the result of the Board meeting debate. This, in addition, is in line with the law on the powers of the Chairman of Board, who is given, among others, the responsibility of encouraging a good level of debate and the active involvement of all Directors, safeguarding their rights to adopt positions.

Therefore, the freedom to grant proxies with or without specific instructions, at the discretion of each director, is considered good practice and, specifically, the absence of instructions is seen as facilitating the proxy's ability to adapt to the content of the debate.

28. When Directors or the Secretary express concerns about some proposal or, in the case of Directors, about the company's performance, and such concerns are not resolved at the meeting, the person expressing them can request that they be recorded in the minute book.

Compliant

Partially compliant

Explain

Not applicable

29. The company should provide suitable channels for Directors to obtain the advice they need to carry out their duties, extending if necessary to external assistance at the company's expense.

Compliant

Partially compliant

Explain

30. Regardless of the knowledge Directors must possess to carry out their duties, they should also be offered refresher programmes when circumstances so advise.

Compliant

Explain

Not applicable

31. The agendas of Board meetings should clearly indicate on which points Directors must arrive at a decision, so they can study the matter beforehand or gather together the material they need.

For reasons of urgency, the Chairman may wish to present decisions or resolutions for board approval that were not on the meeting agenda. In such exceptional circumstances, their inclusion will require the express prior consent, duly minuted, of the majority of Directors present.

Compliant

Partially compliant

Explain

In accordance with Article 26.g) of the Regulations of the Board of Directors, no additional requirement is established for Board members to include a new proposal on the agenda of their meetings as a result of their status as Chairman, Vice-Chairman or Chief Executive Officer. Equal treatment in terms of this prerogative is considered to be a measure that encourages the participation of all members and takes into account the importance of all Board members regardless of any category or condition they exercise when defending the company's best interest.



32. Directors should be regularly informed of movements in share ownership and of the views of major shareholders, investors and rating agencies on the company and its group.

Compliant

Partially compliant

Explain

33. The Chairman, as the person charged with the efficient functioning of the Board of Directors, in addition to the functions assigned by law and the company's Bylaws, should prepare and submit to the Board a schedule of meeting dates and agendas; organise and coordinate regular evaluations of the board and, where appropriate, the company's Chief Executive Officer; exercise leadership of the Board and be accountable for its proper functioning; ensure that sufficient time is given to the discussion of strategic issues, and approve and review refresher courses for each Director, when circumstances so advise.

Compliant

Partially compliant

Explain

34. When a lead independent director has been appointed, the Bylaws or Regulations of the Board of Directors should grant him or her the following powers over and above those conferred by law: chair the Board of Directors in the absence of the Chairman or Deputy Chairmen; give voice to the concerns of non-executive directors; maintain contact with investors and shareholders to hear their views and develop a balanced understanding of their concerns, especially those to do with the Company's corporate governance; and coordinate the Chairman's succession plan.

Compliant

Partially compliant

Explain

Not applicable

35. The Board Secretary should strive to ensure that the Board's actions and decisions are informed by the governance recommendations of the Good Governance Code of relevance to the company.

Compliant

Explain

36. The Board in full should conduct an annual evaluation, adopting, where necessary, an action plan to correct weakness detected in:

- a) The quality and efficiency of the board's operation.
- b) The performance and membership of its committees.
- c) The diversity of board membership and competences.
- d) The performance of the Chairman of the Board of Directors and the company's Chief Executive.
- e) The performance and contribution of individual Directors, with particular attention to the Chairmen of Board committees.

The evaluation of Board committees should start from the reports they send the Board of Directors, while that of the Board itself should start from the report of the Appointments Committee.

Every three years, the Board of Directors should engage an external facilitator to aid in the evaluation process. This facilitator's independence should be verified by the Appointments Committee.

Any business dealings that the facilitator or members of its corporate group maintain with the company or members of its corporate group should be detailed in the Annual Corporate Governance Report.

The process followed and areas evaluated should be detailed in the Annual Corporate Governance Report.

Compliant

Partially compliant

Explain

37. When an executive committee exists, its membership mix by Director class should resemble that of the Board. The Secretary of the Board should also act as Secretary to the Executive Committee.

Compliant  Partially compliant  Explain  Not applicable

38. The Board should be kept fully informed of the business transacted and decisions made by the executive committee. To this end, all Board members should receive a copy of the committee's minutes.

Compliant  Partially compliant  Explain  Not applicable

39. All members of the audit committee, particularly its Chairman, should be appointed with regard to their knowledge and experience in accounting, auditing and risk management matters. A majority of committee places should be held by independent Directors.

Compliant  Partially compliant  Explain

40. Listed companies should have a unit in charge of the internal audit function, under the supervision of the audit committee, to monitor the effectiveness of reporting and control systems. This unit should report functionally to the Board's Non-Executive Chairman or the Chairman of the audit committee.

Compliant  Partially compliant  Explain

41. The head of the unit handling the internal audit function should present an annual work programme to the audit committee, inform it directly of any incidents arising during its implementation and submit an activities report at the end of each year.

Compliant  Partially compliant  Explain  Not applicable

42. The audit committee should have the following functions over and above those legally assigned:

1. With respect to internal control and reporting systems:

- a) Monitor the preparation and the integrity of the financial information prepared on the company and, where appropriate, the group, checking for compliance with legal provisions, the accurate demarcation of the consolidation perimeter, and the correct application of accounting principles.
- b) Monitor the independence of the unit handling the internal audit function; propose the selection, appointment, re-election and removal of the head of the internal audit service; propose the service's budget; approve its priorities and work programmes, ensuring that it focuses primarily on the main risks the company is exposed to; receive regular report-backs on its activities; and verify that senior management are acting on the findings and recommendations of its reports.
- c) Establish and supervise a mechanism whereby staff can report, confidentially and, if appropriate and feasible, anonymously, any significant irregularities that they detect in the course of their duties, in particular financial or accounting irregularities.

2. With respect to the external auditor:

- a) Investigate the issues giving rise to the resignation of the external auditor, should this come about.
- b) Ensure that the remuneration of the external auditor does not compromise its quality or independence.
- i) The company should notify any change of auditor to the CNMV as a significant event, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for the same.
- d) Ensure that the external auditor has a yearly meeting with the board in full to inform it of the work undertaken and developments in the company's risk and accounting positions.
- e) Ensure that the company and the external auditor adhere to current regulations on the provision of non-audit services, limits on the concentration of the auditor's business and other requirements concerning auditor independence.

Compliant

Partially compliant

Explain

43. The audit committee should be empowered to meet with any company employee or manager, even ordering their appearance without the presence of another senior officer.

Compliant

Partially compliant

Explain

44. The Audit Committee should be informed of any fundamental changes or corporate transactions the company is planning, so the committee can analyse the operation and report to the Board beforehand on its economic conditions and accounting impact and, when applicable, the exchange ratio proposed.

Compliant

Partially compliant

Explain

Not applicable

45. Control and risk management policy should specify at least:

- a) The different types of financial and non-financial risk the company is exposed to (including operational, technological, financial, legal, social, environmental, political and reputational risks), with the inclusion under financial or economic risks of contingent liabilities and other off- balance-sheet risks.
- b) The determination of the risk level the company sees as acceptable;
- c) Measures in place to mitigate the impact of risk events should they occur.
- d) The internal reporting and control systems to be used to control and manage the above risks, including contingent liabilities and off-balance-sheet risks.

Compliant

Partially compliant

Explain

46. Companies should establish a risk control and management function in the charge of one of the company's internal department or units and under the direct supervision of the Audit Committee or some other dedicated Board committee. This function should be expressly charged with the following responsibilities:

- a) Ensure that risk control and management systems are functioning correctly and, specifically, that major risks the company is exposed to are correctly identified, managed and quantified.
- b) Participate actively in the preparation of risk strategies and in key decisions about their management.
- c) Ensure that risk control and management systems are mitigating risks effectively in the frame of the policy drawn up by the board of directors.

Compliant  Partially compliant  Explain

47. Appointees to the nomination and remuneration committee - or of the nomination committee and remuneration committee, if separately constituted - should have the right balance of knowledge, skills and experience for the functions they are called on to discharge. The majority of their members should be independent Directors.

Compliant  Partially compliant  Explain

48. Large cap companies should operate separately constituted nomination and remuneration committees.

Compliant  Explain  Not applicable

49. The nomination committee should consult with the company's Chairman and Chief Executive, especially on matters relating to executive Directors.

When there are vacancies on the Board, any Director may approach the nomination committee to propose candidates that it might consider suitable.

Compliant  Partially compliant  Explain

50. The remuneration committee should operate independently and have the following functions in addition to those assigned by law:

- a) Propose to the board the standard conditions for senior officer contracts.
- b) Monitor compliance with the remuneration policy set by the company.
- c) Periodically review the remuneration policy for directors and senior officers, including share-based remuneration systems and their application, and ensure that their individual compensation is proportionate to the amounts paid to other directors and senior officers in the company.
- d) Ensure that conflicts of interest do not undermine the independence of any external advice the committee engages.
- e) Verify the information on director and senior officers' pay contained in corporate documents, including the annual directors' remuneration statement.

Compliant  Partially compliant  Explain

51. The Remuneration Committee should consult with the Chairman and Chief Executive, especially on matters relating to executive Directors and senior officers.

Compliant

Partially compliant

Explain

52. The terms of reference of supervision and control committees should be set out in the Board of Directors regulations and aligned with those governing legally mandatory Board committees as specified in the preceding sets of recommendations. They should include at least the following terms:

- a) Committees should be formed exclusively by non-executive directors, with a majority of independents.
- b) They should be chaired by independent directors.
- c) The board should appoint the members of such committees with regard to the knowledge, skills and experience of its directors and each committee's terms of reference; discuss their proposals and reports; and provide report-backs on their activities and work at the first board plenary following each committee meeting.
- d) They may engage external advice, when they feel it necessary for the discharge of their functions.
- e) Meeting proceedings should be minuted and a copy made available to all board members.

Compliant

Partially compliant

Explain

Not applicable

53. The task of supervising compliance with corporate governance rules, internal codes of conduct and corporate social responsibility policy should be assigned to one Board committee or split between several, which could be the Audit Committee, the Nomination Committee, the Corporate Social Responsibility Committee, where one exists, or a dedicated committee established ad hoc by the Board under its powers of self-organisation, with at the least the following functions:

- a) Monitor compliance with the company's internal codes of conduct and corporate governance rules.
- b) Oversee the communication and relations strategy with shareholders and investors, including small and medium-sized shareholders.
- c) Periodically evaluate the effectiveness of the company's corporate governance system, to confirm that it is fulfilling its mission to promote the corporate interest and catering, as appropriate, to the legitimate interests of remaining stakeholders.
- d) Review the company's corporate social responsibility policy, ensuring that it is geared to value creation.
- e) Monitor corporate social responsibility strategy and practices and assess compliance in their respect.
- f) Monitor and evaluate the company's interaction with its stakeholder groups.
- g) Evaluate all aspects of the non-financial risks the company is exposed to, including operational, technological, legal, social, environmental, political and reputational risks.
- h) Coordinate non-financial and diversity reporting processes in accordance with applicable legislation and international benchmarks.

Compliant

Partially compliant

Explain

54. The corporate social responsibility policy should state the principles or commitments the company will voluntarily adhere to in its dealings with stakeholder groups, specifying at least:
- a) The goals of its corporate social responsibility policy and the support instruments to be deployed.
  - b) The corporate strategy with regard to sustainability, the environment and social issues.
  - c) Specific practices in matters related to the following: shareholders, employees, clients, suppliers, social welfare issues, the environment, diversity, fiscal responsibility, respect for human rights and the prevention of illegal conducts.
  - d) The methods or systems for monitoring the results of the practices referred to above, and identifying and managing related risks.
  - e) The mechanisms for supervising non-financial risk, ethics and business conduct.
  - f) Channels for stakeholder communication, participation and dialogue.
  - g) Responsible communication practices that prevent the manipulation of information and protect the company's honour and integrity.

Compliant  Partially compliant  Explain

55. The company should report on corporate social responsibility developments in its Directors' report or in a separate document, using an internationally accepted methodology.

Compliant  Partially compliant  Explain

56. Director remuneration should be sufficient to attract individuals with the desired profile and compensate the commitment, abilities and responsibility that the post demands, but not so high as to compromise the independent judgement of non-executive directors.

Compliant  Explain

57. Variable remuneration linked to the company and the Director's performance, the award of shares, options or any other right to acquire shares or to be remunerated on the basis of share price movements, and membership of long-term savings schemes such as pension plans should be confined to executive Directors.

The company may consider the share-based remuneration of non-executive Directors provided they retain such shares until the end of their mandate. The above condition will not apply to any shares that the Director must dispose of to defray costs related to their acquisition.

Compliant  Partially compliant  Explain

58. In the case of variable awards, remuneration policies should include limits and technical safeguards to ensure they reflect the professional performance of the beneficiaries and not simply the general progress of the markets or the company's sector, or circumstances of that kind.

In particular, variable remuneration items should meet the following conditions:

- a) Be subject to predetermined and measurable performance criteria that factor the risk assumed to obtain a given outcome.
- b) Promote the long-term sustainability of the company and include non-financial criteria that are relevant for the company's long-term value, such as compliance with its internal rules and procedures and its risk control and management policies.
- c) Be focused on achieving a balance between the delivery of short, medium and long-term objectives, such that performance-related pay rewards ongoing achievement, maintained over sufficient time to appreciate its contribution to long-term value creation. This will ensure that performance measurement is not based solely on one-off, occasional or extraordinary events.

Compliant  Partially compliant  Explain  Not applicable

59. A major part of variable remuneration components should be deferred for a long enough period to ensure that predetermined performance criteria have effectively been met.

Compliant  Partially compliant  Explain  Not applicable

60. In the case of remuneration linked to company earnings, deductions should be computed for any qualifications stated in the external auditor's report.

Compliant  Partially compliant  Explain  Not applicable

61. A major part of executive Directors' variable remuneration should be linked to the award of shares or financial instruments whose value is linked to the share price.

Compliant  Partially compliant  Explain  Not applicable

62. Following the award of shares, share options or other rights on shares derived from the remuneration system, Directors should not be allowed to transfer a number of shares equivalent to twice their annual fixed remuneration, or to exercise the share options or other rights on shares for at least three years after their award.

The above condition will not apply to any shares that the Director must dispose of to defray costs related to their acquisition.

Compliant  Partially compliant  Explain  Not applicable

The shares delivered as settlement of the annual bonus, and which are deferred over 3 years, are subject to a 12-month lock-up period after delivery and no minimum amount must be held once this period has concluded.

At the Annual General Meeting held on 6 April 2017 the Board of Directors Remuneration policy was approved, extending the deferral period from three to five years applicable from 2018 onward. This change has been made to comply with the EBA Guidelines on Remuneration Policies.

With regard to the prohibition on transferring the ownership of a number of shares equivalent to twice the fixed annual remuneration, this is not applied as such at CaixaBank. The purpose established in Principle 25 whereby the directors' remuneration favours the achievement of the business objectives and the company's best interest is also achieved through the existence of malus and clawback clauses and through the remuneration structure of the executive directors, whose remuneration in shares (corresponding to half the variable remuneration) is deferred with a 12 month restriction period, and this variable remuneration also represents a limited part of the total remuneration, which is fully consistent with the prudential principles of not providing an incentive for risk taking and with the alignment of objectives and the sustainable evolution of the entity.

63. Contractual arrangements should include provisions that permit the company to reclaim variable components of remuneration when payment was out of step with the Director's actual performance or based on data subsequently found to be misstated.

Compliant  Partially compliant  Explain  Not applicable

64. Termination payments should not exceed a fixed amount equivalent to two years of the Director's total annual remuneration and should not be paid until the company confirms that he or she has met the predetermined performance criteria.

Compliant  Partially compliant  Explain  Not applicable

## **H** OTHER INFORMATION OF INTEREST

1. If you consider that there is any material aspect or principle relating to the Corporate Governance practices followed by your company that has not been addressed in this report and which is necessary to provide a more comprehensive view of the corporate governance structure and practices at the company or group, explain briefly.
2. You may include in this section any other information, clarification or observation related to the above sections of this report.

Specifically indicate whether the company is subject to corporate governance legislation from a country other than Spain and, if so, include the compulsory information to be provided when different from that required by this report.

3. Also state whether the company voluntarily subscribes to other international, sectorial or other ethical principles or standard practices. If applicable, identify the Code and date of adoption.

A.2 – With regard to the ownership situation of "la Caixa" Banking Foundation in CaixaBank, it must be noted that at the close of the 2017 financial year, Fundació Bancaria Caja de Ahorros y Pensiones de Barcelona ("la Caixa") directly holds 3,493 shares and through CriteriaCaixa (a company 100% controlled by the Banking Foundation) 2,392,575,212 CaixaBank shares.

It is also worth mentioning that on 26 May 2016, CriteriaCaixa reported that it had raised with the European Central Bank (hereinafter, ECB) its interest in knowing under what conditions the loss of control of CaixaBank would occur in such a way that this loss involves the deconsolidation of CaixaBank from CriteriaCaixa for prudential purposes, and that the ECB reported the conditions under which it would consider that CriteriaCaixa had ceased to hold control over CaixaBank, for prudential purposes. The relevant conditions established by the ECB included the voting and dividend rights of CriteriaCaixa in CaixaBank not exceeding 40% of all voting and dividend rights.

CriteriaCaixa also reported that the Board of Directors of both "la Caixa" Banking Foundation and CriteriaCaixa have agreed to place on the record their intent to comply, before the end of 2017, with the aforementioned conditions such that the prudential deconsolidation of CriteriaCaixa with respect to the CaixaBank Group may proceed.

On 13 December 2016, CriteriaCaixa also reported the accelerated placement of 100,000,000 CaixaBank shares among institutional investors, representing approximately 1.7% of the share capital of CaixaBank. On 6 February, CriteriaCaixa submitted a significant event notice on the accelerated bookbuild amongst institutional investors of a package of shares representing approximately 5,322% of the share capital of CaixaBank, and on 9 February 2017, "la Caixa" Banking Foundation and CriteriaCaixa (as the company controlled by the former) reported having reached a 40% stake in CaixaBank.

On 26 September 2017, the CaixaBank disclosed to the market via a significant event notice that the Board of the European Central Bank had ruled, given that these terms and conditions had been met, that CriteriaCaixa no longer has control or exercises a dominant influence over CaixaBank, and consequently is no longer its parent company.

Further, it should be noted that limitations in the electronic form do not allow for disclosing the total stake of the significant shareholder BlackRock, Inc. At year end it was 3,292%, and reflects the result of adding 3,264% of indirect voting rights through shares to 0,028% of indirect voting rights through financial instruments.

The most significant shareholder movements in 2017, in addition to the aforementioned notices of CaixaBank and CriteriaCaixa and those of BlackRock described in section A.2 of this Report, the latter significant shareholder made additional notices on a voluntary basis not due to crossing of a threshold, which is why they are not included in section A.2, although they may be seen on the website of the Spanish securities market regulator (CNMV).



A.5 – With regard to the corporate relationship that "la Caixa" Banking Foundation and Criteria Caixa, S.A.U. (company controlled by "la Caixa" Banking Foundation through which it holds its stake in CaixaBank) had with CaixaBank, on 26 September 2017 it was disclosed that a decision of the Governing Council of the European Central Bank found, due to the meeting of the terms and conditions, that CriteriaCaixa no longer exercises control or dominant influence over CaixaBank and is therefore no longer its parent company. For this reason, no mention is now made of a corporate relationship between "la Caixa" Banking Foundation Group and CaixaBank, which has become the parent company of the financial conglomerate comprising the group's entities that are considered to be regulated, with CaixaBank classified as a significant supervised entity, in accordance with article 6.4 of Regulation (EU) No 1024/2013, whereby CaixaBank comprises, together with the credit institutions of its group, a significant supervised group of which CaixaBank is the entity at the highest level of prudential consolidation.

A.6.1 - The share capital affected by the Shareholders' Agreement reported to the Company is 80,597%. This represents the CaixaBank shares held by: Caja Navarra (currently Caja Navarra Banking Foundation), Cajasol (currently Fundación Cajasol), Caja Canarias (currently Fundación Caja Canarias), and Caja de Burgos (currently Fundación Caja de Burgos, Banking Foundation), ("the Foundations") and the "la Caixa" Banking Foundation at 1 August 2012, the date the agreement was signed. This percentage has not been updated as currently three of the signatories do not sit on the CaixaBank Board (i.e. Fundación Caja Navarra, Fundación Cajasol and Fundación Caja Burgos, Banking Foundation) and therefore are not legally bound to report their stake in CaixaBank in the same way as the Directors of the listed company (as well as the other two signatory foundations of the Agreement, whose updated stakes are available on the websites of the CNMV and CaixaBank). Therefore this percentage is the most recent made available by the Company.

"Brief description of agreement" continued:

They also agreed that the "la Caixa" Banking Foundation would vote in favour of the appointment of the two members to the Board of Directors of CaixaBank proposed by "the Foundations" and, in order to give stability to their shareholding in CaixaBank, the "Foundations" agreed a four-year lock up period, as well as a commitment to exercise their pre-emptive acquisition rights over two years in favour of the other Foundations in the first place and subsidiarily the "la Caixa" Banking Foundation, should any of "the Foundations" wish to transfer all or part of their stake, once the lock-up period has expired. On 17 October 2016, the amendments to the Integration Agreement between CaixaBank, S.A. and Banca Cívica, S.A.

as well as the Shareholders' Agreement of CaixaBank, S.A. were signed, the first of them on 26 March 2012 by the Caja de Ahorros y Pensiones de Barcelona ("la Caixa"), CaixaBank, S.A., Banca Cívica, S.A and the savings banks that once formed Banca Cívica, S.A., and the second on 1 August 2012 by "la Caixa" and the savings banks that formed Banca Cívica, S.A. The amendments to these agreements mean that the banks that formed Banca Cívica, S.A. will propose one director at CaixaBank, S.A. and one at VidaCaixa, S.A., subsidiary of CaixaBank, instead of proposing an appointment of two directors at CaixaBank. Also, the automatic three-year extension of the agreements, which became effective in early August 2016, will have a duration of four years instead of the aforementioned three.

A.7 – See Note A.5 above, which explains that, from 26 September 2017, there is no controlling shareholder in CaixaBank. Notwithstanding, the protocol for management of its financial stake in CaixaBank and the Internal Relations Protocol remain in effect, the origins and development of which is explained below.

Law 26/2013 on Savings Banks and Banking Foundations requires banking foundations to approve, within two months from their creation a Protocol for managing its ownership interest in the financial institution. This protocol must establish, at a minimum, the strategic criteria for managing the interest, the relations between the Board of Trustees and the governing bodies of the bank, specifying the criteria for proposing director appointments and the general criteria for carrying out operations between the banking foundation and the investee credit institution, and the mechanisms to avoid potential conflicts of interest. The "la Caixa" Banking Foundation signed its protocol for managing its ownership interest in CaixaBank on 24 July 2014. The CNMV was notified on 9 December 2014 following approval from Bank of Spain.

On 18 February 2016, the members of the Board of Trustees of "la Caixa" Banking Foundation signed a new Protocol for managing the financial ownership in CaixaBank, S.A., which resulted in the adaptation of the protocol approved by the Board of Trustees on 24 July 2014 to the content of Circular 6/2015. On 18 May 2017, the Board of Trustees approved a new protocol that replaces the previous one approved on 18 February 2016 (and amended on 31 March 2016), to adapt its content to the commitments to be undertaken by the "la Caixa" Banking Foundation in order to comply with the conditions approved on 3 March 2016 and notified on 16 March 2016 by the Supervisory Board of the European Central bank for prudential deconsolidation between Criteria and CaixaBank.

On 19 December 2016, in accordance with the provisions of the Protocol for Managing the Financial Investment, "la Caixa" Banking Foundation, as parent of the "la Caixa" Group, CriteriaCaixa, as direct shareholder in CaixaBank, and CaixaBank, as a listed company, signed a new Internal Relations Protocol which replaced the previous Protocol and whose main objectives are to:

- manage the related-party transactions deriving from transactions or services rendered;
- establish mechanisms that attempt to avoid the emergence of conflicts of interest;
- make provision for the "la Caixa" Banking Foundation to have a right of pre-emptive acquisition in the event of a transfer by CaixaBank of Monte de Piedad, which it owns;
- establish the basic principles for a possible collaboration between CaixaBank and the "la Caixa" Banking Foundation in matters relating to CSR;
- regulate the flow of adequate information to allow "la Caixa" Banking Foundation, Criteria and CaixaBank to prepare their financial statements and to comply with periodic reporting and supervisory duties;

On 26 September 2017, the CaixaBank disclosed to the market via a significant event notice that the Board of the European Central Bank had found, given that these terms and conditions had been met, that CriteriaCaixa no longer has control or exercises a dominant influence over CaixaBank, and consequently is no longer its parent company.

A.10 - There is no restriction on the transfer of shares and/or voting rights. Notwithstanding the above, it should be noted that Article 16 et seq. of Law 10/2014, of 26 June, on Discipline, Supervision and Solvency of Credit Institutions states that persons wishing to acquire ownership interest in the Entity (under the terms of article 16) or voting rights or to increase, directly or indirectly, their stake in said ownership interest, such that their voting rights or share capital is equal to or greater than 20%, 30% or 50% of the total or they obtain control of the credit institution, must give prior notice to the Bank of Spain.

Nor does CaixaBank have legal restrictions or restrictions set forth in the Bylaws on voting rights. Nevertheless, as explained in Note B.5 below, CaixaBank's Bylaws and General Shareholders' Meeting Regulations stipulate that all shareholders who individually, or in a group with other shareholders, own a minimum of one thousand (1,000) shares, and who have registered ownership of same in the relevant book-entry ledger at least five days in advance of the date the General Meeting is to be held, may attend in person.

Shareholders at the Annual General Meeting on 19 April 2012 voted to amend certain articles of the Bylaws. Amendments include, inter alia, specification that given that the Company allows shareholders to exercise their voting rights and proxies through means of remote communication, the restriction of owning a minimum of one thousand shares to be able to attend the General Meeting would only apply to those attending in person.

Therefore, following this amendment, shareholders do not have to hold a minimum number of shares in order to be eligible to attend the Annual General Meeting (either in person or by proxy) and exercise their voting rights through means of remote communication.

B. 1 and B.2 - The quorum required for constitution of the Annual General Meeting and the system of adopting corporate resolutions at CaixaBank do not differ from that established in the Corporate Enterprises Act.

In connection with the amendments to the Bylaws approved in the Annual General Meeting of 28 April 2016, and to adapt the text of the Regulations of the Annual General Meeting to the wording of the Bylaws, the same General Meeting resolved as follows: first, to amend article 12 of the Regulations of the Annual General Meeting relating to the constitution of the Annual General Meeting, in order to also specify in these Regulations that the strengthened quorum required to agree on the issuance of bonds will only apply to the issuances that are within the power of the General Meeting. And, on the other, to include an exception to the deadline in order to attend or be represented at the Meetings, and therefore it was agreed to amend articles 8 ("Right of attendance") and 10 ("Right of representation") of the Board's Regulations to expressly specify, in relation to the deadlines of five (5) days, that there is an exception for the specific cases where any law applicable to the Company establishes a regime that is incompatible.

B.5 - CaixaBank's Bylaws and General Shareholders' Meeting Regulations stipulate that all shareholders who individually, or in a group with other shareholders, own a minimum of one thousand (1,000) shares, and who have registered ownership of same in the relevant book-entry ledger at least five days in advance of the date the General Meeting is to be held, may attend.

C.1.2 - On 28 April 2016 the Annual General Meeting agreed, within the limits established in the Bylaws, to set the number of board members to eighteen (18).

Notwithstanding the fact that, at year end, the Board comprised 18 members, on 21 December 2017, CaixaBank disclosed to the market that Antonio Massanell Lavilla resigned as Deputy Chairman and member of the Board of Directors with effect from 31 December 2017. To fill the vacancy, on the same date the Board of Directors resolved, based on a favourable report from the Appointments Committee and subject to a suitability assessment by the European Central Bank, to appoint Tomás Muniesa Arantegui as a member of the Board of Directors. He will retain his current duties as CaixaBank's Chief Insurance and Asset Management Officer. Likewise, also at the proposal of the Appointments Committee and subject to verification by the European Central Bank, Mr. Muniesa was appointed Deputy Chairman of the Board of Directors and member of the Executive Committee

C. 1.3 - Given Antonio Massanell Lavilla's position as a company executive and pursuant to the Corporate Enterprises Act of 2 July 2010, he is considered to be an executive Director. However, since he was appointed to represent the holding of the "la Caixa" Banking Foundation at CaixaBank he was also considered to be a proprietary Director. Also see Note C.1.2. above on the resignation of Mr. Massanell, with effect from 31 December 2017.

C.1.11 - The information on Directors and directorships at other Group Companies refers to year-end. This section includes Group Companies and Joint Ventures at the end of the financial year.

C.1.12 - The information on Directors and directorships at other listed companies refers to year-end. With regard to the position held by Mr. Jordi Gual Solé in Erste Group Bank, AG, his precise title is Member of the Supervisory Board. However, due to space restrictions, he is listed as Director.

C.1.15 - The remuneration of Directors in 2017 as reported in this section takes the following aspects into consideration:

The Board of Directors, at 31 December 2017, was composed of 18 members.

The General Meeting held on 28 April 2016 agreed to set the number of Board members at eighteen (18) and the appointments of Cajasol Foundation (previously appointed by co-option on 19 November 2015) and Ms. María Victoria Fisas Vergés (previously appointed by co-option on 25 February 2016).

On 30 June 2016, the following people ceased to be members of the Board of Directors: Isidro Fainé Casas, who also tendered his resignation from his duties as Chairman and whose vacancy was occupied by Jordi Gual Solé, who was also appointed non-executive Chairman; Juan José López Burniol; and María Dolors Llobet María, whose vacancies were occupied by José Serna Masiá and Koro Usarraga Unsain.

In the context of the changes to the composition of the Board of Directors that occurred on 30 June 2016, and following the respective suitability notifications by the European Central Bank, Mr Serna Masiá accepted his appointment on 8 July 2016, Ms Usarraga Unsain on 4 August 2016 and Mr Gual Solé on 14 September 2016.

On 27 October, the Caja Navarra Banking Foundation tendered its resignation from its duties as director, following the amendments made to the Integration Agreement between CaixaBank and Banca Cívica, and the Shareholders' Agreement.

On 15 December 2016, Eva Aurín also tendered her resignation as a member of the Board of Directors and Alejandro García-Bragado Dalmau was appointed as a member of the Board of Directors, a position he accepted with effect from 1 January 2017.

The total remuneration for the Board of Directors does not include the amount of the contributions paid to the savings scheme during the year, which amounted to EUR 355 thousand, nor the life insurance premiums paid during the year, which totalled EUR 85 thousand.

C.1.16 - CaixaBank's Senior Management (without counting the Chief Executive Officer) at 31 December 2017, comprised 11 persons, holding the following positions at the Entity: General Managers (4), Deputy General Managers (1), Executive Directors (5) and the General Secretary and Secretary to the Board of Directors (1).

This amount includes the total fixed, in kind and variable remuneration paid to senior management in cash or shares receivable on a straight-line basis over the next five years.

The remuneration paid in 2017 to Senior Management at CaixaBank in connection with their activities as representatives of the Parent on the Boards of listed companies and other companies in which it has a significant presence or representation and that are CaixaBank consolidated companies was €796 thousand, recognised in the income statements of these companies.

There are agreements with members of the Management Committee regarding termination benefits for early termination or rescission of contracts.

C.1.19 - "Indicate the procedures for appointing, re-electing, evaluating and removing Directors" continued. List the competent bodies, procedures and criteria used for each of these procedures.

On 19 November 2015, the Board of Directors approved the Director Selection Policy of CaixaBank, S.A. (hereinafter, the "Policy"). This forms part of the company's corporate governance system, governing key commitments and aspects of the company and its Group in relation to the selection and appointment of directors.

The Policy sets out the criteria considered by the CaixaBank Board of Directors in selection processes for the appointment and re-election of its members, pursuant to applicable regulations and best corporate governance practices.

Principles of diversity of knowledge, gender and experience must be considered in selection processes for members of the Board of Directors. The selection process shall also uphold the principle of non-discrimination and equal treatment, ensuring that, when candidates are put forward for election or re-election to the Board, there are no impediments to selecting the gender which is under-represented and that discrimination is avoided.

All resolutions under the Policy shall at all times respect prevailing legislation, and the corporate governance system and regulations of CaixaBank, and the good governance principles and recommendations to which it has signed up. The members of the Board of Directors must have the competencies, knowledge and experience required for the exercise of their position, considering the needs of the Board of Directors and its overall composition. In particular, the overall composition of the Board of Directors must include the competencies, knowledge and experience required for the governance of credit institutions, including the main risks faced, ensuring the effective capacity of the Board of Directors to take autonomous and independent decisions in the interests of the company.

Along these lines, and in keeping with the Company's Corporate Governance Policy, candidates should i) have recognised business and professional integrity; ii) have the appropriate knowledge, skills and experience to perform their duties; and iii) be able to exercise good governance of the entity.

The procedure for selecting members of the Board of Directors set out in the Policy shall be complemented, as applicable, by the provisions of the Protocol on procedures for selecting and assessing the suitability of posts (hereinafter, the "Protocol"), or any other equivalent internal regulations prevailing at the time.

The Protocol establishes the Company's units and internal procedures involved in the selection and ongoing assessment of members of the Board of Directors, general managers and other senior executives, the heads of the internal control function and other key posts in CaixaBank, as defined under applicable legislation. Under the "Protocol", the Board of Directors, in plenary session, assesses the suitability of proposed candidates, based on a report from the Appointments Committee.

Also, with regard to the procedure to assess the suitability of candidates prior to their appointment as Director, the Suitability Protocol also establishes procedures to continually evaluate Directors and to assess any unforeseeable circumstances which may affect their suitability for the post.

Directors shall be removed from office when the period for which they were appointed has elapsed, when so decided by the General Meeting in use of the attributes granted thereto, legally or in the Bylaws, and when they resign.

In the event of the conditions described in C.1.21, Directors must place their position at the disposal of the Board of Directors and formalise, if the latter deems appropriate, the pertinent resignation.

When a director leaves office prior to the end of his term, he must explain the reasons in a letter which he shall send to all members of the Board of Directors.

C.1.30 – In 2017, the total number of non-attendances of Directors was just 18. Proxies appointed without specific instructions are deemed to be non-attendances. Director absences occur when Directors are unable to attend. Proxies, when appointed, do not generally include specific instructions for the proxyholder, so that the proxyholder can adhere to the outcome of the discussion by the Board.

Therefore, the percentage of non-attendances of the total votes cast in 2017 is 6.29%, taking into account that proxies appointed without specific instructions are deemed to be non-attendances.

C.1.31 - Notwithstanding the response given, we hereby note that as part of the ICFR System the financial statements for the year ended 31 December 2017, which form part of the annual financial statements, are subject to attestation by the Entity's Head of Financial Accounting, Control and Capital.

C.1.36 – On 15 December 2016, the Company disclosed that the Board of Directors had resolved to select PricewaterhouseCoopers Auditores, S.L. as financial auditor of the Company and its consolidated group for the years 2018, 2019 and 2020, based on the reasoned recommendation issued by the Audit and Control Committee, after completing the selection process carried out in accordance with the criteria set out in Regulation (EU) 537/2014 of 16 April on specific requirements regarding legal audit of public-interest entities.

On 6 April 2017, the Annual General Meeting, at the proposal of the Board of Directors resolved to select appoint PricewaterhouseCoopers Auditores, S.L. as financial auditor of the Company and its consolidated group for three years, namely 2018, 2019 and 2020, based on the reasoned recommendation and preference of the Audit and Control Committee, after completing the selection process carried out in accordance with the criteria set out in Regulation (EU) 537/2014 of 16 April on specific requirements regarding legal audit of public-interest entities.

C.1.39 - For the counting of consecutive years of an audit engage in public interest entities, the Spanish Accounting and Audit Institute (ICAC) made a statement on 30 March 2017 pointing to the need to include years audited by audit companies that the current auditor has merged or acquired. Accordingly, the calculation is updated with the inclusion of the years ended 31 December 2000 and 2001, which were audited by Arthur Andersen.

C.1.45 – The Board of Directors as a plenary body is responsible for approving, subject to a report of the Remuneration Committee, within the system called for in the Bylaws, the remuneration policies of the Board of Directors, of the Identified Staff and General Staff of the CaixaBank Group. It also approves Directors' remuneration and, in the case of executive Directors, the additional consideration for their management duties and other contract conditions, the appointment and removal of Senior Executives, as well as compensation clauses. Therefore, the Board of Directors only approves "golden parachute" clauses for the Entity's Chief Executive Officer and the 2 members of the Management Committee. It should be noted that the Board Remuneration Policy is approved by the Annual General Meeting. For the other six executives that are not considered senior management and the 21 middle managers, in dismissals that give rise to a right of compensation, the impact is irrelevant as these clauses are absorbed by legal compensation.

C.2.1 – Due to the electronic form's limitations, it is further reported that Koro Usarraga Unsain was appointed member of the Audit and Control Committee given her profession of auditor and her experience in these matters.

C.2.2 - Regarding the information on the participation of women directors in the Appointments Committee, the Remuneration Committee and the Risks Committee, we would note that up until 25 September 2014 there were three Board Committees, namely: the Appointments and Remuneration Committee, the Audit and Control Committee and the Executive Committee. Thereafter, and pursuant to Law 10/2014 on the organisation, supervision and solvency of credit institutions, the CaixaBank Board of Directors resolved to change the Appointments and Remuneration Committee into an Appointments Committee, create a Remuneration Committee and a Risks Committee, and amend the Regulations of the Board of Directors accordingly to incorporate the provisions of the new Law and establish the duties of the new Board Committees. These changes resulted in the Entity having five Board Committees, namely: the Appointments Committee, the Remuneration Committee, the Risks Committee, the Audit and Control Committee and the Executive Committee.

D.3 - All transactions were carried out in the ordinary course of business and on an arm's length basis. Note 41 of the consolidated financial statements shows the balances with managers and Directors in aggregate form for 2017.

D.4- Note 41 of the consolidated financial statements shows the balances with CaixaBank Group associates and joint ventures in aggregate form as well as additional breakdowns 2017.

D.5 - All transactions were carried out in the ordinary course of business and on an arm's length basis. Note 41 of the consolidated financial statements shows the balances with managers and Directors in aggregate form for 2017.

D.7 – In Spain, the Bank is the only listed company belonging to the CaixaBank Group. Nevertheless, for reasons of transparency, it should be noted that the CaixaBank Group contains another listed company, but its shares are listed in Portugal. This company is Banco BPI, S.A., with which CaixaBank has signed an Internal Protocol Governing Relations and whose main objectives are:

- managing related party transactions arising from the carrying out of transactions or the provision of services, respecting the corporate interest of both banks, and identifying in this regard the services that CaixaBank provides or may provide to BPI Group companies and those that BPI Group companies provide or may provide, in turn to CaixaBank Group companies, setting general criteria on these within a framework of autonomy, transparency, reciprocity and subjection to market conditions.
- establish, without prejudice to the foregoing, mechanisms to avoid the emergence of conflicts of interest caused by CaixaBank's status as the controlling shareholder of BPI.
- regulate the flow of adequate information that enables CaixaBank, as the parent of the group of which BPI is a part, fulfil its management requirements, legal obligations and the requests or orders of its supervisors, amongst others, the preparation of its financial statements and the fulfilment of its periodic reporting and supervisory requirements with the European Central Bank and the Bank of Spain and other supervisory and resolution bodies; all the foregoing, without prejudice to allowing the information flow that BPI may need from CaixaBank for its supervisory bodies.

E.1 - Continuation of Response:

- CaixaBank has an internal control framework which offers a reasonable degree of assurance that the Group will achieve its objectives. The Internal Control Framework is a set of rules and controls that govern CaixaBank's organisational and operating structure, including reporting processes and functions of risk management, compliance and internal audit. This is structured around the three lines of defence model, in line with regulatory guidance and best practices in the sector.
- The second line mainly comprises the Group's business and support units, which are risk taking areas responsible for developing and maintaining effective controls over their businesses, and for identifying, managing and measuring, controlling, mitigating and reporting the main risks that arise in their ongoing activity.
- The second line of defence acts independently from the business units and it performs risk identification, measurement, monitoring and reporting, establishes management policies and control procedures, and is responsible for reviewing application thereof by the first line.
- The internal audit function also carries out control activity as the third line of defence, and independently from the first and second lines. It provides an independent and objective review of the quality and effectiveness of the bank's internal control system.

More information on control units, see section E.6 and Note 3 of the Consolidated Financial Statements of the CaixaBank Group for 2017.

E.2. – Continuation of Response:

Collegiate bodies in the risk area

Senior Management acting within the framework of the duties assigned by the Board and its Committees, has established several committees for risk governance, management and control. It is not directly responsible for Reputational Risk, Legal and Regulatory Risk, including tax risk and Conduct and Compliance Risk that all fall under the Deputy General Manager of Compliance.

Level 1 committees are listed first, followed by level 2 committees that play a key role in the Group's risk area.

Committees related with the risk function:

- Permanent Lending Committee: has powers delegated by the Board of Directors to approve transactions.
- Global Risk Committee: body that reports to the Risks Committee in all matters related to the Group's risk management, assessment methodologies, approval, recovery and mitigation policies, monitoring, reporting and risk control of the banking group.

Committees reporting to the Global Risks Committee

- Risk Policies Committee and Investee Risk Policies Committee
- Operational Risk Committee
- Corporate Responsibility and Reputation Committee
- Crime Risk Committee
- Models and Parameters Committee
- Global Default and Recovery Committee
- Impairment Committee

For further information see Note 3 to the Consolidated Financial Statements of the CaixaBank Group for 2017.

G.2 – This recommendation is not deemed to be applicable to CaixaBank, given that the bank itself is the only listed company belonging to the CaixaBank Group in Spain. Nevertheless, for reasons of transparency, it should be noted that the CaixaBank Group contains another listed company, but its shares are listed in Portugal. This company is Banco BPI, S.A., with which CaixaBank has signed an Internal Protocol Governing Relations. See Note D.7 above for more details.

G.26 - Article 7.2 of the Regulations of the Board of Directors stipulates that the Chairman is vested with the ordinary powers to draw up the agenda for such meetings and lead the discussions and deliberations.

However, all Directors may request that additional items be included in the agenda.

G.29 - Pursuant to Article 33.2 of the CaixaBank Bylaws, Directors may resign from their posts, the posts may be revoked, and Directors may be re-elected on or more times for terms of equal length. No distinctions are made between types of Directors. Nevertheless, article 20.1 of the Regulations of the Board of Directors stipulates that independent Directors will not stay on as such for a continuous period of more than 12 years.

Article 21 of the Regulations of the Board of Directors stipulates general and specific situations for each type of Director in which Directors must place their post at the disposal of the Board of Directors and tender their resignation, if the Board deems this appropriate.

G.56 - The required dedication, the limitations of other professional activities, the responsibilities inherent in this position and the demands of experience and knowledge must be duly rewarded through remuneration. However, if the Entity does not adequately compensate its Directors in return for limiting the activities they are able to carry out at other banking entities and demands a certain level of dedication and responsibility, this could become a barrier to selecting and incorporating new professionals to the Boards of Directors of highly complex banking entities.

Moreover, a level of remuneration that is in line with the qualification, dedication and responsibility required by the position of director could in some cases compromise their independence, due to this representing a significant part of their income.

This annual corporate governance report was adopted by the company's Board of Directors at its meeting held on: 22/02/2018.

List whether any Directors voted against or abstained from voting on the approval of this Report.

Yes

No

*Translation of a report originally issued in Spanish based on our work performed in accordance with the regulations in force in Spain. In the event of a discrepancy, the Spanish-language version prevails*

## AUDITOR'S REPORT FOR 2017 ON THE INFORMATION RELATING TO THE SYSTEM OF INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR) OF CAIXABANK, S.A.

To the Directors of CaixaBank, S.A.:

As requested by the Board of Directors of CaixaBank S.A. ("the Company") and in accordance with our proposal-letter dated 13 November 2017, we have applied certain procedures to the "Information relating to the system of ICFR" enclosed in the Section "Internal Systems of Control and Risk Management regarding to the Process of Issuance of Financial Information (ICFR)" to the Company's 2017 Annual Corporate Governance Report, which summarises the internal control procedures of the Company in relation to its annual financial reporting.

The Board of Directors is responsible for adopting the appropriate measures in order to reasonably guarantee the implementation, maintenance and supervision of an adequate internal control system and for making improvements to that system and for preparing and establishing the content of the accompanying Information relating to the system of ICFR.

It should be noted in this regard, irrespective of the quality of the design and operability of the internal control system adopted by the Company in relation to its annual financial reporting, that the system can only permit reasonable, but not absolute, assurance in connection with the objectives pursued, due to the limitations inherent to any internal control system.

In the course of our audit work on the financial statements and pursuant to Technical Auditing Standards, the sole purpose of our assessment of the internal control of the Company was to enable us to establish the scope, nature and timing of the audit procedures to be applied to the Company's financial statements. Therefore, our assessment of internal control performed for the purposes of the aforementioned audit of financial statements was not sufficiently extensive to enable us to express a specific opinion on the effectiveness of the internal control over the regulated annual financial reporting.

For the purpose of issuing this report, we applied exclusively the specific procedures described below, and, indicated in the *Action Guide on the auditor's report, based on the Information relative to the System of Internal Control over Financial Reporting of listed companies*, published by the National Securities Market Commission on its website, which states the work to be performed, its minimum scope as well as the content of this report. Since the work resulting from such procedures has, in any case, a reduced scope that is significantly less extensive than that of an audit or a review of the internal control system, we do not express an opinion on the effectiveness thereof, or on its design or operating effectiveness, in relation to the Company's annual financial reporting for 2017 described in the accompanying Information relating to the system of ICFR. Therefore, had procedures additional to those provided for in the aforementioned Guide been applied or an audit or a review of the system of internal control over the regulated annual financial reporting been performed, other matters or aspects might have been disclosed which would have been reported to you.

Also, since this special engagement does not constitute an audit of financial statements and is not subject to the current regulation of Account Audit activity in Spain, we do not express an audit opinion in the terms provided for in that Law.

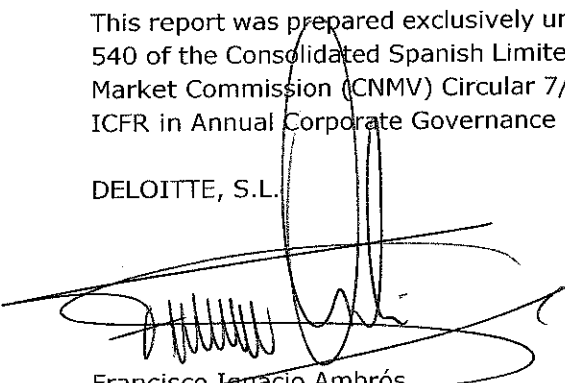
The procedures applied were as follows:

1. Perusal and understanding of the information prepared by the Company in relation to the system of ICFR - disclosure information included in the directors' report- and assessment of whether this information addresses all the information required, which will be in line with the minimum content described in section F, relating to the description of the system of ICFR, of the Annual Corporate Governance Report model established in CNMV Circular 7/2015, of 22 December 2015.
2. Inquiries of personnel in charge of preparing the information detailed in point 1 above for the purpose of achieving: (i) familiarisation with the preparation process; (ii) obtainment of the information required in order to assess whether the terminology used is adapted to the definitions provided in the reference framework; (iii) obtainment of information on whether the aforementioned control procedures have been implemented and are in use at the Company.
3. Review of the explanatory supporting documentation for the information detailed in point 1 above, including the documentation furnished directly to the personnel in charge of preparing the ICFR descriptive information. In this respect, the aforementioned documentation includes reports prepared by the Internal Audit Department, senior executives or other internal or external experts providing support functions to the Audit and Control Committee.
4. Comparison of the information detailed in point 1 above with the Company's knowledge of the system of ICFR obtained as a result of the application of the procedures carried out as part of the audit of its financial statements.
5. Perusal of minutes of meetings of the Board of Directors, the Audit and Control Committee and of other Company committees in order to assess the consistency between the ICFR issues addressed therein and the information detailed in point 1 above.
6. Obtainment of the representation letter concerning the work performed, duly signed by the personnel in charge of the preparation of the information detailed in point 1 above.

The procedures applied to the Information relating to the system of ICFR did not disclose any inconsistencies or incidents that might affect the Information.

This report was prepared exclusively under the framework of the requirements established by Article 540 of the Consolidated Spanish Limited Liability Companies Law and by Spanish National Securities Market Commission (CNMV) Circular 7/2015, of 22 December, for the purposes of the description of ICFR in Annual Corporate Governance Reports.

DELOITTE, S.L.



Francisco Ignacio Ambrós

23 February 2018

CAIXABANK, SA

APPENDIX TO THE 2017 ACGR REPORT

C.2.1. Give details of all the board committees, their members and the proportion of proprietary and independent Directors. Explain the committee's duties, describe the procedure and organisational and operational rules and summarise the main actions taken during the year.\*:..

AUDIT AND CONTROL COMMITTEE

Brief description

Articles 40 and 14 of the Bylaws and Regulations of the Board of Directors and applicable legislation describe the organisation and operation of the Audit and Control Committee.

1) Organisation and operation

The Audit and Control Committee shall be composed exclusively of non-executive Directors in the number that is determined by the Board of Directors, between a minimum of three (3) and a maximum of seven (7). Most of the members of the Audit and Control Committee shall be independent and one (1) of them shall be appointed on the basis of their knowledge and experience of accounting or auditing, or both. As a whole, the members of the Audit and Control Committee shall have the pertinent technical knowledge in relation to the entity's activity.

The Audit and Control Committee shall meet, ordinarily on a quarterly basis, in order to review the required financial information to be submitted to the stock market authorities as well as the information which the Board of Directors must approve and include within its annual public documentation.

The above notwithstanding, the Audit and Control Committee shall meet as often as necessary to fulfil its duties and shall be called by the committee's own Chairman, either on his/her own initiative or when instructed to do so by the Chairman of the Board of Directors or by two (2) members of the committee itself. The meeting notice shall be sent out by letter, telegram, fax, e-mail, or any other means which allows keeping a record of its receipt.

The Audit and Control Committee shall appoint a Chairman from among its members. The Chairman shall be an independent Director. The Chairman must be replaced every four (4) years and may be re-elected once a period of one (1) year from his departure has transpired. It shall also appoint a Secretary and may appoint a Deputy Secretary, neither of whom need be a committee member. In the event that such appointments are not made, the Secretary to the Board shall act as Secretary.

The members of the Company's management team or personnel shall be required to attend the meetings of the Audit and Control Committee and to lend their assistance and allow the committee to access any information they may have when the Committee so requests. The Committee may also require the Company's auditors to attend its meetings.

The Secretary will be responsible for convening the meeting and for filing the minutes and documents submitted to the committee;

It will shall be validly assembled when the majority of its members attend in person or by proxy. Resolutions shall be adopted by a majority of the members attending in person or by proxy and minutes of the resolutions adopted at each meeting shall be drawn up and such resolutions shall be reported to the Board as a plenary body, submitting or delivering a copy of the minutes to all Board members;



The committee's Chairman shall report to the Board on its activities and on the work performed at meetings specifically arranged for this purpose, or at the immediately following meeting when the Chairman deems this necessary.

It will prepare an annual report on its operation highlighting the main incidents occurring, if any, related to its duties, that will be the basis, amongst others, and if applicable, for the evaluation made by the Board of Directors. Furthermore, if the Committee deems it appropriate, it shall include in the report suggestions for improvement.

## 2) Responsibilities

Notwithstanding any other task which may be assigned thereto from time to time by the Board of Directors, the Audit and Control Committee shall perform the following basic duties:

(i) to report to the Annual General Meeting about matters posed by shareholders that are within the competence of the Committee and, in particular, on the result of the audit, explaining how this has contributed to the integrity of the financial information and the Committee's role in this process;

(ii) to submit to the Board of Directors, for submission to the Annual General Meeting, the proposals for the selection, appointment, re-election and replacement of the auditor, being responsible for the selection process in accordance with the regulations applicable to the Company, as well as the contracting conditions thereof, the scope of their professional mandate and regularly obtaining from them information on the auditing plan and its execution, as well as preserving their independence in the exercise of their duties;

(iii) to supervise internal audit services, verifying the adequacy and integrity thereof and to propose the selection, appointment and substitution of their responsible persons; to propose the budget for such services and verify that senior management bears in mind the conclusions and recommendations of their reports. The internal audit will report functionally to the Chairman of the Audit and Control Committee, without prejudice of its reporting obligations to the Chairman of the Board of Directors for the due compliance of the Chairman's duties.

(iv) to serve as a channel of communication between the Board of Directors and the auditors, to evaluate the results of each audit and the responses of the management team to its recommendations and to mediate in cases of discrepancies between the former and the latter in relation to the principles and criteria applicable to the preparation of the financial statements, as well as to examine the circumstances which, as the case may be, motivated the resignation of the auditor;

(v) to oversee the process for preparing and submitting the required financial information, submit recommendations or proposals to the Board of Directors aimed at protecting its integrity, supervise the effectiveness of the Company's internal control and risk management systems, and discuss with auditors any significant weaknesses in the internal control system identified during the course of the audit, all of that without infringing their independence; For such purposes, and if appropriate, it may submit recommendations or proposals to the Board of Directors and the corresponding deadline for their follow-up;

(vi) to establish the appropriate relationships with the auditor in order to receive information on those issues which may result in a threat to their independence, for examination by the Audit and Control Committee, and any others relating to the audit process and, where relevant, the authorisation of the services other than those prohibited, under the terms established in the applicable legislation in relation to the need for independence, and any other communications provided for in audit legislation and audit regulations.

In all events, on an annual basis, the Audit and Control Committee must receive from the external auditors a declaration of their independence with regard to the Company or entities related to it, directly or indirectly, in addition to detailed and individualised information on additional services of any kind

rendered to these entities and the corresponding fees received by the aforementioned auditors or persons or entities related to them as stipulated by auditing legislation.

In addition, the Audit and Control Committee shall issue annually, prior to the issuance of the audit report, a report containing an opinion on whether the independence of the auditor is compromised. This report must set out, in all cases, the justified evaluation of the provision of each and every one of the additional services referred to in the preceding paragraph, individually and collectively considered, different from the legal audit and related to the degree of independence or to the regulatory audit regulations;

(vii) to supervise compliance with the auditing contract, striving to ensure that the opinion about the Annual Financial Statements and the principal contents of the auditor's report are drafted clearly and precisely;

(viii) to review the Company's accounts and previously report to the Board of Directors about the periodic financial information which the Company must periodically publish to the markets and their supervisory bodies and, in general, to monitor compliance with legal requisites on this subject matter and the correct application of generally accepted accounting principles, as well as to report on proposals for modification of accounting principles and criteria suggested by management, in order to guarantee the integrity of the accounting and financial systems, including the financial and operational control, and compliance with the applicable legislation;

(ix) to supervise the compliance with regulations with respect to Related Party Transactions and, previously, inform the Board of Directors on such transactions. In particular, to ensure that the information on said transactions be reported to the market, in compliance with the provisions of the current legislation, and to report on transactions which imply or may imply conflicts of interest and, in general, on the subject matters contemplated in Chapter IX of this Regulation;

(x) to supervise the compliance with Internal Rules of Conduct on matters relating to the Stock Market and, in general, of the rules of corporate governance;

(xi) to, previously, report to the Board of Directors on the creation or acquisition of stakes in special purpose entities domiciled in countries or territories considered to be tax havens, as well as any other transactions or operations of an analogous nature which, due to their complexity, may deteriorate the transparency of the Company or of the group to which it belongs;

(xii) to consider the suggestions submitted to it by the Chairman of the Board of Directors, Board members, executives and shareholders of the Company, and to establish and supervise a mechanism which allows the employees of the Company or of the group to which it belongs confidentially and, if deemed, appropriate, anonymously, to report irregularities of potential significance, especially financial and accounting ones, which they observe within the Company;

(xiii) to receive information and, as the case may be, issue a report on the disciplinary measures intended to be imposed upon members of the Company's senior management team;

(xiv) to supervise compliance with the internal protocol governing the relationship between the majority shareholder and the Company and the companies of their respective groups, as well as the carrying out of any other actions established in the protocol itself for the best compliance with the aforementioned supervisory duty;

(xv) any others attributed thereto in the Law, the Bylaws, the Regulations of the Board of Directors and other regulations applicable to the Company.

(xvi) to propose the appointment of the members of the Appointments Committee

3) Activities during the year

There are recurring matters which are analysed by the Committee, such as those referring to the oversight of financial and non-financial information, the oversight of internal auditing, compliance with corporate governance rules and fulfilment of the Securities Held in Treasury Policy.

The Committee paid particular attention to overseeing the process for preparing and submitting the mandatory financial information and other information concerning 2017 disclosed to the market. The person responsible for financial reporting has appeared in several of the Committee's meetings held in 2017, and thus the Committee has learned, sufficiently in advance, about the process of compiling and consolidating interim financial information and the individual and consolidated financial statements. The Committee has been informed and approved of the valuation criteria and accounting practices applied by CaixaBank and, with the assistance of the external auditor, it has confirmed that it is aligned with accounting laws and the criteria established by competent regulators and supervisors. All with the object of guaranteeing the integrity of the accounting and financial information systems, including financial and operative control, and compliance with the applicable legislation.

The Annual General Meeting held on 6 April 2017 appointed PricewaterhouseCoopers Auditores, S.L. as the auditor of the accounts of CaixaBank and of its consolidated group for the years 2018, 2019 and 2020. The selection process was carried out in 2016 as per the criteria established in Regulation 537/2014 of 16 April on specific requirements regarding statutory audit of public-interest entities. The Committee was responsible for this selection process, and ensured that it was transparent, independent and objective. In 2017, the Committee also made that the auditor was changed smoothly and seamlessly, and in a way which had the smallest possible impact for CaixaBank.

In addition, and as part of their ordinary powers, the Committee discussed, examined, and took decisions or issued reports on the following matters:

- Independence of the external auditor, and follow-up on the reports issued by it;
- Approval of the Internal Audit Plan for 2017, monitoring its implementation and the main conclusions.
- Internal Audit reports issued at the Group and overseeing their recommendations.
- Monitoring trends in the main figures in the CaixaBank income statement and balance sheet, and the breakdown of the Group's liquidity position and solvency;
- Information about monitoring activities in the field of the Single Supervisory Mechanism; Overseeing the efficacy of the Internal Control Systems, including internal control over financial reporting (ICFR);
- Monitoring Control & Compliance activities.
- Overseeing the working of the Company's mechanisms which allow employees to confidentially report irregularities of potential significance which they observe within the Company (whistle-blowing channel).
- Information on transactions carried out with CaixaBank by directors or their related parties, and also those carried out with CaixaBank by senior management or their related parties.

## APPOINTMENTS COMMITTEE AND REMUNERATION COMMITTEE

### Brief description

Articles 40 and 15 of the Bylaws and Regulations of the Board of Directors and applicable legislation describe the organisation and operation of the Appointments Committee and the Remuneration Committee.

#### 1) Organisation and operation

The Appointments Committee and the Remuneration Committee shall comprise exclusively non-executive members of the Board of Directors, in a number determined by the Board of Directors

(minimum of three, maximum of five). A majority of each of these Committees must be independent directors, where members of the Remuneration Committee will be appointed by the Board of Directors at the proposal of the Audit and Control Committee. The Chairman of the Committee will be appointed from amongst the independent Directors forming part of such Committee.

Both the Appointments and the Remuneration Committees shall be self-governing, they shall elect their Chairman and appoint a Secretary. In the absence of this latter appointment, that of the Board shall act as Secretary or one of the Deputy Secretaries.

Both the Appointments and the Remuneration Committees shall:

- (i) Meet whenever considered appropriate for the good performance of their duties and the meetings will be called by their Chairperson, either by his/her own initiative, or when required by two (2) members of the Committee itself, and must do so whenever the Board or its Chair requests the issuance of a report or the adoption of a proposal;
- (ii) The meeting notice shall be sent out by letter, telegram, fax, e-mail, or any other means which allows keeping a record of its receipt.
- (iii) The Secretary of each of the committees will be responsible for calling the meetings and for filing the minutes and documentation presented to the committee.
- (iv) Minutes will be prepared of the resolutions adopted at each meeting, which shall be reported to the Board and the minutes will be available to all members of the Board in the Board Secretariat, but shall not be sent or delivered for reasons of discretion, unless the Chair of the Committee decides otherwise;
- (v) The Committees shall be validly constituted with the attendance in person or represented by proxy of the majority of its members and resolutions shall be adopted by a majority of members who attend in person or by proxy.

They will prepare an annual report on about their operation highlighting the main incidents occurred, if any, related to their duties, that will be the base, amongst others, and if applicable, for the evaluation made by the Board of Directors. In addition, when the relevant Committee deems it appropriate, it will include in that report suggestions for improvement.

## 2) Responsibilities

Notwithstanding other duties which may be assigned thereto by the Board of Directors, the Appointments Committee shall have the following basic responsibilities:

- (i) Evaluating and proposing to the Board of Directors the assessment of skills, knowledge and experience required of Board members and key personnel at the Company.
- (ii) Submitting to the Board of Directors the proposals for the nomination of the independent Directors to be appointed by co-option or for submission to the decision of the Annual General Meeting, as well as the proposals for the reappointment or removal of such Directors by the Annual General Meeting;
- (iii) Reporting on the proposed appointment of the remaining Directors to be appointed by co-option or for submission to the decision of the General Meeting, as well as the proposals for their reappointment or removal by the Annual General Meeting;
- (iv) Reporting on the appointment and, as the case may be, dismissal of the Lead Director, the Secretary and the Deputy Secretaries for approval by the Board of Directors.
- (v) Determining the most desirable profile for candidates of the various committees other than the Appointments Committee, based on their knowledge, aptitudes and experience, and presenting to the Board its proposed appointments to committees other than the Appointments Committee itself.

(vi) Reporting on proposals for appointment or removal of senior executives, being able to effect such proposals directly in the case of senior managers which due to their roles of either control or support of the Board or its Committees, it is considered by the Committee that it should take the initiative. Proposing, if deemed appropriate, the basic terms of the contracts of senior executives other than their pay and remuneration, and reporting those terms once established.

(vii) Examining and organising, in collaboration with the Lead Director, and with the Chairman of the Board of Directors, the succession of the latter and of the Company's chief executive and, as the case may be, sending proposals to the Board of Directors so that the succession process is suitably planned and takes place in orderly fashion.

(viii) Reporting to the Board on gender diversity issues, ensuring that the procedures for selecting its members favour a diversity of experience, knowledge, and facilitate the selection of female directors, and establish a representation target for the less represented sex on the Board of Directors as well as preparing guidelines on how this should be achieved.

(ix) Periodically evaluating, at least once a year, the structure, size, composition and actions of the Board of Directors and of its committees, its Chairman, CEO and Secretary, making recommendations regarding possible changes to these. Here, the committee shall act under the direction of the Lead Director when assessing the performance of the Chairman. Evaluating the composition of the Management Committee as well as its replacement lists to ensure proper coverage as members come and go.

(x) Assessing, as often as required by applicable regulations, the suitability of the various members of the Board of Directors and of the Board as a whole, and reporting to the Board of Directors on its findings.

(xi) Periodically reviewing the Board of Directors selection and appointment policy in relation to senior executives and making recommendations.

(xii) Considering the suggestions it receives from the Company's Chairman, Board members, executives and shareholders.

(xiii) Supervising and controlling the smooth operation of the Company's corporate governance system, making any proposals it deems necessary for its improvement.

(xiv) Monitoring the independence of the independent Directors.

(xv) Proposing to the Board the Annual Corporate Governance Report.

(xvi) Supervising the Company's activities when it comes to corporate social responsibility and submitting to the Board any proposals it deems appropriate here.

(xvii) Verifying that the Board of Directors possesses a sufficient balance of knowledge, skills, diversity and experience and preparing a description of the duties and aptitudes that may be required for any specific appointment, while also evaluating the expected dedication of time for fulfilling the position.

Notwithstanding other duties which may be assigned thereto by the Board of Directors, the Remuneration Committee shall have the following basic responsibilities:

(i) Drafting the resolutions related to remuneration and, particularly, reporting and proposing to the Board of Directors the remuneration policy for the Directors and Senior Management, the system and amount of annual remuneration for Directors and Senior Managers, as well as the individual remuneration of the Executive Directors and Senior Managers, and the other conditions of their contracts, particularly financial, and without prejudice to the competences of the Appointments Committee in relation to any conditions that it has proposed not related to remuneration.

(ii) Ensuring compliance with the remuneration policy for Directors and Senior Managers as well as reporting the basic conditions established in the contracts of these and compliance of the contracts.

(iii) Reporting and preparing the general remuneration policy of the Company and in particular the policies relating to the categories of staff whose professional activities have a significant impact on the risk profile of the Company and those that are intended to prevent or manage conflicts of interest with the Company's customers.

(iv) Analysing, formulating and periodically reviewing the remuneration programmes, weighing their adequacy and performance and ensuring compliance.

(v) Proposing to the Board the approval of the remuneration reports or policies that it is required to submit to the Annual General Meeting as well as reporting to the Board on any remuneration-related proposals or motions the Board may intend to lay before the Annual General Meeting.

(vi) Considering the suggestions it receives from the Company's Chairman, Board members, executives and shareholders.

### 3) Activities during the year

#### 3.1) Appointments Committee:

As part of its ordinary powers, the Committee discussed, examined, and took decisions or issued reports on the following matters: assessment of suitability; appointments to the Board, Committees and Advisory Committees; verification of the Directors' character; gender diversity; the policy for selecting Directors, senior management and other key posts; the CSR masterplan, corporate governance documentation to be submitted for 2016; in accordance with article 15 of the Regulations of the Board of Directors.

#### 3.2) Remuneration Committee:

The Committee analyses recurring issues such as annual remuneration, salary policy and remuneration systems and corporate governance.

In addition, and as part of their ordinary powers, the Committee discussed, examined, and took decisions or issued reports on the following matters: the proposed evaluation of individual and group targets for 2016 and the 2017 Bonus Scheme, the ARDR, incidences due to regulatory changes, the 2015-2018 Long-term Incentive Plan and the Board Remuneration Policy.

## RISKS COMMITTEE

### Brief description

Articles 40 and 14 of the Bylaws and Regulations of the Board of Directors describe the organisation and operation of the Risks Committee.

#### 1) Organisation and operation

The Risks Committee shall comprise exclusively non-executive Directors who possess the appropriate knowledge, skills and experience to fully understand and manage the risk strategy and risk propensity of the entity, in the number determined by the Board of Directors, with a minimum of three (3) and a maximum of six (6), where the majority must be independent Directors.

The Risks Committee shall meet as often as necessary to fulfil its duties and shall be convened by the Chair, either on his/her own initiative or at the request of the Chair of the Board of Directors or of two (2) members of the Committee itself. The meeting notice shall be sent out by letter, telegram, fax, e-mail, or any other means which allows keeping a record of its receipt.

The Secretary will be responsible for convening the meeting and for filing the minutes and documents submitted to the committee.

It will shall be validly assembled when the majority of its members attend in person or by proxy. Resolutions shall be adopted by a majority of the members attending in person or by proxy and minutes of the resolutions adopted at each meeting shall be drawn up and such resolutions shall be reported to the Board as a plenary body, submitting or delivering a copy of the minutes to all Board members;

The Committee will inform the Board of its activities and work performed via its Chairperson in the meetings scheduled for this purpose, or immediately afterwards when the Chair deems necessary;

It will prepare an annual report on its operation highlighting the main incidents occurring, if any, related to its duties, that will be the basis, amongst others, and if applicable, for the evaluation made by the Board of Directors. Furthermore, if the Committee deems it appropriate, it shall include in the report suggestions for improvement.

For the proper performance of its duties, the Entity shall ensure that the delegated Risks Committee can access without difficulty the information concerning the risk situation of the Entity and, if necessary, specialist outside expertise, including external auditors and regulators.

The Risks Committee may request the attendance at meetings of the people that, within the organisation, have roles related to its duties, and shall have the advice that may be necessary to form criteria on matters within its competence, which shall be processed through the Council Secretariat.

## 2) Responsibilities

Notwithstanding any other task which may be assigned thereto from time to time by the Board of Directors, the Risks Committee shall perform the following basic duties:

(i) To advise the Board of Directors on the overall susceptibility to risk, current and future, of the Company and its strategy in this area, reporting on the risk appetite framework, assisting in the monitoring of the implementation of this strategy, ensuring that the Group's actions are consistent with the level of risk tolerance previously decided and implementing the monitoring of the appropriateness of the risks assumed and the profile established;

(ii) To propose to the Board the Group's risk policy, which shall identify in particular:

(a) The different types of risk (operational, technological, financial, legal, reputational, etc.) which the Company faces, including amongst the financial or economic risks the contingent liabilities and other off-balance-sheet risks.

(b) the internal reporting and control systems to be used to control and manage those risks.

(c) The determination of the risk level the Company sees as acceptable;

(d) the measures in place to mitigate the impact of identified risks should they materialise.

(iii) Ensure that the pricing policy of the assets and liabilities offered to the clients fully consider the business model and risk strategy of the entity. Otherwise, the Risks Committee will submit to the Board of Directors a plan to amend it.

(iv) Determine with the Board of Directors, the nature, quantity, format and frequency of the information concerning risks that the Board of Directors should receive and establish what the Committee should receive.

(v) Regularly review exposures with its main customers, economic business sectors and by geographic area and types of risk.

(vi) Examine the information and control processes of the Group's risk as well as the information systems and indicators, which should enable:

(a) a suitable and adequate structure and functionality of risk management across the entire Group;

(b) knowing the Group's risk exposure in order to assess whether it conforms to the profile determined by the Bank.

(c) having sufficient information available so as to be able to accurately gauge risk exposure for decision-making purposes.

(d) the proper functioning of policies and procedures in place to mitigate operational risks.

(vii) Evaluate the regulatory compliance risk in its scope of action and determination, understood as the risk management of legal or regulatory sanctions, financial loss, or material or reputational loss that the Company could suffer as a result of non-compliance with laws, rules, regulation standards and codes of conduct, detecting any risk of non-compliance and carrying out monitoring and examining possible deficiencies in the principles of professional conduct.

(viii) Report on new products and services or significant changes to existing ones, in order to determine:

(a) the risks facing the Company from their issue and their commercialisation on the market, as well as from significant changes in existing ones.

(b) the internal reporting and control systems used to control and manage those risks.

(c) corrective measures to limit the impact of the identified risks, should they materialise; and

(d) the means and the appropriate channels for their commercialisation in order to minimise any reputational risks and mis-marketing.

(ix) Cooperate with the Remuneration Committee in the establishment of rational remuneration policies and practices. For these purposes, the Risks Committee will examine, notwithstanding the duties of the Remuneration Committee, if the incentives policy anticipated in the remuneration systems take into account the risk, capital, liquidity and the probability and timing of the benefits.

(x) Assist the Board of Directors, particularly, regarding the (i) establishment of efficient channels of information to the Board about the risk management policies of the Company and all the important risks to which it is exposed, (ii) ensure that adequate resources will be assigned for managing risks, and, particularly, intervening in the evaluation of the assets, in the use of external credit classifications and the internal models related to these risks and (iii) the approval and periodical review of the strategies and policies for assuming, managing, supervising and reducing the risks to which the Company is or can be exposed, including those presented by the macro-economic situation in which it operates in relation to the economic cycle.

(xi) Any others attributed thereto in the Law, the Bylaws, the Regulations of the Board of Directors and other regulations applicable to the Company

### 3) Activities during the year

As part of its ordinary powers, the Committee discussed, examined and agreed on or issued reports on, *inter alia*, issues within its remit regarding the Risk Appetite Framework (RAF), the Recovery Plan, the Group's Risk Policy, the risk scorecard, the review of the types of risk, monitoring of internal control and regulatory compliance; and the Global Risk Committee.

## EXECUTIVE COMMITTEE

### Brief description

Article 39 of the Bylaws and articles 12 and 13 of the Regulations of the Board of Directors describe the organisation and operation of the Executive Committee.



### 1) Organisation and operation

The powers of the Executive Committee will be those that, in each case, are delegated by the Board, with the limitations set forth in the Law, in the Company's Bylaws and in these Regulations.

The Executive Committee will meet as often as it is called by its Chairman or whoever replaces him/her in his/her absence, as occurs in the event of vacancy, leave, or incapacity, and will be validly assembled when the majority of its members attend the meeting, either personally or by representation.

The appointment of members of the Executive Committee and the permanent delegation of powers from the Board on the same will require the favourable vote of at least two thirds of the members of the Board of Directors.

The Executive Committee will inform the Board of the main matters it addresses and the decisions it makes thereon at its meetings.

The Chairman and Secretary of the Board of Directors will also be the Chairman and Secretary of the Executive Committee.

The resolutions of the Committee will be adopted by the majority of the members attending the meeting in person or represented by proxy and will be validated and binding without the need for later ratification by the full Board of Directors, notwithstanding that spelled out in article 4.5 of the Regulations of the Board of Directors.

### 2) Responsibilities

The Executive Committee has been delegated all of the responsibilities and powers available to it both legally and as laid out in the Bylaws. In terms of procedure, the Executive Committee is subject to the limitations set forth under article 4.5 of the Regulations of the Board of Directors.

### 3) Activities during the year

The Committee analysed recurring issues such as:

- Information on the general economic situation and CaixaBank's key indicators, including monitoring the 2015-2018 Strategic Plan, results, the performance of its commercial and financial activities, the share price, the reactions of investors and analysts to the various decisions taken by the Company, the agreements taken regarding employees, appointments and other changes in the workforce and securities transactions entered into since the previous Committee meeting.
- Granting of loans and credits.
- Real estate sales.
- Resolutions relating to investees, inter alia: capital contributions, amendments to Bylaws, distribution of reserves, amendments to the composition of their governing bodies, granting of powers, sale and purchase of shares or stakes, the dissolution or liquidation of companies, and the appointment of proxies to attend meetings.
- Analysis of corporate investment or divestment transactions.

Some of the major issues addressed by the Committee in 2017 were as follows: monitoring the BPI takeover bid, various Company projects, and changing of the registered office, amongst others.

## E.6 Explain the response and monitoring plans for the main risks the entity is exposed to, including fiscal

As we have mentioned before, the main risks the Entity is exposed to are outlined in the Corporate Risk Catalogue.

Clear monitoring responsibilities have been established and, where applicable, the response within the risk appetite framework.

The **Board of Directors** is the body responsible for defining and supervising the Group's risk profile, updating the framework's metrics and thresholds where necessary, and at least annually.

The **Risk Committee** is responsible for helping the Board of Directors in its tasks and reviewing the development of Tier 1 metrics more frequently and in greater depth, and for compliance with the action plans to re-direct underlying risks to the appetite zone as rapidly as possible.

The **Global Risks Committee** is responsible for proposing the design and development of the RAF, and monitoring compliance therewith at least monthly. If the pre-established risk appetite levels are exceeded, the necessary measures are taken to reshape the situation.

The following basic reporting structure has been defined to ensure the Framework is compliant and transparency is in line with best international practices:

- **Monthly presentation** by the Corporate Global Risk Management Division to the **Global Risk Committee**, indicating the past and future trends of Tier 1 and Tier 2 metrics, according to the Strategic Plan/projection made as part of the ICAAP exercise. If first level risk levels breach the threshold for:
  - **Tolerance:** an amber traffic light or early alert is assigned to the indicator, and the party responsible or the Management Committee is entrusted by the Global Risk Committee with preparing an action plan to return to the "green" zone, and a timeline is drawn up.
  - **Non-compliance:** a "red traffic light" is assigned, including an explanation as to why the previous action plan did not work (if there was one). Corrective or mitigating measures are proposed to reduce exposure. This must be approved by the Risks Committee. **The Board must receive information with the content and frequency established by the Board Risks Committee.**
  - **Recovery Plan:** this would trigger the Plan's governance process, which entails a set of measures to: minimise the possibility of insolvency of the bank, or of it entering an insolvency proceeding and minimising the impact in case of bankruptcy, seeking to prevent a public bail out.  
  
In this case, the regulator must be informed of serious breaches and the action plans expected to be adopted.
- **Quarterly presentation** to the **Risks Committee** on the situation, action plans and forecasts for Tier 1 metrics.
- **Half-yearly presentation to the Board of Directors** on the situation, action plans and forecasts for Tier 1 metrics.

During these sessions, the Board may decide to amend or update the metrics and previously assigned thresholds.

If a risk breaches a non-compliance threshold which could threaten the Group's ability to continue as a going concern, the Board may initiate the measures set forth in the Recovery Plan.

With regard to fiscal risk, this forms part of the Fiscal Strategy (which includes strategic tax principles) and the Fiscal Risk Control and Management Policy, both approved by the Group's governing bodies.

Similarly, in compliance with CaixaBank's tax commitment, the Bank is maintaining its adherence to the Code of Best Tax Practices drawn up within the framework of the Large Companies Forum and is compliant with the content of the same.

The second and third lines of defence of CaixaBank are distributed, in accordance with the Internal Control Framework of the Group, as follows:

- **Risk Management Function, RMF:** the central Risk Management Function, or RMF, encompasses all the organisation and the Group and plays a key role in ensuring the effective deployment of the risk management framework and of the risk management policies, and to give a general overview of all risks. The risk management function carries out the functions involved in the managing and updating the Risk Assessment, the Risk Catalogue and the Risk Appetite Framework.

The function is carried out by the Executive Management of Global Risk Management, which reports functionally to the Management of the Internal Control - Finance Department.

- **Regulatory Compliance:** it is also within the second line of defence and is responsible for safeguarding that the bank operates with integrity and in accordance with the legislations, regulations and internal policies which are applicable.
- **Risk Models Validation:** it is considered to be an integral part of the second line of defence even though it does not form part of its central functions, as it is responsible for the independent checking of internal models, as established in Regulation (EU) 575/2013 and Directive 2013/36/EU.
- **Internal Audit:** the third line of defence, it is an independent and objective function for assurance and consultation; it is designed to add value and improve activities. It contributes to achieving the strategic objectives of the CaixaBank Group, providing a systematic and disciplined approach to evaluating and improving risk control and management processes and corporate governance.

### Risk Management Function

Within the internal organisation of the second line of the defence, the RMF monitors the internal organisation of the second line of defence, general plans and activities, and evaluates their effectiveness. Its functions also include overseeing the appropriate scaling of the second line of defence in order to ensure effective management of its responsibilities, perform monitoring of the objectives of the second line of defence and the areas within it, and of improvement projects relating to management and risk monitoring processes and systems, and provide assurance to Management and Governing Bodies of the existence, appropriate design and effective application of risk control policies and procedures in the organisation by assessing the CaixaBank Group's control environment. In addition, the RMF must reinforce coordination mechanisms of Risk Management units of the first, second and third lines of defence, as necessary.

The RMF is responsible for identifying, monitoring, analysing, measuring, managing and reporting of risks, and for gaining a comprehensive view of the totality of the bank's risks. For these purposes, the department of Internal Control - Finance functionally reports to it all matters deemed relevant for the exercise of its function. In particular, Internal Control - Finance performs second line of defence duties for specific risks for which it is responsible, such as Reliability of financial reporting or Capital Adequacy, amongst others.

In addition, for these general duties that are performed or under development for different risks, Internal Control - Finance ensures that practices and processes in place at the bank for preparing financial information ensure their reliability and compliance with applicable regulations. For this purpose, the bank has a System of Internal Control over Financial Reporting (ICFR), which is defined as the set of processes that are carried out to provide reasonable assurance on the reliability of financial information published by the bank in the markets.

### Regulatory Compliance

The main objective of Regulatory Compliance is to monitor conduct and compliance risk in its role as a second line of defence. From 2017, this function also includes legal/regulatory and reputational risks. The Corporate Regulatory Compliance Division reports to the Assistant Deputy General Manager of Control and Compliance, who oversees conduct and compliance risk deriving from possible deficiencies in the procedures and controls implemented by the first line of defence, through monitoring activities, the review of internal procedures in the framework of Compliance Plan activities and the rectification of deficiencies detected through reports made by external experts, inspection reports by supervisory bodies, customer complaints, etc. If any deficiencies are detected, the Assistant Deputy General Manager of Control and Compliance will ask the management areas affected to draw up improvement plans which will be regularly monitored.

Similarly, the Assistant Deputy General Manager of Control and Compliance carries out advisory activities on matters within his area of responsibility and carries out training and communication actions to enhance the compliance culture in the organisation. Another activity that undertaken is to ensure that best practices in integrity and rules of conduct are followed. To do this, among other things, an internal confidential whistle-blowing channel is provided within the Entity. This channel also resolves any reports of financial and accounting irregularities that may arise.

The Assistant Deputy General Manager of Control and Compliance also liaises with the main supervisory bodies (both Spanish and international) in areas for which he has competence and handles any requirements issued by them. For all these activities, the Assistant Deputy General Manager of Control and Compliance reports regularly to Senior Management, to the Audit and Control Committee and Risks Committee and the Board of Directors.

The Assistant Deputy General Manager of Control and Compliance acts through the following divisions: the Regulatory Risks department, the Anti-Money Laundering and Counter Terrorist Financing department, the International and Group department, the Compliance department in the Corporate & Institutional Banking – CIB Area, the Control & Compliance Analytics department, and the Control & Reporting department.

### Internal Validation

CaixaBank's Internal Validation function is performed by the Risk Model Validation unit (RMV) that reports directly to the General Risks Division. This ensures its independence from the areas in charge of developing risk models and policies, and risk infrastructures. The RMV's mission is to issue a technical opinion on the suitability of the internal models used for internal management and/or regulatory purposes in the CaixaBank Group.

In line with its mission, the scope of the RMV team's actions include credit (Pillar I and Provisions), market and operational risk, in addition to economic capital and the partial internal model for longevity and mortality (VidaCaixa), reviewing methodological and management aspects (e.g. use of management models and tools, risk policies, coverage levels, controls, governance and implementation of models in management processes), and verifying the existence of an IT environment with sufficient data quality to support the modelling needs.

The RMV's main activities are classified into two categories:

- **Validation cycles:** the group of regular reviews that guarantee an updated opinion on the status of the internal models.
- **Changes in internal models:** the activities that must be completed in order to reach an **informed opinion** of the suitability of the changes put forward by the areas in charge of the models.

To achieve its objectives, RMV must act in accordance with the general principles defined in the Global Risk Model Validation Framework. In particular, the following general principles are relevant in the review evaluation process:

- **Critical examination:** All relevant information regarding models and their use should be evaluated, and a rigorous, in-depth and well-founded opinion issued.
- **Transparency:** RMV's opinion should be fully understood by the areas reviewed.
- **Regulatory Compliance:** RMV must always comply with any applicable internal rules and regulatory requirements. In particular, it must ensure that the internal models comply with the minimum regulatory requirements.

The findings of any RMV review activity are used as the basis for issuing recommendations and an overall opinion. RMV focuses attention on the main deficiencies identified, adapting the level of monitoring and the recommendation scale according to their relevance until they are resolved.

#### Internal Audit

CaixaBank's Internal Audit performs an independent activity providing assurance and consultation services; it is designed to add value and improve activities. It contributes to achieving the strategic objectives of the CaixaBank Group, providing a systematic and disciplined approach to evaluating and improving risk management and control, and internal governance processes.

Internal Audit reports functionally to the Audit and Control Committee – a specialist board committee – and also reports to the Chairman of the Board of Directors, to guarantee the independence and powers of the audit function.

Internal Audit is the third line of defence in CaixaBank's Three Lines of Defence control model. It oversees the activities of the first and second lines of defence so as to provide reasonable certainty to Senior Management and governance bodies with regard to:

- The adequacy, effectiveness and implementation of policies, regulations and procedures.
- The adequacy, effectiveness and efficiency of internal control systems established to mitigate risks associated with the Group's activities, and the result of application of the same.
- The effectiveness of controls
- Adequate measurement and monitoring of 1LoD and 2LoD indicators
- The existence and correct implementation of action plans to remedy weaknesses of controls.
- The validation, monitoring and assessment of the control environment by the 2LoD.
- The effectiveness and efficiency of internal control systems in offsetting the risks of the Group's activities:
- Compliance with prevailing legislation, especially the requirements of supervisors.
- Compliance with internal policies and regulations, and alignment with the Risk Appetite Framework and best practices and uses in the sector, for adequate internal governance of the Group.
- The reliability and integrity of financial and operational information, including the effectiveness of Internal Control over Financial Reporting (ICFR).

Internal Audit's responsibilities also include:

- Regularly reporting to Senior Management and the Audit and Control Committee on the conclusion of tasks carried out and weaknesses uncovered.

- Adding value by preparing recommendations to address weaknesses detected in reviews and monitoring their implementation by the appropriate centres.

For further information see Note 3 to the Consolidated Financial Statements of the CaixaBank Group for 2017.

#### H. Other Information of Interest

3. Also state whether the company voluntarily subscribes to other international, sectorial or other ethical principles or standard practices. If applicable, identify the Code and date of adoption.

CaixaBank participates in numerous alliances and initiatives, both at home and on the international stage, in order to achieve joint progress in questions of corporate responsibility and the exchange of best practices in this area.

#### **UN Global Compact**

Since 2012, CaixaBank has chaired the Spanish Network of the United Nations Global Compact and thereby fosters the advance and dissemination of the ten principles, which are based on human, labour and environment rights and the fight against anti-corruption.

#### **Equator Principles**

Signatories of the Equator Principles since 2007. It represents the bank's commitment to considering and managing social and environmental risks in assessing and financing project finance transactions of more than US \$10 million and project-related corporate loans where the total aggregate loan amount is over US \$100 million.

#### **CDP**

CaixaBank has been a signatory of CDP since 2012. This is an independent not-for-profit organisation working to drive greenhouse gas emissions reduction and sustainable water usage. As a signatory, and as a token of its commitment to respect and protect the environment, CaixaBank has committed to measure, disclose, manage and disseminate environmental information.

#### **Women's Empowerment Principles**

In 2013, CaixaBank adhered to the U.N. Women and the United Nations Global Compact's joint initiative: Women's Empowerment Principles. By doing so, CaixaBank publicly assumed the commitment to ensure that its policies promote gender equality.

#### **Global Reporting Initiative**

CaixaBank produces an Integrated Corporate Report that includes the GRI's indicators on action taken with regard to social and environmental issues and corporate governance.

#### **United Nations Principles for Responsible Investment (UNPRI)**

VidaCaixa, a company in the business of marketing life insurance and managing pension plans, and CaixaBank Asset Management, CaixaBank's fund management company, both part of CaixaBank, have been formally committed since 2009 and 2016, respectively, to these principles, which take into consideration social, environmental and corporate governance criteria in investment decisions.

#### **OECD Guidelines for multinational enterprises**

CaixaBank follows these guidelines which promote sustainable and responsible business behaviour.

### **Code of Good Practices for the viable restructuring of mortgage loans on primary residences**

On 15 March 2012, CaixaBank adhered to the Spanish government's Code of Good Practices for the viable restructuring of mortgage loans on primary residences. CaixaBank's decision to join was based on the fact that the code mirrors one of its own core objectives: its long-standing fight against social and financial exclusion.

### **National Education Plan**

Since 2010 CaixaBank has been a signatory to the Financial Education Plan promoted by the Bank of Spain and the Spanish Securities Market Regulator (CNMV) to improve society's knowledge of financial matters.

### **CSR –SMEs initiative**

CaixaBank collaborates with the ICO and the Spanish Global Compact Network to promote corporate social responsibility amongst small and medium-sized enterprises.

### **Diversity Charter**

This charter is signed voluntarily by a company or a public institution to promote its commitment to the principles of equality, its actions to foster the inclusion of all people in the workplace and society, the recognition of the benefits of cultural, demographic and social diversity within companies, the implementation of specific policies which encourage a working environment free from prejudice for employment, employment, training and the promotion and adoption of non-discrimination programmes aimed at underprivileged groups. CaixaBank became a signatory in 2012.

### **More women, better companies**

Signatory, along with the Ministry of Health, Social Services and Equality, of this pioneering initiative and one of the most important pledges of the Spanish government and industry to achieve a better balance of men and women in positions of company responsibility. Signatory since 2014.

### **Generation and Talent Observatory**

Collaborating entity of the Generation and Talent Observatory, an organisation for research, analysis and training in generational diversity and the impact of the latter on socio-economic and labour issues in organisations. Signatory since 2016.

### **Green Bond Principles**

CaixaBank signed up to these principles in 2015. These are a series of voluntary guidelines for all players in the green bond issuance process (underwriters, issuers and investors).

### **Voluntary agreements programme to reduce greenhouse gas emissions.**

Under this programme, which is promoted by the Catalan Climate Change Office, in 2015, CaixaBank voluntarily pledged to monitor its emissions and introduce measures other than those legally established to help reduce these.

### **Green Growth Spanish Group**

In 2016, CaixaBank was one of the founder members of this business association, which aims to help promote a low-carbon economy compatible with economic growth and job creation.

### **RE100**

Since 2016, CaixaBank has formed part of this collaborative global corporate initiative committed to using 100% renewable electricity. It has established the public target of using 100% renewable electricity by the year 2018.

**Code of Best Tax Practices**

Since 2015, CaixaBank has been compliant with and committed to the Code of Good Tax Practices drawn up within the framework of the Large Companies Forum in collaboration with the Spanish tax authorities.

For more information, please visit the “Corporate Responsibility” section under “Corporate Information” on the CaixaBank website, or via this link:

[http://www.caixabank.com/responsabilidadcorporativa/modelofinanzasresponsables/iniciativasyalianzas\\_es.html](http://www.caixabank.com/responsabilidadcorporativa/modelofinanzasresponsables/iniciativasyalianzas_es.html)