



## ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED COMPANIES

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### ISSUER'S PARTICULARS

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Financial year-end:

31/12/2018

Tax code:

A-08663619

Corporate name:

**CAIXABANK, S.A.**

Registered office:

CL. PINTOR SOROLLA N.2-4 (VALENCIA)

## **A. REMUNERATION POLICY APPROVED FOR THE CURRENT YEAR**

**A.1.** Explain the policy on Directors' remuneration applicable to the current year. Insofar as it is relevant, you may include certain information regarding the payment policy approved by the general shareholders' meeting, provided that its incorporation is clear, specific and accurate.

You must describe the specific determinations for the ongoing year, both of remuneration of Directors due to their condition as such, and for the execution of their executive duties, carried out by the board in accordance with the provisions of contracts signed with executive directors, and with the remuneration policy approved by the general meeting.

In any case, you must at least state the following aspects:

- Description of the procedures and entities within the company involved in determining and approving the remuneration policy and its conditions.
- Indicate and, where applicable, explain whether comparable companies have been taken into consideration in establishing the remuneration policy of the company.
- Information regarding whether any external advisor took part, and if so, the identity thereof.

Article 529r of the Law on Corporations (hereinafter, LSC) establishes that listed companies must draw up the remuneration policy of its board of directors and submit it for approval by the general shareholders' meeting.

The CaixaBank Management Committee is responsible for ensuring the acquisition and preparation of the information needed for the Remunerations Committee to be able to efficiently fulfil its responsibilities. The Human Resources and Organisation department is responsible for driving these activities in the Management Committee, and coordinating with the departments of Risk, Finance, Internal Audit and Secretariat General (legal matters).

Meanwhile, the Remuneration Committee has the following duties:

- I. Prepare the remuneration decisions that must be made by the board of directors, particularly with respect to the remuneration of executive members, along with the rest of the group;
  - II. Provide support and advice to the board of directors on defining the remuneration policy;
  - III. Support the board of directors in monitoring remuneration policies, practices and processes, and complying with the remuneration policy;
  - IV. Check whether the remuneration policy in force is updated, and propose any required changes;
  - V. Review the appointment of external consultants regarding remuneration that the board of directors may decide to contract for advice or support;
  - VI. Ensure the suitability of the information provided to shareholders on remuneration policies and practices, in particular the proposal of a higher maximum level of the ratio between fixed and variable remuneration;
  - VII. Evaluate the mechanisms and systems adopted in order to guarantee that the remuneration system takes into due consideration the risk types and the liquidity and capital levels and that the general remuneration policy encourages and is coherent with adequate, efficient risk management and is in line with the entity's business strategy, objectives, corporate culture and values and long-term interests;
  - VIII. Where relevant, evaluate the achievement of the results targets and the need for any ex-post risk adjustments, including the application of remuneration reduction clauses and recovery of remuneration already paid; and
  - IX. Where relevant, review different possible scenarios in order to analyse how the remuneration policies and practices react in the case of internal and external events, and back-test the criteria used to determine ex-ante risk assumption and adjustment based on real risk results.
- The proposals of the Remuneration Committee are elevated to the Board of Directors of CaixaBank for its consideration and, where applicable, approval. If the decisions correspond to the CaixaBank General Shareholders' Meeting, in accordance with its powers, the Board of Directors of CaixaBank approves their inclusion on the agenda and the proposals for the corresponding agreements, accompanied by the necessary reports.

CaixaBank establishes its Remuneration Policy on the basis of general remuneration policies, committed to a market position that allows it to attract and retain the talent needed, and encourage behaviour that ensures long-term value generation and the sustainability of results over time.

Market practices are analysed each year, with salary surveys and specific ad hoc studies conducted by first-class specialised companies, using the comparable sample of the financial sector in the market where CaixaBank operates, and that of comparable IBEX 35 companies.

CaixaBank was assisted in drawing up a large part of the Remuneration Policy by legal firm J&A Garrigues.

- The relative weight of variable components compared to non-variable components of remuneration (remuneration mix) and criteria and objectives have been taken into consideration to guarantee a suitable balance between fixed and variable remuneration components. Specifically, state the actions adopted by the company related to the remuneration systems to reduce exposure to excessive risk and adapt it to the long-term objectives, values and interests of the company, including, if applicable, a reference to measures provided to guarantee that the remuneration policy gives due consideration to the long-term results of the company, the measures adopted with regard to the categories of personnel whose professional activities have a material effect on the risk profile of the company, and measures designed to avoid conflicts of interest, if applicable.

Also, state whether the company has set any accrual or vesting period for specific remuneration variables, in cash, shares or other financial instruments, a deferral period for payment of sums or the provision of accrued and vested financial instruments, or whether any reduction or deferred remuneration clause has been agreed upon that obligates the director to return any remuneration received, whenever such remuneration is based on data which is clearly shown later to be inaccurate.

In line with the Company's Articles of Association, the current remuneration of the members of the CaixaBank Board of Directors in their capacity as such (hereinafter, Non-executive Directors) consists solely of fixed components.

The system provided for in the Articles of Association thus establishes that the remuneration of CaixaBank directorships should consist of a fixed annual amount to be determined by the General Meeting, which remains in force until the General Meeting agrees to modify it.

Any future proposals for share-based remuneration shall be approved by the CaixaBank General Meeting pursuant to the Corporate Enterprises Act and the Bylaws.

In relation to members of the Board with executive functions (hereinafter, 'Executive Directors'), the LSC and CaixaBank's Articles of Association recognise remuneration for their executive functions, in addition to the directorship itself; the remuneration components of these functions are structured in due consideration of the economic juncture and results, and include the following:

- Fixed remuneration based on the level of responsibility and the career path, which constitutes a relevant part of total compensation;
- Variable remuneration in the form of an annual bonus linked to the achievement of pre-established targets and prudent risk management.
- Pension scheme and other social benefits.

A long-term share-based incentives plan linked to the strategic plan.

Remuneration mix:

In line with the objective to have a reasonable, prudent balance between fixed and variable remuneration components, the amounts of fixed remuneration paid to Executive Directors are sufficient, and the percentage of variable remuneration in the form of a bonus in addition to annual fixed remuneration is generally low, and usually does not exceed 40 percent, with no account taken of variables such as the long-term incentive or mandatory variable-base contributions.

The variable remuneration of Executive Directors must not exceed 100% of the fixed components of the total remuneration of each of them, unless the CaixaBank General Shareholders' Meeting approves a greater percentage, not more than 200% of the fixed component, adhering to the format, requisites and procedures stipulated by Act 10/2014, of 26 June, on the organisation, supervision and solvency of credit institutions (hereinafter, the 'LOSS' law, for its initials in Spanish).

CaixaBank is a credit institution subject to intense regulation in terms of the remuneration of group professionals whose activities have a material effect on the company's risk profile; said regulation is contained in the LOSS and its implementing regulations, and affects all components of director remuneration, whether or not they are executive.

The section on the amount and nature of variable components details the actions adopted by CaixaBank to reduce exposure to excessive risk, alignment with the company's long-term objectives, values and interests, and measures adopted to avoid conflicts of interest; as well as accrual, vesting, reduction and recovery periods of variable remuneration. It also describes the scheme of deferral and delivery of shares.

- Amount and form of fixed components expected to be accrued by Directors in the fiscal year due to their positions.

Fixed components of the remuneration of Non-executive Directors:

Pursuant to the stipulations of the Articles of Association and the Board Remuneration Policy, the remuneration of members of the CaixaBank Board of Directors in their capacity as such consists exclusively in fixed components. Non-executive Directors maintain a merely organic relationship with CaixaBank and consequently do not have contracts established with the Company for exercising their functions or do not have any type of recognised payment for the termination of the Director position.

As detailed in the previous point, the Articles of Association state that Directors' remuneration shall consist of a fixed annual amount, to be determined by the General Meeting, and that this shall remain in force until the General Meeting agrees to modify it.

The amount established by the General Shareholders' Meeting shall be used to remunerate the Board of Directors and its Committees, and shall be distributed as deemed appropriate by the Board, at the proposal of the Remuneration Committee, both in terms of remuneration to members, especially the Chairman, according to the duties and dedication of each member and to the positions they hold in the various Committees, and with regard to the frequency and the form of remuneration established by the Articles of Association. Remuneration may therefore differ for each Director.

Any future proposals for share-based remuneration shall be approved by the CaixaBank General Meeting pursuant to the Corporate Enterprises Act and the Bylaws.

Finally, the Non-executive Directors form part as insured parties of the civil responsibility insurance for CaixaBank administrators and director, covering the responsibilities in which these may incur as a consequence of developing their functions.

Additional remuneration of the Chairman of the Board of Directors:

Pursuant to the above, the Chairman of the Board receives additional fixed remuneration for carrying out his duties.

This additional remuneration is justified by the dedication expected of the Chairman to carry out the functions laid down in the LSC, and especially the Company's Articles of Association, at a group of the size and complexity of CaixaBank.

Pursuant to the LSC, the Chairman has full responsibility for ensuring that the Board of Directors operates efficiently, he shall convene and chair Board meetings, set the agenda and direct deliberations and debates. He must also ensure that Directors are supplied with sufficient information in advance of Board meetings to enable them to discuss the agenda, and work to procure a good level of debate and the active involvement of all members, safeguarding their rights to freely adopt positions. The Chairman of the Board of Directors also presides the General Shareholders Meeting of the Entity.

In addition, pursuant to the Articles of Association, and without prejudice to the duties entrusted to the Chief Executive Officer and the authorisations and delegated duties conferred, the Chairman shall, inter alia, represent CaixaBank and its Group entities (without prejudice to duties entrusted to the Board of Directors); represent the Company vis-à-vis corporate bodies and representatives of the sector, pursuant to the Articles of Association; be responsible for the official signature of the Company and thus sign any agreements on behalf of the Company that are necessary for legal or statutory reasons, contracts, conventions or other legal instruments with public bodies and other entities; and act as the official representative of the Company vis-à-vis authorities, entities and third-party Spanish or foreign bodies.

Although, from a qualitative standpoint, the abovementioned duties cannot be considered executive given their organic or representative nature, from a quantitative standpoint they do entail a virtually exclusive dedication which is much higher than that of other Board members (except for those which also carry out executive duties).

Fixed components of the remuneration of Non-executive Directors in 2019:

The maximum amount of remuneration of Non-executive Directors, in their condition of simple directors, and without taking executive duties into account, which are still in force, is €3,925,000, approved by the 2017 General Shareholders' Meeting.

Due to limited space, this information is continued in Section D.1 of this report.

- Amount and form of fixed components that will be accrued in the fiscal year through the performance of senior management duties among executive directors.

Fixed remuneration components of Executive Directors:

Fixed remuneration, and any modifications, for Executive Directors is largely based on the level of responsibility and the professional career of each Director, combined with a market approach taking account of specific salary polls and ad hoc surveys. The specific salary polls and ad hoc surveys which CaixaBank participates in are carried out by leading specialist companies, using a sample for comparison of a Peer Group of leading European Banks of a similar standing to CaixaBank.

As a guideline, CaixaBank uses a sample from the public information about the executive Directors of European banks such as ABN Amro, Banco Sabadell, Bankinter, BBVA, Commerzbank, Crédit Agricole, SA, Deutsche Bank, Erste Group, Grupo Santander, KBC Groep, Lloyds Banking Group, Natixis, Raiffeisen, Royal Bank of Scotland or Swedbank AB.

As the fixed component of remuneration, contracts of Executive Directors contain pre-established contributions to pension and savings plans, as explained in greater detail in the section corresponding to long-term savings systems. As a general rule, fixed remuneration for Executive Directors includes remuneration they may receive for carrying out management functions at CaixaBank group companies or other companies in the interest of CaixaBank, and so this remuneration is deducted from the net amount of fixed remuneration to be paid by the Company.

Fixed components of remuneration for the Chief Executive Officer in 2019:

In 2019, the fixed remuneration of the Chief Executive Officer of CaixaBank was kept the same as in 2018, at €2,261,200.

Estimated remuneration for positions held at Group companies, based on the positions held at the date of this report, is €704,900, thereby putting the estimated net amounts to be paid by CaixaBank in 2019 at €1,556,300.

Remuneration simply for the condition of being a member of the CaixaBank Board of Directors or its Committees, set at €140,000 for 2019, is not included as part of the fixed remuneration of the Chief Executive Officer, and is included in the aforementioned figures.

- Amount and form of any remuneration component in kind that will be accrued in the fiscal year, including but not limited to insurance premiums paid in favor of the director.

Remuneration in kind for Executive Directors:

Executive Directors may receive remuneration in kind in the form of health insurance for themselves and their immediate family, the use of a vehicle or a dwelling, or any other similar benefits which are common in the sector and appropriate to their professional status, in keeping with the standards established by CaixaBank at any given time for the same segment of professional employees of which they form part.

Remunerations in kind for the Chief Executive Officer in 2019:

The contract of Gonzalo Gortázar includes healthcare insurance for him, his spouse and children under the age of 25, valued for 2019 at €5,610.

- Amount and form of variable components, distinguishing between short term and long term. Financial and non-financial parameters, the latter including social, environmental and climate-change-related parameters, selected to determine variable remuneration for the current fiscal year, and an explanation of the extent to which such parameters correlate with the performance of both the director and the company and its risk profile, and the methodology, necessary period and techniques provided to determine, at the end of the fiscal year, the degree of compliance with the parameters used in determining variable remuneration.

State, in monetary terms, the range of the various variable components in relation to the degree of compliance with established objectives and parameters, and any maximum monetary amount in absolute terms, if applicable.

a) Variable remuneration in the form of bonuses to Executive Directors:

- General aspects

Variable remuneration for Executive Directors is established on the basis of a risk-adjusted bonus, based on the mix of fixed and variable remuneration, as described previously, and on a performance measurement. This is carried out through ex-ante and ex-post adjustments of remuneration, as a risk alignment mechanism.

Both quantitative (financial) and qualitative (non-financial) criteria are taken into account when assessing performance and evaluating individual results. These must be clearly specified and documented.

Variable remuneration for Executive Directors is established on the basis of an individual target bonus established by the Board of Directors based on a proposal from the Remuneration Committee, and a maximum achievement percentage of 120%; the achievement level is set on the basis of the following measurement criteria:

50% based on individual targets

50% based on corporate targets

The 50% corresponding to corporate targets is set each year by the CaixaBank Board of Directors based on a proposal by the Remuneration Committee, and its weighting is distributed among objective concepts according to the Entity's main objectives.

The individual targets part (50%) shall have a minimum degree of fulfilment of 60% and a maximum of 120%, and shall be distributed overall between targets linked to CaixaBank's strategy. The final valuation carried out by the Remuneration Committee, based on consultations with the Chairman, may vary +/-25% with regard to the target evaluation of individual targets, in order to include the quantitative evaluation of the Executive Director's performance. Any exceptional achievements during the year which were not contemplated at the outset shall also be taken into account.

The Board of Directors, based on a proposal by the Remuneration Committee, shall approve the final determination of achievement of the variable remuneration to be accrued.

- Deferral of payment.

The deferral percentage applicable to the variable remuneration of Executive Directors is 60%, and this shall be paid pursuant to the following rules:

- After determining the amount of the variable remuneration, 40 percent will be paid of that amount, on a date established with in the first quarter of the year (henceforth, Date of Initial Payment).
- 50 percent of this payment will be satisfied in money, and the other 50 percent will be satisfied in CaixaBank shares after paying applicable taxes (retentions or payments on account)
- Provided none of the situations of variable remuneration reductions established in this section. arise, the deferred portion of risk-adjusted variable remuneration (the remaining 60%) shall be paid in five instalments, in the amounts and on the dates determined as follows:

1/5 12 months after the Initial Payment Date

1/5 24 months after the Initial Payment Date

1/5 36 months after the Initial Payment Date

1/5 48 months after the Initial Payment Date

1/5 60 months after the Initial Payment Date

- 50% of the amount payable at each of these five dates shall be paid in cash. The remaining 50% shall be paid in CaixaBank shares, after the corresponding taxes (withholdings or payments on account) have been paid.

- Lock-up policy.

All shares delivered shall be locked up for a period of one year following delivery.

During the lock-up period, the Executive Director owning the shares may exercise the shareholder rights carried by the instruments. CaixaBank retains ownership of all retained shares and cash payments.

Pursuant to the principles of contractual law applicable in Spain, especially the bilateral nature of contracts and equal accrual of reciprocal benefits, cash payments retained accrue interest for the Executive Director, calculated using the interest rate for the first tranche of the employee holding account. Interest shall only be paid at the end of each payment date, and shall be applied to the cash amount of the variable remuneration that is actually to be received, net of any reductions that may be applicable.

With respect to returns on instruments, in accordance with the Guidelines of the EBA, the Company will not pay interests or dividends on deferred instruments during or after the deferral period, accrued as of 1 January 2017.

Termination or suspension of professional relations, and departures due to invalidity, early retirement, retirement or partial retirement shall not interrupt the payment cycle of variable remuneration, notwithstanding the provision made for deductions and recovery of variable remuneration.

In the event of the employee's death, the Department of Human Resources and the Risks Department shall determine and, where applicable, propose a process to settle any pending payments based on criteria compatible with the general principles of the LOSS, implementing regulations and the Remuneration Policy.

- Special cases

Specific solutions in accordance with the LOSS, its implementing regulations and the principles of the Remuneration Policy, must be applied to special cases not otherwise provided for (i.e. corporate transactions that affect ownership of the shares delivered or deferred), in such a way that they do not artificially alter or dilute the value of the considerations concerned.

- Requirement of continued employment

In order to be eligible for variable remuneration as a bonus, one necessary condition is that the Executive Director must maintain a service relationship with CaixaBank as at 31 December of the year in which the variable remuneration is to be accrued.

- Incompatibility with personal hedging strategies or avoidance mechanisms

Pursuant to the provisions of Article 34.1 o) of the LOSS and the EBA Guidelines, Executive Directors undertake to refrain from using personal hedging strategies or insurance to undermine the risk alignment effects embedded in their remuneration arrangements.

Nor shall CaixaBank pay variable remuneration with instruments or methods the purpose of which is or which effectively entail non-compliance with the requisites of remuneration applicable to Executive Directors as members of CaixaBank's Identified Staff.

b) Annual conditioned Incentives Plan linked to the 2019-2021 Strategic Plan

In the General Shareholders' Meeting of 5 April 2019, the implementation of an annual conditioned Incentives Plan related to the 2019-2021 Strategic Plan will be presented, which, after a certain time period has elapsed, will allow for a certain number of ordinary CaixaBank shares to be received, provided that the Company's strategic objectives are met, along with the requirements described herein.

The Plan will consist in the free assignment, in 2019, 2020 and 2021, of a number of units to each beneficiary (the 'Units', which will be used as a base to establish the number of CaixaBank shares to deliver, where relevant, to each beneficiary of the Plan.

The assignment of Units in itself does not attribute the condition of shareholders in the Company to beneficiaries, given that the Units do not entail the attribution of economic or political rights, or any other kind of right related to the condition of shareholder. By virtue of this Plan, the condition of shareholder will be acquired, where relevant, upon the delivery of shares in the Company.

The rights conferred by the assignment of Units will not be transferable, with the exception of any special circumstances established in the Regulations of the Plan.

- Beneficiaries:

The beneficiaries of the Plan will be members of the Management Committee, as well as members of the Board of Administration with executive duties, and the rest of the management team and key employees of the CaixaBank Group, who are expressly invited to participate in the Plan

by the Board of Directors, at the proposal of the Remuneration Committee, as well as members of the Board of Directors with executive duties, assigned by the CaixaBank General Shareholders' Meeting.

The estimated maximum number of Plan Beneficiaries authorised by virtue of this agreement to participate therein, as of the first cycle of the Plan, amounts to 90 people.

An agreement is in place to expressly assign Gonzalo Gortázar Rotaeché, CEO of the Company, as a Beneficiary of the Plan.

- Duration, objective measurement periods and liquidation dates of the Plan:

The Plan has three cycles, each of three years, with three Unit assignments, each of which will take place in 2019, 2020 and 2021.

The first cycle goes from 1 January 2019 to 31 December 2021; the second cycle goes from 1 January 2020 to 31 December 2022; and the third cycle goes from 1 January 2021 to 31 December 2023.

Each cycle will have two periods for measuring objectives. The first measurement period ('First Measurement Period') corresponds with the first year of each Plan cycle, in which certain objectives linked to metrics described herein must be met.

The second measurement period ('Second Measurement Period' corresponds with the 3-year duration of each cycle of the Plan, in which the objectives linked to the defined metrics must also be met.

According to the degree of compliance with the First Measurement Period, and on the basis of the Units assigned at the start of each cycle, a provisional incentive ('Provisional Incentive') will be granted to Beneficiaries in the second year of each cycle ('Grant Date'), equivalent to a certain number of shares in the Company ('Granting of the Provisional Incentive'). The Granting of the Provisional Incentive does not imply the delivery of shares in CaixaBank at this point.

The final number of shares to be delivered (the 'Final Incentive') will be determined after each of the Plan's cycles ends, and will be subject to and dependent on fulfilling the objectives corresponding to the Second Measurement Period of each of the Plan's cycles

('Determination of the Final Incentive'). Under no circumstances can the number of shares to be delivered corresponding with the Final Incentive exceed the number of shares of the Provisional Incentive on the Grant Date.

The shares corresponding to the Final Incentive of each cycle will be delivered by third parties in the third quarter and fifth anniversary of the Grant Date for members of the Board of Directors with executive functions, and for members of the Management Committee (the 'Settlement Dates' and, individually, the 'Settlement Date'). For all other Beneficiaries belonging to the Identified Group, the shares will be delivered in their totality on a single Settlement Date, on the third anniversary of the Grant Date.

Notwithstanding the above, the formal start date of the Plan will be 5 April 2019 (the 'Start Date'), except for Beneficiaries incorporated into the Plan after this, who will have a different Start Date established in the Invitation Letter.

The Plan will end on the last Settlement Date of shares corresponding with the third cycle of the Plan, i.e. in 2027 for members of the Board of Directors with executive functions and members of the Management Committee, and in 2025 for all other Beneficiaries belonging to the Identified Group (the 'End Date').

- Reference share value

The reference share value used to assign Units in each of the Plan's cycles, which will also be the base to determine the number of shares to deliver, will correspond with the arithmetic average price rounded to three decimal places of the CaixaBank share's closing price on the trading sessions of January in each starting year of the Plan (i.e. January 2019, January 2020 and January 2021).

The value of shares corresponding to the Final Incentive that, where relevant, are finally delivered under the scope of the Plan, will correspond with the listed closing price of the CaixaBank share on each of the Settlement Dates of each of the Plan's cycles.

- Determination of the number of Units to assign

The number of Units to assign to each Beneficiary in each of the Plan's cycles will be determined by the Board of Directors, at the proposal of the Remuneration Committee, according to the following formula:

$$NU = TA / AAP$$

Where:

NU = the Number of Units to be assigned to each beneficiary, rounded up to the nearest whole number.

IT = Reference Target Amount of the Beneficiary according to their position.

AAP = Arithmetic average price rounded to three decimal places of closing prices of the CaixaBank share in trading sessions corresponding to January in each of the starting years of the Plan's cycles (i.e. January 2019, January 2020 and January 2021).

- Determination of the number of shares corresponding with the granting of the Provisional Incentive, and the number of shares corresponding with the Final Incentive

The total number of shares corresponding with the Granting of the Provisional Incentive on the Grant Dates will be determined according to the following formula:

$$NCS = NU \times DIF$$

Where:

NCS = Number of company shares corresponding with the Granting of the Provisional Incentive of each Beneficiary, rounded up to the nearest digit.

NU = Number of Units assigned to the Beneficiary at the start of each cycle of the Plan.

DIF = Degree of Fulfilment of the Provisional Incentive, according to the level of achievement of the objectives connected to the metrics linked to the Plan during the first year of each cycle, and which will be determined according to the provisions of section 8 herein.

The total number of shares corresponding with the Final Incentive to be delivered to each Beneficiary on the Settlement Dates will be determined according to the following formula:

$$NA = NCS \times \text{Ex-post adj.}$$

Where:

NA = Number of company shares corresponding with the Final Incentive to be delivered to each Beneficiary, rounded up to the nearest whole number.

Adj. Ex-post adj. = Ex-post adjustment on the Provisional Incentive of each cycle, according to the fulfilment of objectives corresponding to each of the cycles of the Plan.

Due to limited space, this information is continued in Section D.1 of this report.



- Main features of long-term savings schemes. The following shall be indicated, among other information: the contingencies covered by the system, whether or not it is a defined contribution or benefit system, the annual contribution to be made to defined contribution systems, the provision to which the beneficiaries are entitled for defined benefit systems, the conditions for vesting in favour of directors and their compatibility with any type of payment or indemnification due to early termination or dismissal or arising from the termination of the contractual relation between the company and the director under previously determined conditions.

It must be indicated whether or not the vesting or accrual of any of the long-term savings plans is linked with the attainment of specific objectives or parameters related to the long and short-term performance of the director.

#### Long-term savings schemes for non-executive Directors

CaixaBank's Remuneration Policy does not contemplate setting up a long-term savings scheme for Non-executive Directors.

#### Long-term savings schemes for executive Directors

##### - General description

Executive Directors who hold an employment contract may be eligible for a complementary pension scheme, as are all CaixaBank employees. If they hold a commercial contract, they may be eligible for specific pension schemes equivalent to the complementary pension scheme.

The commitments assumed with the Executive Directors can be of a contribution defined for the cases of retirement, disability and death, and additionally coverage for service can be defined for the cases of disability and death. These commitments will be instrumented through an insurance contract.

##### - Non-discretionary

With the exception of the mandatory variable-base contributions described below, the contributions regime for the pension scheme applicable to executive directors cannot be considered a discretionary benefit. As a result, the pension scheme for executive directors must be applied objectively according to when the individual became an executive director or similar circumstances that entail changes to their remuneration, taking the form of a lump sum or an amount benchmarked to fixed remuneration, according to their respective contracts. Therefore, the amount of contributions or the degree of coverage of the benefits (i) must be set at the beginning of the year and be suitably defined in the corresponding contracts; (ii) may not originate from variable parameters (such as attaining targets, achieving milestones etc.); (iii) may not take the form of extraordinary contributions (e.g. bonuses, awards or extraordinary contributions made in the years leading up to retirement or departure); and (iv) may not be related to substantial changes in the retirement conditions, including any changes arising from merger processes or business combinations.

##### - No overlap

The contributions paid to pension schemes by CaixaBank shall deduct the amount of any contributions paid to equivalent instruments or policies that may be established as a result of positions held at Group companies or other companies in the interests of CaixaBank. This procedure must also be applied for provisions that must be adjusted to avoid overlap or duplication.

##### - Vesting of rights.

The pension scheme for Executive Directors recognises the consolidation of economic rights in the event that the professional relationship is terminated or rescinded before the date the covered contingencies occur, unless this termination is due to disciplinary dismissal or with just cause in the case of commercial contracts, as defined in the following sections, or for any other specific causes which may be expressly described in the contracts.

##### - Mandatory variable-base contributions

Notwithstanding the provisions of section b), and pursuant to the provisions of Circular 2/2016, 15% of the contributions paid to complementary pension schemes will be considered a target amount (the remaining 85% is considered a fixed pay item).

This amount is determined in accordance with the same principles and procedures established for variable remuneration in the form of a bonus, with eligibility to be determined solely on the basis of individual assessment parameters, and it shall be contributed to a Discretionary Benefits Pension Policy.

The contribution shall be considered as deferred variable remuneration for all purposes stipulated in Circular 2/2016, and thus the Discretionary Benefits Pension Policy contains all the necessary clauses for it to be explicitly subject to the aforementioned deduction scenarios for variable remuneration in the form of a bonus. It shall also be included in the sum of variable remuneration for the purposes of limits and other factors that might be established.

Pursuant to Article 34.1ñ) of the LOSS, if the Executive Director leaves the Entity to take up retirement or leaves prematurely for any other reason, the discretionary pension benefits shall be subject to a lock-up period of five years from the date on which the employee ceases to provide services at the Entity for any reason.

The same requisites pertaining to the clauses for deductions and recovery of remuneration already paid, as described above, shall be applicable during the lock-up period.



Due to limited space, this information is continued in Section D.1 of this report.

- Any type of payment or indemnification due to early termination or dismissal or arising from the contractual relation between the company and the director under previously determined conditions, whether at the behest of the company or the director, as well as any agreements such as agreements for exclusivity, post-contractual non-competition and non-separation or loyalty that entitle the director to any type of consideration.

As explained previously, Non-executive Directors have a strictly organic relationship with CaixaBank, and therefore do not have contracts in place with the Company for the execution of their duties, nor any type of payment for the termination of their position of Director. The payment scheme for the termination of contracts of Executive Directors is described in the next section.

- Indicate the terms and conditions that must be included in the contracts of people who perform senior management functions as executive directors. Among these, disclose the duration, limits on the amount of termination payments, seniority requirements, notice periods, payments related to the duration of a notice period ("garden leave") and any other clauses covering hiring bonuses, as well as indemnities or "golden parachutes" in the event of early termination of the contractual arrangement between the company and the executive director. Include agreements or accords of non competition, exclusivity, nonseparation or loyalty and post-contractual non-competition, unless they have been indicated in the previous paragraph.

General conditions of the contracts:

i. Nature of contracts.

Executive Directors generally hold commercial or employment contracts which are determined by the level of duties carried out above and beyond those of Director, pursuant to prevailing legislation and Supreme Court case-law concerning the so-called "relationship theory".

ii. Term of contracts

In general, contracts shall be drawn up for an indefinite term.

iii. Description of duties, dedication, exclusivity and incompatibilities

Contracts shall contain a clear description of the duties and responsibilities to be undertaken and the functional location and reporting levels within the organisational and governance structure at CaixaBank; likewise, they shall also stipulate the duty of exclusive dedication to the Group, without prejudice to other authorised activities in the interests of the CaixaBank Group or certain teaching activities and participation in conferences or responsibilities in own businesses or family-run businesses, provided these activities do not prevent the Director from exercising their duties diligently and loyally at CaixaBank or pose a conflict of interests with the Entity.

Other continuity conditions which are in CaixaBank's best interests may also be agreed in the contracts.

Executive Directors shall be subject to the regime of incompatibilities laid down in laws governing credit institutions.

iv. Compliance with duties and confidentiality

Without prejudice to the law covering directorships at corporations, Director's contracts shall contain strict obligations to comply with the duties inherent to their position as Director and obligations regarding any confidential information they may have access to during their tenure at CaixaBank or its Group.

v. Civil liability coverage and compensation

Executive Directors are covered by the civil liability policy for Directors and executives of the CaixaBank Group to cover any third-party liabilities they may incur when carrying out their duties.

Likewise, the contracts may state that CaixaBank shall hold Executive Directors harmless of any losses or damages arising from claims by third parties, unless the Executive Directors have acted negligently or with wilful deceit.

vi. Post-contractual non-competition agreements

Contracts shall contain non-competition agreements for financial activities in general, which should last no less than one year following termination of the contract. Unless otherwise justified, compensation for non-competition agreements shall be set as the sum of the fixed components of remuneration which the Executive Director received during the term of the agreement; the amount of compensation shall be divided into future periodic instalments, payable during the term of the non-competition agreement.

Likewise, should the non-competition agreement not be honoured, CaixaBank shall be entitled to receive compensation from the Executive Directors in an amount in proportion to the compensation paid to the Director.

vii. Early termination clauses

The contracts will establish the cases in which the Executive Director can proceed to terminate the contract with the right to compensation, which may include situations of non-compliance by CaixaBank, dismissal without justified cause or a change in control of the company.

Likewise, contracts shall recognise CaixaBank's right to terminate the contract in the event of non-compliance by the Executive Director, with no compensation due to the Director.

In the event any contract is terminated, CaixaBank shall have the right to request that the Executive Director give up any other position or duty carried out within the CaixaBank Group or companies in the interest of CaixaBank.

Contracts shall also include reasonable notice periods in the event of termination of the contract, and appropriate compensation in the event of non-compliance, proportional to the fixed remuneration to be accrued during the years not served.

The amount of compensation to be paid for termination of Executive Directors' contracts shall be established at all times in such a way that it does not exceed the limits legally established in terms of maximum ratios of variable remuneration, in due consideration of the criteria stipulated in the EBA Guidelines. Payments for early termination must be based on the results secured over time, and must not compensate poor results or undue conduct.

The amount of payments for early termination which, pursuant to the provisions of the regulations applicable and the EBA Guidelines, is considered as variable remuneration, shall be deferred and paid in the manner stipulated for variable remuneration in described previously, and shall be subject to the same scenarios for deductions and recovery described therein, including application of deferred payments pending payment.

Due to limited space, this information is continued in Section D.1 of this report.

- The type and estimated amount of any other supplementary remuneration that shall be accrued by the directors in the current fiscal year in compensation for services rendered other than those inherent to their position.

CaixaBank's Remuneration Policy does not contemplate additional remuneration as compensation for services rendered other than those inherent to the positions concerned.

Notwithstanding the foregoing, any services rendered (other than those inherent to the position) or any transactions that may be carried out between CaixaBank and members of the Board of Directors or related parties shall be subject to the regime of loyalty stipulated in the Corporate Enterprises Act and, as a result, shall be subject to the regime of communication, exception, individual exemption and publicity described therein, and to all other regulations governing related-party transactions applicable to credit institutions.

- Other remunerative items such as those arising, if applicable, from the company's granting of advance payments, loans and guarantees and other remuneration to directors.

At present the Entity does not contemplate offering Directors financial assistance as remuneration.

- The type and estimated amount of any other supplementary remuneration provided that is not covered in the above sections, whether paid by the company or another company of the group, which will be accrued by the directors in the current fiscal year.

Remuneration for positions held at group companies in 2019.

As explained previously, as a general rule, fixed remuneration for Executive Directors includes remuneration they may receive for carrying out Board functions at CaixaBank group companies or other companies in the interest of CaixaBank, and so this remuneration is deducted from the net amount of fixed remuneration to be paid by the Company.

In accordance with the prevailing remuneration at the respective companies, estimated remuneration for Board membership at CaixaBank or investees is as follows:

Jordi Gual Sole

- Director in Erste Group Bank: €44,844

Director in Telefónica, SA: €146,533

Gonzalo Gortázar Rotaeché

- Chairman of the Board of Directors of VidaCaixa: €500,000

- Director of Banco BPI: €64,900

Tomás Muniesa Arantegui

- Deputy Chairman of VidaCaixa: €435,000

- Deputy Chairman of SegurCaixa Adeslas: €10,000

Javier Ibarz Alegría

- Director in VidaCaixa: €60,000

Juan Rosell Lastortras

- Director in VidaCaixa: €60,000

Remuneration by payments of the differed variable remuneration.

Executive Directors shall receive deferred payment of variable remuneration as described previously. For Gonzalo Gortázar, the forecast of said payments for 2019 is approximately €400.

**A.2. Explain any relevant change to the remuneration policy applicable in the current fiscal year arising due to:**

- A new policy or a modification of a policy already approved by the Annual General Meeting.
- Relevant changes in specific rulings agreed upon by the board for the current fiscal year to the current remuneration policy regarding remuneration for the previous year.
- Proposals that the board of directors may have agreed to present at the Annual General Meeting to which this annual report will be submitted, applicable to the current fiscal year.

In the Annual General Meeting this year, there are plans to propose a modification to the Board Remuneration Policy in force, which consists in updating the data on Executive Directors, due to the resignation of the current Deputy Chairman's executive duties (Tomás Muniesa), effective from 22 November 2018, and updating the remuneration components for 2019 of the Chief Executive Officer.

No relevant changes are forecast in the specific rulings agreed on by the board for the current fiscal year, to the Remunerations Policy in force, compared with those applied in the previous year.

In the Annual General Meeting of 2019, the Agreement was presented for approving annual conditioned incentive based on shares, and linked to the 2019-2021 strategic plan. Its conditions are explained in detail in section A1.

Also detailed in the Agreement on delivering shares to executive directors and senior managers, as part of the Company's variable remuneration programme, a proposal is made to change the maximum number of shares to deliver as part of the annual variable remuneration programme for said directors and managers.

The new valuation will be the ratio between the estimated maximum amount to be received and the average value of the closing prices on trading days between 1 and 15 February each year.

**A.3 Provide a direct link to the document presenting the current remuneration policy for the company, which should be available on the company's website.**

The direct link to the document detailing the remuneration policy in force in CaixaBank is:

[https://www.caixabank.com/informacionparaaccionistaseinversores/gobiernocorporativo/remuneracionesdelosconsejeros/politicaderemuneracion\\_es.html](https://www.caixabank.com/informacionparaaccionistaseinversores/gobiernocorporativo/remuneracionesdelosconsejeros/politicaderemuneracion_es.html)

**A.4 In light of the data provided in section B.4, explain how the votes of shareholders at the Annual General Meeting at which the annual report on remuneration for the previous year was submitted to vote on, on an advisory basis, was taken into consideration.**

The Company always considers the results of votes on the issues discussed in its General Meeting. Specifically with respect to the voting results of the Annual Remuneration Report for 2017, it is understood that shareholders widely support the Company's Remuneration Policy, which was also approved in said Meeting.

As reflected in the aforementioned Policy, the overall remuneration policy focuses on fostering patterns of behaviour to ensure that value is generated in the long term and that results are sustained over time. Variable remuneration therefore not only takes account of achievement of targets, but also the way in which they are achieved.

The remuneration policy bases its strategy of attracting and retaining talent on providing professional people with a distinctive corporate business project, the possibility of professional development and enjoyment of competitive overall remuneration.

Furthermore, it should be noted that the remuneration of Directors, in their condition as such, establishes CaixaBank as the credit institution, among the most important in Spain, that pays the least to its Non-executive Directors.

**B. OVERALL SUMMARY OF HOW THE REMUNERATION POLICY WAS APPLIED DURING THE PREVIOUS FISCAL YEAR**

**B.1.** Explain the process that was followed to apply the remuneration policy and determine the individual remuneration indicated in section C of this report. This information shall include the role played by the remuneration committee, the decisions made by the board of directors and, if applicable, the identity and role of external advisors whose services were used in applying the remuneration policy in the closed fiscal year.

The Remuneration Committee is exclusively responsible for preparing, reporting and proposing all decisions regarding the remuneration of the members of the Board of Directors. It is assisted in this task by the General Secretary in the case of Non-executive Directors, and by the Human Resources Department (Human Resources and Organisation Division) in the case of Executive Directors, due to their position as executives at the Entity.

Proposals by the Remuneration Committee shall be studied by the Chairman in the scenarios stipulated in the Remuneration Policy before they are submitted to be examined and, where applicable, approved by the Board of Directors. Should these decisions fall within the remit of the CaixaBank Annual General Meeting, the Board of Directors shall include these on the agenda as proposed resolutions along with the corresponding reports.

The Remuneration Committee primarily used the support and external consultancy of J&A Garrigues for issues related to the payment method of the LTI 2015-2018 and the new conditioned Annual Incentives Plan related to the 2019-2021 Strategic Plan.

**B.2** Explain the various actions adopted by the company related to the remuneration system and how they contributed to reducing exposure to excessive risk and adapting it to the long-term objectives, values and interests of the company, including a reference to measures provided to guarantee that the remuneration policy gave due consideration to the long-term results of the company and reached an adequate balance between the fixed and variable remuneration components, which measures were adopted with regard to the categories of personnel whose professional activities have a material effect on the risk profile of the company, and which measures were adopted to avoid conflicts of interest, if applicable.

Each of the corresponding sections of the Remuneration Policy explains the measures adopted which are in line with the LOSS, to ensure that the Remuneration Policy is based on the long-term results of the Company measures to establish an appropriate balance between the non-variable and variable components of the remuneration, the clauses set out to reclaim variable components of remuneration, and the measures in place to avoid conflicts of interests.

Likewise, in accordance with the provisions of the LOSS, CaixaBank has a Remuneration Policy for all other personnel who are not Directors, and whose professional activities have a material effect on the Entity's risk profile.

**B.3** Explain how the remuneration accrued during the fiscal year meets the provisions of the current remuneration policy.

Also advise regarding the relation between the remuneration received by directors and the results or other performance measures, both long and short-term, of the company, explaining, if necessary, how variations in company performance could affect variations in the remuneration of directors, including items accrued for which payment is deferred, and how they contribute to the long and short-term results of the company.

The remuneration accrued in 2018 is described in the following sections, and their components comply with the provisions of the Remuneration Policy of the CaixaBank Board of Directors in force.

As indicated in section B.7 of this report, the remuneration structure of Executive Directors includes variable remuneration, which consists in an annual bonus and a long-term incentive, both of which linked to the results of the Company.

2018 Bonus Scheme: 50% individual targets in relation to the CaixaBank strategy.

50% corporate targets:

ROTE: weighting of 10%, target 9.4%, result 9.3%, whereby the fulfilment for 2018 is 98.9%;

- Core Efficiency Ratio, weighting of 10%, target 56.2%, result 56.4%, whereby the fulfilment for 2018 is 97.2%;

- Variation of Problem Assets, weighting of 10%, target -4,697, result -14,863, whereby the fulfilment for 2018 is 120%;

- Risk Appetite Framework, weighting of 10%, target of 6 ambers, result of 2 ambers, whereby the fulfilment for 2018 is 120%;

- CaixaBank quality, weighting of 5%, target 107, result of 107.9, whereby the fulfilment for 2018 is 120%; and

- Digitalisation (KYC), weighting of 5%, target 90%, result 89%, whereby the fulfilment for 2018 is 98.7%.

As noted above, the 2018 bonus includes the fulfilment of the part of its corporate challenges of 109.09%, which justifies a surplus payment of the established target due to the results obtained.

Long-term share-based incentive scheme (2015-2018) based on three indicators.

An external comparative metric based on Total Share Return, with a weighting of 34% and a final fulfilment of 50%.

Two internal metrics relating to the achievement of the targets of the 2015-2018 Strategic Plan, based on ROTE, weighting of 33% and final fulfilment of 58.84%; and the Efficiency Ratio, weighting of 33% and a final fulfilment of 60%.

These results justify the payment of the Long-term share-based incentive scheme linked to the 2015-2018 Strategic Plan, with a level of fulfilment of 56.22%.

Also, as stipulated in the Board Remuneration Policy, the variable remuneration for the Executive Directors shall only be paid when it is sustainable given the financial position of CaixaBank as a whole, or is justified on the basis of the results of CaixaBank as a whole.

**B.4 Report on the result of the advisory vote at the Annual General Meeting on the annual report on remuneration for the previous financial year, indicating the number of any negative votes cast.**

	Number	% of total
Votes cast	3,878,786,598	64.85

	Number	% of votes cast
Votes against	146,773,431	3.78
Votes in favour	3,724,608,825	96.02
Abstentions	7,404,342	0.20

**Comments**

**B.5 Explain how the fixed components accrued during the fiscal year for the directors in their positions as such were determined, and how they varied from the prior year.**

CaixaBank approved a system of linear and fixed remuneration for members of the Board of Directors in their condition as such, as well as for their participation in any of its committees. For more details, see the corresponding paragraph in section A.1. The amounts received by the members of the CaixaBank Board of Directors in their condition as such, or for belonging to any of its committees, as well as the amounts received for positions held at other group companies acting on behalf of CaixaBank, corresponding to 2018, are set out in section C.

**B.6. Explain how the balances accrued during the closed fiscal year for each of the executive directors for the performance of their management functions were determined, and how they varied from the previous year.**

Gonzalo Gortázar Rotaeché

Annual fixed remuneration: €2,261,200 in accordance with his professional experience and the duties undertaken. With respect to remuneration in 2017, at the proposal of the Remuneration Committee, the Board of Directors approved an increase in annual fixed remuneration on the basis of the market position and the composition of the different remuneration components for the CEO.

Section C.1.a) I) 'Salary' indicates the remuneration accrued for 2018, at €1,306,136. This amount is produced by subtracting the amount received for being a member of CaixaBank's Board of Directors or its delegate committees (€140,000) and for positions held at other companies when acting on behalf of CaixaBank, indicated below, from the annual fixed remuneration (€2,261,200).

Positions held at other companies in 2018 as a CaixaBank representative: VidaCaixa, S.A., from which he received gross remuneration of EUR 500,000. Banco BPI, S.A., from which he received gross remuneration of EUR 64,889. Repsol, S.A., from which he received gross remuneration of €250,175. The amounts corresponding to group companies are reflected in section C.1.b) 'Remuneration to company directors for their participation on boards of other group companies'.

Tomás Muniesa Arantegui

The position of Deputy Chairman of the Board of Directors became effective on 1 May 2018. Until then, Tomás Muniesa carried out the position of Managing Director of Insurance and Asset Management, executive functions that he held until 22 November 2018, the date on which, as a result of his retirement, he became the Non-executive Deputy Chairman of the Board of Directors. The Board of Directors agreed to maintain the remuneration conditions that he had until this point, without adjusting the remuneration for his participation on the Board of Directors, which, as a result, is additional in nature.

Annual fixed remuneration: €1,403,835 due to his professional career and duties undertaken.

Section C.1.a) i) 'Salary' indicates the remuneration accrued for the Deputy chairman of the Board and the Managing Director of Insurance and Asset Management for the period of 1 May to 22 November 2018, at €394,541. This amount is produced by subtracting the estimated amount for positions held in other companies in representation of CaixaBank (€690,000 for VidaCaixa, S.A. and €10,000 for SegurCaixa Adeslas, S.A.) from the previous annual fixed remuneration (€1,403,835).

Positions held at other companies in 2018 as a CaixaBank representative:

VidaCaixa, S.A., from which he received gross remuneration of €663,083, and from which he resigned from his position as Chief Executive Officer on 22 November 2018. He is currently its Deputy Chairman.

SegurCaixa Adeslas, S.A., from which he received gross remuneration of €10,000.

These amounts are reflected in section C.1.b) i) 'Fixed remuneration of company directors for their participation in boards of other group companies'.

He also received €95,278 for his participation in the Board of Directors and delegate committees of CaixaBank.

**B.7. Explain the nature and the principal characteristics of the variable components of the remuneration systems accrued in the closed fiscal year.**

In particular:

- Identify each of the remuneration plans that governed the different variable forms of remuneration accrued by each of the directors during the closed fiscal year, including information on their extent, their date of approval, date of implementation, vesting periods and maturity, criteria used to evaluate performance and how it affected the determination of the variable amount accrued, and measurement criteria used and the necessary period to be in a position to properly measure all prescribed conditions and criteria.

In the case of plans involving stock options or other financial instruments, the general characteristics of each plan will include information regarding their conditions both for acquiring unconditional ownership (vesting) and for enabling the exercise of such options or financial instruments, including the price and period for such exercise.

- Each of the directors, and their category (executive directors, proprietary external directors, independent external directors and other external directors), who are beneficiaries of remuneration systems or plans that include a variable remuneration.
- If applicable, include information on the applied accrual or postponement periods for payment established and/or the retention/non-disposal periods for any shares or other financial instruments.

Explain the short-term variable components of the remuneration systems:

Gonzalo Gortázar Rotaache

a) Settlement and payment of the variable remuneration for 2018

With regard to the bonus variable remuneration to be received in 2019, but relating to the variable remuneration pertaining to 2018, the following levels of target fulfilment were acknowledged:

- 112% of the individual targets
- 109.09% of corporate targets, according to the scheme described in section B.3.

Given that the objective bonus of Gonzalo Gortázar amounted to €708,800, variable remuneration of €783,532 was approved. In accordance with the remuneration policy in force in 2019, said variable remuneration will accrue as follows:

- 40% of the variable remuneration indicated, equivalent to a gross amount of €313,413, will be paid to Gonzalo Gortázar in 2019 in the following way:

€156,707 gross in cash

€156,706 in gross shares in CaixaBank, the number of gross shares thereof is the result of dividing the previous amount by the closing value of the share in CaixaBank on 15 February 2019.

- 60% of the variable remuneration indicated, equivalent to a gross amount of €470,119, has been deferred for a 5-year period, such that a fifth of said amount will be received in 2020, 2021, 2022, 2023 and 2024, each of which will be paid 50% in cash and 50% in CaixaBank shares. The deferred variable remuneration is subject to the reduction clause established in the Company's Remuneration Policy. Furthermore, in 2019, Gonzalo Gortázar will receive the following amounts of variable remuneration corresponding to 2015, 2016 and 2017: 2015 bonus: €38,603 gross in cash and 14,978 gross shares in CaixaBank. 2016 bonus: €50,912 gross in cash and 14,969 gross shares in CaixaBank. 2017 bonus: €31,247 gross in cash and 7,824 gross shares in CaixaBank.

b) Compulsory contributions on a variable base

As stipulated in Bank of Spain Circular 2/2016, 15% of the contribution of €330,000 to the pension scheme must be variable-base. 109% of this amount (€53,955) was contributed to the discretionary pension benefits policy for 2018.

Tomás Muniesa Arantegui

a) Settlement and payment of the variable remuneration for 2018

As Tomás Muniesa did not meet the condition of the Requirement of continued employment established in the Remuneration Policy in force, which establishes that the Director must maintain his/her service relationship with CaixaBank on 31 December as a condition for receiving variable remuneration as a bonus, the 2018 bonus is not applicable.

During 2019, Tomás Muniesa will receive the following amounts of variable remuneration for 2015, 2016 and 2017, accrued from the development of his previous duties as a member of the Management Committee:

2015 bonus: €8,667 gross in cash and 3,363 gross shares in CaixaBank.

2016 bonus: €10,476 gross in cash and 3,080 gross shares in CaixaBank.

2017 bonus: €6,212 gross in cash and 1,561 gross shares in CaixaBank.

b) Mandatory contributions for variable remuneration

As stipulated in Bank of Spain Circular 2/2016, 15% of the contribution of €102,954 to the pension scheme must be variable-base. 100% of this amount (€13,665) was contributed to the discretionary pension benefits policy for 2018, corresponding with the period from 1 January to 22 November. €8,665 corresponds to his period as Executive Director, which is detailed in section C.1.a) iii).

Jordi Gual Solé

For carrying out his previous functions, Jordi Gual has been recognised to have deferred amounts still to be paid until 14 September 2016, when he took over the position of Director and Non-Executive Chairman of the Board of Directors. In 2019, he will receive the following amounts as part of deferred variable remuneration:

Third deferral of the 2015 bonus, €3,602 in cash and 1,396 shares; and second deferral of the 2016 bonus, €3,666 in cash and 1,078 shares. These amounts do not appear in section C because they have been accrued by Jordi Gual in carrying out his executive duties before he was appointed as Chairman of the Board.

### Explain the long-term variable components of the remuneration systems:

On 23 April 2015 the General Shareholders' Meeting approved the implementation of a four-year (2015-2018) long-term share-based incentive plan (LTI) linked to the strategic plan, which awards a number of CaixaBank shares after the four years have elapsed, provided certain strategic objectives and the requirements stipulated for Executive Directors, members of the Management Committee and the remainder of the executive team and key employees of the Company are met.

Following the review of the Strategic Plan and its objectives approved on 1 February 2017 by the Board of Directors, at a meeting held on 25 May 2017 this same body agreed to modify the Regulations of the Long-Term Incentives Plan accordingly by updating the ROTE and the Cost-to-Income Ratio to the new objectives proposed, such that the new calculation of the fulfilment of these metrics maintained the original target for the pro-rata of 2015 and 2016.

- Beneficiaries:

The beneficiaries of the Plan shall be the members of the Management Committee, the remainder of the executive team and key employees of CaixaBank or companies in the CaixaBank Group who are expressly invited by the Board of Directors of CaixaBank, following a proposal by the Remuneration Committee, in addition to members of the Board of Directors who have executive functions, and are designated by the CaixaBank General Shareholders' Meeting.

The maximum estimated number of authorised plan beneficiaries is 80.

It was agreed that the following Executive Directors would be designated as Plan Beneficiaries: Gonzalo Gortázar Rotaache – Chief Executive Officer

The modification to the Board Remuneration Policy was put forward for approval by the Annual General Meeting of 2018, which maintained Tomás Muniesa Arantegui's participation in the plan, who was already a Plan beneficiary in his conditions as Managing Director.

- Plan duration and settlement:

The measurement period for the Plan runs from 1 January 2015 to 31 December 2018 (hereinafter, the 'Measurement Period'). The above notwithstanding, the Plan formally commenced when it was approved at the Annual General Meeting held on 23 April 2015 (hereinafter, the Start Date). In the case of beneficiaries incorporated into the Plan after this date, another date may be established in the Letter of Invitation. The Plan expired on 31 December 2018 (hereinafter, the 'End Date'), without prejudice to the effective settlement of the Plan, which will take place in June 2019.



- Instrument:

The Plan is implemented by a certain number of units awarded to each Beneficiary, which shall serve as the basis to determine, depending on the extent to which certain targets have been met, the number of CaixaBank shares, if any, to be awarded to each Plan Beneficiary.

Under this Plan, beneficiaries do not become shareholders of the Entity until delivery of the shares. Therefore, the Units awarded do not confer economic or voting rights over the Entity, or any other shareholder entitlements.

-Determination of the number of units to be assigned to each beneficiary

In order to determine the Units to be assigned to each Beneficiary, the following will be taken into account: (i) a reference target amount, which will be determined on the basis of the Beneficiary's professional function; and (ii) the arithmetic mean price rounded to the third decimal place of the closing price of the CaixaBank share in the corresponding stock market sessions during the month of February 2015.

The Units to be allocated to each Beneficiary are determined in accordance with the following formula:

$$NU = TA / AAP$$

Where:

NU = the Number of Units to be assigned to each beneficiary, rounded up to the nearest whole number.

TA = the Target Amount for the beneficiary, based on their professional category.

AAP = Arithmetic average price rounded to three decimal places of the CaixaBank share's closing price in trading session in February 2015, which is set at 3,982 euros.

- Determination of the number of shares to deliver when the Plan is settled

The total number of shares to deliver to each Beneficiary on the Settlement Date is determined according to the following formula:

$$NS = NU \times DAI$$

Where:

NA = Number of shares in the Company to be delivered to each Beneficiary on the Plan's Settlement Date, rounded up to the nearest whole number.

NU = the Number of Units assigned to the beneficiary.

DAI = Degree of fulfilment of the Incentive, depending on the degree of fulfilment of the targets to which the Plan is linked.

- Maximum number of shares to deliver

The Annual General Meeting approved the maximum number of shares to be delivered as a result of the plan to all Beneficiaries at 3,943,275 shares.

This is the maximum number of shares that could be delivered, in the event of the maximum coefficients for achieving objectives.

- Metrics

The Degree of Fulfilment of the Incentive depends on the degree of compliance with the objectives to which the Plan is linked. The specific number of CaixaBank shares to be delivered to each Beneficiary on the Settlement Date, if the conditions established are met, depends on:

(i) the Entity's Total Shareholder Return (hereinafter, 'TSR') in comparison with the same indicator for 19 peer banks (20 banks in total, including CaixaBank); (ii) the evolution of Return on Tangible Equity (hereinafter, 'ROTE'); and (iii) the return on Cost-to-Income ratio (hereinafter, CIR), all of which a metrics of the Company.

TSR: difference (expressed as a percentage) between the final value of an investment in ordinary shares and the initial value of the same investment, taking into account that to calculate this final value, the dividends or other similar concepts (such as, for example, scrip dividends) received by the shareholder through this investment during the corresponding time period shall be considered.

A coefficient of between 0 and 1.5 will be used, depending on where CaixaBank ranks in the selected sample of 20 comparable peer banks:

If CaixaBank's position in the TSR ranking is between 1 and 3, the TSR coefficient = 1.5

If CaixaBank's position in the TSR ranking is between 4 and 6, the TSR coefficient = 1.2

If CaixaBank's position in the TSR ranking is between 7 and 9, the TSR coefficient = 1

If CaixaBank's position in the TSR ranking is between 10 and 12, the TSR coefficient = 0.5

If CaixaBank's position in the TSR ranking is between 13 and 20, the TSR coefficient = 0.

The reference banks taken into consideration with regard to the TSR, for the purposes of this Plan (hereinafter, the 'Comparison Group') are Santander, BNP, BBVA, ING Groep NV-CVA, Intesa Sanpaolo, Deutsche Bank AGRegistered, Unicredit SPA, Crédit Agricole SA, Société Générale SA, KBC Groep NV, Natixis, Commerzbank AG, Bank of Ireland, BancoSabadell SA, Erste Group Bank AG, Banco Popular Español, Mediobanca SPA, Bankinter SA and Bankia SA.

With a view to avoid atypical movements in the indicator, the reference values used, both on the date immediately preceding the start of the Measurement Period (31 December 2014) and on the end date of the Measurement Period (31 December 2018), will be the arithmetic average price rounded to three decimal places of the closing prices of the shares in 31 stock market sessions. These 31 sessions will comprise the 31 December session and the 15 sessions immediately preceding and following this date.

The final position of CaixaBank in the TSR ranking is 11, whereby the TSR coefficient is 0.5.

As explained previously, due to the review of the Strategic Plan and of its objectives carried out by the Board of Directors on 1 February 2017, the ROTE and the Cost-to-Income Ratio objectives for 2017 and 2018 were modified, bringing them in line with that review.

ROTE: return on tangible equity during the Measurement Period. This formula does not include intangible assets or goodwill as part of the Company's equity.

A coefficient of between 0 and 1.2 will be used for the ROTE metric, based on the following scales:

1 January 2015 to 31 December 2016:

If the ROTE 2018 is > 14: ROTE coefficient = 1.2

If the 2018 ROTE is = 12: ROTE coefficient = 1

If the ROTE 2018 = 10: ROTE coefficient = 0.8

If the ROTE 2018 is < 10: ROTE coefficient = 0.

1 January 2017 to 31 December 2018:

If the ROTE 2018 is > 9: ROTE coefficient = 1.2

If the ROTE 2018 = 8: ROTE coefficient = 1

If the ROTE 2018 = 7: ROTE coefficient = 0.8

If the ROTE 2018 is < 7: ROTE coefficient = 0.

The degree of achievement of the incentive arising from the ROTE target will be calculated, following the above tables, by linear interpolation for each respective period.

In both cases, average ROTE will be calculated between 31 December 2017 and 31 December 2018, resulting in a value of 8.9%.

The degree of achievement of the ROTE target is 0 for the first period and 118% for the second, resulting in a total of 58.84%.

CIR: percentage of income consumed by costs. This is calculated as the percentage ratio between ordinary operating income and costs.

A coefficient of between 0 and 1.2 will be used for the CIR metric, based on the following scales:

1 January 2015 to 31 December 2016:

If the 2018 CIR is equal to or less than 43: CIR coefficient = 1.2.

If 2018 CIR = 45: CIR coefficient = 1.

If 2018 CIR = 47: CIR coefficient = 0.8.

If 2018 CIR > 47: CIR coefficient = 0.

1 January 2017 to 31 December 2018:

If the 2018 CIR is equal to or less than 53: CIR coefficient = 1.2.

If 2018 CIR = 55: CIR coefficient = 1.

If 2018 CIR = 57: CIR coefficient = 0.8.

If 2018 CIR > 57: CIR coefficient = 0.

The degree of achievement of the incentive arising from the CIR target will be calculated, following the above tables, by linear interpolation for each respective period.

In both cases for the CIR metric, the value at 31 December 2018 will be used, which was 52.9%.

The degree of achievement of the CIR metric is 0 for the first period and 120% for the second, resulting in a total of 60%.

The Degree of Fulfilment of the Incentive shall be determined with the following formula and its weightings:

$$DFI = CTSR \times 34\% + CROTE \times 33\% + CRE \times 33\% = 0.5 \times 34\% + 0.5884 \times 33\% + 0.6 \times 33\% = 56.22\%$$

Where:

DFI = Degree of fulfilment of the Incentive expressed as a percentage.

CTSR = the TSR coefficient, based on the scale for the TSR target.

CROTE = Coefficient reached with regard to the ROTE target, according to the scale established for the ROTE target.

CCIR = the CIR coefficient, based on the scale for the CIR target.

The TSR metric will be calculated by an independent and well-renowned expert at the end of the Plan, at the Bank's request.

The ROTE and CIR metrics are determined by the Company itself, and are subject to the corresponding financial statements audit of the Company.

- Requirements for obtaining shares

The requirements for the beneficiary to receive shares under the Plan are:

They must comply with the objectives set for them under the Plan, subject to the terms and conditions set out in the Plan regulations.

The beneficiary must remain part of the Company until the End Date of the Plan, except in special circumstances, such as death, permanent disability, retirement, and others as set out in the Plan regulations, which must be approved by the Company's Board of Directors. Therefore, the Beneficiary will forfeit their entitlement to shares under the Plan in the event of resignation or fair dismissal.

The shares will be delivered in all cases on the date established for Beneficiaries of the Plan, in accordance with the requirements and procedures laid out in the Plan.

The Plan will only be settled and the shares delivered if this is sustainable and justified given CaixaBank's situation and results.

The shares under this Plan will not be delivered to the beneficiaries - who will lose any right to receive them - in the event that CaixaBank makes a loss, does not distribute a dividend or does not pass the stress tests required by the European Banking Authority, in the year of the Plan End Date or Settlement Date.

- Scenarios of early settlement or amendment of the Plan

The Plan may be terminated ahead of schedule or modified in the event of change of control in the Company or in the light of events that, in the opinion of the Board of Directors, significantly impact the Plan.

Gonzalo Gortázar Rotaeché

Settlement and payment of the 2015-2018 Long-Term Incentive

As has been described, the final degree of fulfilment of the incentive is 56.22%.

Insofar that the target bonus of Gonzalo Gortázar is €800,000, we can determine the corresponding Number of Units:

$$NU = TA/AAP = 800,000 / 3,982 = 200,904 \text{ units}$$

Number of shares to deliver:

$$NS = NU \times DFI = 200,904 \times 56.22\% = 112,948 \text{ gross shares.}$$

In accordance with the remuneration policy in force in 2019, said variable remuneration will accrue as follows:

- 40% of the indicated shares, equivalent to 45,179 gross shares, will be paid to Gonzalo Gortázar in 2019, foreseeably during the month of May, as established in the Regulations of the Plan.
- 60% of the indicated shares, equivalent to 67,769 gross shares, will be deferred throughout a 5-year period, whereby a fifth of said amount will be received in 2020, 2021, 2022, 2023 and 2024.

During the first three years of the Long-Term Incentives Plan, section C.1.a) i) establishes an estimate of 100% of the target as long-term variable remuneration in cash to be paid on an annual pro-rata basis. This report maintains the information in the same section, multiplying the annual target amount by the degree of final achievement (€200,000 x 56.22%).

Tomás Muniesa Arantegui

Settlement and payment of the 2015-2018 Long-Term Incentive Plan (until 22 November 2018)

As has been described, the final degree of fulfilment of the incentive is 56.22%.

Insofar that the target bonus of Tomás Muniesa is €500,000 for the whole period, €486,806 on a pro-rata basis until 22 November, we can determine the corresponding Number of Units:

$NU = TA/AAP = 486,806 / 3,982 = 122,252$  units

Number of shares to deliver:

$NS = NU \times DFI = 122,252 \times 56.22\% = 68,730$  gross shares.

In accordance with the remuneration policy in force in 2019, said variable remuneration will accrue as follows:

- 40% of the indicated shares, equivalent to 27,492 gross shares, will be paid to Tomás Muniesa in 2019, foreseeably during the month of May.
- 60% of the indicated shares, equivalent to 41,238 gross shares, will be deferred throughout a 5-year period, whereby a fifth of said amount will be received in 2020, 2021, 2022, 2023 and 2024.

Section C.1.a) i) establishes the annual target amount on a pro-rata basis for the degree of final fulfilment (€111,806 x 56.22%) for the period from 1 May to 22 November, until a real valuation is made, which is when the definitive delivery takes place.

Jordi Gual Solé

Settlement of the 2015-2018 LTI for the period from 1 January 2015 to 15 September 2016.

As described in section B.3, the degree of final fulfilment of the incentive is 56.22%.

The number of target shares of Jordi Gual Solé was set at 10,726 units, the result of applying the corresponding pro-rata to the period accrued in his condition as Executive Director.

According to the foregoing, the number of shares to deliver is:

$NS = NU \times DFI = 10,726 \times 56.22\% = 6,031$  gross shares.

In accordance with the remuneration policy of the Identified Group in force in 2019, said variable remuneration will be accrued as follows:

- 50% of the indicated shares, equivalent to 3,016 gross shares, will be paid to Jordi Gual, in 2019, foreseeably during the month of May.
- The remaining 50% of the indicated shares, equivalent to 3,015 gross shares, will be deferred over a 3-year period, such that a third of said amount will be received in 2020, 2021, and 2022.

These amounts do not appear in section C because they have been accrued by Jordi Gual in carrying out his executive duties before he was appointed as Chairman of the Board.

**B.8** Indicate whether there has been any reduction or claims for the return of specific variable components, if any, in the first case when payment is vested or deferred, or in the second case vested and paid, based on data which was manifestly demonstrated as inaccurate at a later time. Describe the amounts reduced or returned due to the application of reduction or return (clawback) clauses, why they were applied and the fiscal years involved.

No reductions or claims for the return of variable components have been made, given that none of the situations included in the Remunerations Policy have arisen, described in section A.1. - Amount and type of variable components.

**B.9** Explain the principal characteristics of the long-term savings plans whose amount or annual equivalent cost appear in the tables in section C, including retirement and any other survivorship provision that is financed in whole or part by the company, whether endowed internally or externally, indicating the type of plan, whether it is a defined contribution or defined benefit plan, the situations that it covers and the conditions for vesting in any type of indemnification due to early cancellation or termination of the contractual relation between the company and the director.

Section A.1 on 'Main characteristics of the long-term savings schemes' includes a description of the main characteristics of the approved long-term savings schemes in the Remuneration Policy of the Board.

Contribution to the pension scheme of Gonzalo Gortázar Rotaache in 2018:

The approved contribution in 2018, for Gonzalo Gortázar, to the contributions policy defined for retirement, disability and death, is €330,000:

- 85% of this amount, €280,500, corresponds to fixed remuneration components.

- The remaining 15%, €49,500, has been taken as a target for the compulsory variable-base contribution. 109% of this amount (€53,955) has been contributed to the discretionary pension benefits policy.

Both amounts are specified in section C.1.a) iii) 'Long-term savings schemes' as saving schemes with non-vested economic rights in fiscal year t.

Section C.1.a) iv) 'Details of other concepts' describes the risk premium that covers the additional provision in the case of death or permanent total, absolute and severe disability, at €47,256.

Provisions to the pension scheme of Tomás Muniesa Arantegui in 2018:

The approved contribution in 2018, for Tomás Muniesa, to the contributions policy defined for retirement, disability and death, for the period from 1 May to 22 November 2018, is €57,769:

- 85% of this amount, €49,103, corresponds to fixed remuneration components.
- The remaining 15%, €8,665, has been taken as a target for the compulsory variable-base contribution. 100% of this amount (€8,665) has been contributed to the discretionary pension benefits policy.

Both amounts are specified in section C.1.a) iii) 'Long-term savings schemes' as saving schemes with vested economic rights in fiscal year t, and, at the time of retirement, the economic rights contributed are vested.

**B.10.** Explain, if applicable, the indemnifications or any other type of payment related to early cancellation, whether at the behest of the company or the director, or the termination of the contract under the terms provided therein, accrued and/or received by the directors during the closed fiscal year.

Section B.11 describes the conditions of the protocol for the termination of the executive functions of the current Deputy Chairman of the Board of Directors, Tomás Muniesa.

Approved in his service provision contract for his executive duties, no payment is applicable as indemnification in the case of termination of the Services Contract.

Given that Tomás Muniesa continues to perform the role of non-executive deputy chairman, the obligation of post-contractual non-competition established in his contract will not be applicable, given that the duties of loyalty for administrators established in the LSC are still applicable, as well as those of the CaixaBank directors' charter.

**B.11.** Indicate whether any significant modifications were made to the contracts of those individuals that held senior management positions as executive directors, and if so, explain them. Also, explain the principal conditions of the new contracts signed with executive directors during the fiscal year, unless they have already been explained in section A.1.

Section A.1 details the conditions that must be respected in the contracts of Executive Directors, as well as the characteristics of Gonzalo Gortázar's contract.

Contract conditions of Tomás Muniesa Arantegui for his executive duties:

- General aspects

The service provision contract related to executive functions entered into with Tomás Muniesa is of a commercial nature with an indefinite duration; it contains a clear description of the duties and responsibilities and the duty to exclusively devote his attention to CaixaBank, in the terms described in section A.1. It also contains clauses regarding compliance with duties, confidentiality and liability coverage in accordance with the indications of section A.1. The contract does not contain any seniority agreements.

The contract contains provisions to be integrated in the Remuneration Policy and any amendments thereto, as well as possible adaptations to any future regulatory requirements.

- Post-contractual non-competition agreement.

The contract contains a post-contractual non-competition agreement of one year from termination, which encompasses any direct or indirect activity within the financial sector.

The amount for the non-competition agreement is established as one year of the fixed components of his remuneration, and it shall be reduced by any sums received from Companies in the Group or at which he represents CaixaBank by way of compensation for post-contractual non-competition obligations.

Compensation shall be paid in twelve equal monthly instalments, the first of which shall be payable at the end of the calendar month in which the Service Contract is terminated, with the remaining eleven instalments payable at the end of each of the eleven calendar months following.

Should Tomás Muniesa breach the post-contractual non-competition agreement, he shall pay CaixaBank an amount equivalent to one year of his fixed remuneration.

- Termination of the contract.

Notwithstanding compensation due to the non-competition agreement, Tomás Muniesa shall not be entitled to compensation in the event of dismissal and termination of the Service Contract.

Tomás Muniesa declares his intent to terminate his executive functions in the group during the financial year, with the declared intention to retire, maintaining his condition of Deputy Chairman of the Board of Directors.

Termination protocol of the Service Provision Contract relative to Tomás Muniesa's executive functions

- The termination protocol was signed with an Effective Date of 22 November 2018.
- Tomás Muniesa also resigned from the position of CEO of VidaCaixa, along with all other positions and duties performed in any companies of any legal nature in the CaixaBank Group, or other entities in representation of CaixaBank, with the exception of the following:

- i) Non-executive Deputy Chairman of the Board of Directors of CaixaBank

- ii) Non-executive Deputy Chairman of the Board of Directors of VidaCaixa

- iii) Proprietary Deputy Chairman and member of the Investments Committee of SegurCaixa Adeslas.

- Following the termination of the Service Contract, the provisions thereof whose effects take place beyond the Effective Date will subsist; in particular, and without limitations, the provisions exposed in the clauses on Confidentiality, Data protection,

Notifications, Incorporation of the Service Contract in the Remuneration Policy, Adaptation to applicable standards, applicable legislation and competent jurisdiction will subsist.

- No payment will be received under the concept of annual variable remuneration for 2018, given the condition of not being active on 31 December 2018 has not been met.
- 2015-2018 Long-Term Incentive
  - i) With respect to Tomás Muniesa's participation in the LTI, the provisions of section 9 of its Regulations will be applicable for cases in which the beneficiary can receive shares despite having terminated their relationship with the Company by mutual agreement.
  - ii) As a result, the shares to be delivered are calculated in proportion to the time period of the service provisions, from the start date of the LTI to the Effective Date, according to the formula established in section 9 of the LTI Regulations.
  - iii) In accordance with the above, the target amount on a pro-rata basis up to the Effective Date is €486,806, and a target conversion price of €3,982 per share corresponds to a pro-rata target of 122,252 shares in CaixaBank.
  - iv) The shares will be delivered in all cases on the date established for Beneficiaries of the LTI, in accordance with the requirements and procedures laid out in therein.
- The termination of the Service Contract will not have any effects on the gross cash amounts or deferred shares derived from the variable remuneration, corresponding to fiscal years before 2018, which, if applicable, will be satisfied according to the provisions of the Board Remuneration Policy. All shares delivered in compensation for deferred variable remuneration will have a one-year sales restriction following their receipt, which Tomás Muniesa is obliged to respect.

Due to limited space, this information is continued in Section D.1 of this report.

#### **B.12 Explain any supplementary remuneration accrued by directors as compensation for services provided other than those inherent to their post.**

As described in section A.1, CaixaBank's Remuneration Policy does not contemplate additional remuneration as compensation for services rendered other than those inherent to the positions concerned.

#### **B.13 Explain any remuneration derived from the concession of advance payments, loans or guarantees, specifying the interest rate, their essential characteristics and the amounts returned and any obligations undertaken on their behalf by way of a guarantee.**

At present the Entity does not contemplate offering Directors financial assistance as remuneration.

#### **B.14 Provide details on the remuneration in kind accrued by the directors during the fiscal year, briefly explaining the nature of the different salary components.**

Remuneration in kind accrued by Gonzalo Gortázar:

Medical insurance for Gonzalo Gortázar and his spouse, and his children under the age of 25. Section C.1.a) iv) 'Details of other items' allocates €5,408 to the first premium of 2018.

As described in section A.1 'Remuneration in kind', Executive Directors may receive remuneration in kind following the standards that CaixaBank establishes at any time for the professional segment they are in. In 2018, Gonzalo Gortázar received the optional benefit of a medical check-up, which forms part of the benefits package of managers of the Company. The allocation in kind of said review amounts to €2,367, specified in section C.1.a) iv) 'Details of other items'.

Remuneration in kind accrued by Tomás Muniesa:

Health insurance for Tomás Muniesa and his spouse, and children under the age of 25. Section C.1.a) iv) 'Details of other items' allocates €1,262 to the first premium for the period 1 May to 22 November 2018.

#### **B.15 Explain the remuneration accrued by the director by virtue of payments made by the listed company to a third-party company in which the director provides services, when the purpose of said payments is to remunerate this director's services in the company.**

There is currently no remuneration to be accrued by directors by virtue of payments made by the company to a third-party company in which a director provides services, when the purpose of said payments is to remunerate this director's services in the company. Any payments of this nature that could arise in the future must be consistent with the provisions of the LOSS and the Remuneration Policy.

**B.16.** Explain any other remuneration item other than those indicated above, whatever its nature or the Group company paying it, especially if treated as a related party transaction or if its payment could distort the true and fair image of the total remuneration earned by directors.

Remuneration for holding positions in group companies or in other companies in representation of CaixaBank during 2018:

Jordi Gual Solé

- Director in Erste Group Bank: €44,844
- Director in Repsol, S.A.: €161,878
- Director in Telefónica, S.A.: €146,533

Javier Ibarz Alegría

- Director in VidaCaixa: €73,125

Juan Rosell Lastortras

- Director in VidaCaixa: €67,500

Deferred payment of variable remuneration

Executive Directors shall receive deferred payment of variable remuneration as described in section A.1. 'Amount and type of variable components'.

For 2018, these payments were as follows:

- Gonzalo Gortázar Rotaèche: €397
- Tomás Muniesa Arantegui: €86

These amounts are allocated in section C.1.a) I) 'Other concepts'.

**C. STATE THE INDIVIDUAL REMUNERATION CORRESPONDING TO EACH OF THE DIRECTORS**

Name	Type	Accrual period 2018 fiscal year
JORDI GUAL SOLE	Proprietary chairman	From 01/01/2018 to 31/12/2018
TOMÁS MUNIESA ARANTEGUI	Proprietary deputy chairman	From 01/05/2018 to 31/12/2018
GONZALO GORTÁZAR ROTAECHE	CEO	From 01/01/2018 to 31/12/2018
FRANCESC XAVIER VIVES TORRENTS	Independent Director	From 01/01/2018 to 31/12/2018
CAJA CANARIAS FOUNDATION	Proprietary Director	From 01/01/2018 to 31/12/2018
MARÍA TERESA BASSONS BONCOMPTE	Proprietary Director	From 01/01/2018 to 31/12/2018
MARÍA VERÓNICA FISAS VERGES	Independent Director	From 01/01/2018 to 31/12/2018
ALEJANDRO GARCÍA-BRAGADO DALMAU	Proprietary Director	From 01/01/2018 to 31/12/2018
IGNACIO GARRALDA RUIZ DE VELASCO	Proprietary Director	From 01/01/2018 to 31/12/2018
JAVIER IBARZ ALEGRÍA	Proprietary Director	From 01/01/2018 to 31/12/2018
ALAIN MINC	Independent Director	From 01/01/2018 to 31/12/2018
MARÍA AMPARO MORALEDA MARTÍNEZ	Independent Director	From 01/01/2018 to 31/12/2018
JOHN S. REED	Independent Director	From 01/01/2018 to 31/12/2018
ANTONIO SAINZ DE VICUÑA BARROSO	Independent Director	From 01/01/2018 to 31/12/2018
EDUARDO JAVIER SANCHIZ IRAZU	Independent Director	From 01/01/2018 to 31/12/2018
JOSÉ SERNA MASIÁ	Proprietary Director	From 01/01/2018 to 31/12/2018
KORO USARRAGA UNSAIN	Independent Director	From 01/01/2018 to 31/12/2018
JUAN ROSELL LASTORTRAS	Independent Director	From 01/01/2018 to 31/12/2018



C.1. Complete the following tables regarding the individual remuneration accrued by each director (including remuneration received for the performance of executive functions) during the year.

a) Remunerations at the reporting company:

i) Remuneration in cash (in thousands of €)

Name	Non-variable remuneration	Attendance fees	Remuneration for membership on board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Termination benefits	Other concepts	Total 2018 fiscal year	Total 2017 fiscal year
JORDI GUAL SOLE	1,090		60						1,150	1,150
TOMÁS MUNIESA ARANTEGUI	61		34	395		39			529	
GONZALO GORTÁZAR ROTAECHÉ	90		50	1,306	392	112			1,950	1,756
FRANCESC XAVIER VIVES TORRENTS	128		50						178	157
CAJA CANARIAS FOUNDATION	90		46						136	74
MARÍA TERESA BASSONS BONCOMPTE	90		33						123	143
MARÍA VERÓNICA FISAS VERGES	90		50						140	111
ALEJANDRO GARCÍA-BRAGADO DALMAU	90		28						118	90
IGNACIO GARRALDA RUIZ DE VELASCO	90		46						136	55
JAVIER IBARZ ALEGRÍA	90		54						144	190
ALAIN MINC	90		90						180	180
MARÍA AMPARO MORALEDA MARTÍNEZ	90		93						183	256
JOHN S. REED	90		33						123	90
ANTONIO SAINZ DE VICUÑA BARROSO	90		113						203	236
EDUARDO JAVIER SANCHIZ IRAZU	90		92						182	25
JOSÉ SERNA MASIÁ	90		50						140	129
KORO USARRAGA UNSAIN	90		96						186	140
JUAN ROSELL LASTORTRAS	90		32						122	140

Comments

ii) Breakdown of movements of the share-based remuneration systems and gross profit of the consolidated shares or financial instruments.

Name	Name of the plan	Financial instruments at the start of 2018		Financial instruments granted during 2018		Consolidated financial instruments in the fiscal year				Instruments expired and non-exercised instruments	Financial instruments at the end of 2018	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent /consolidated shares	Price of the consolidated shares	Gross profit of the shares or consolidated financial instruments (€ thousand)	No. of instruments	No. of instruments	No. of equivalent shares
JORDI GUAL SOLE	Plan							0.00				
TOMÁS MUNIESA ARANTEGU I	Plan							0.00				
GONZALO GORTÁZAR ROTAECHE	Annual variable remuneration 2018						130,110	3.01	392			
FRANCESC XAVIER VIVES TORRENTS	Plan							0.00				
CAJA CANARIAS FOUNDATION	Plan							0.00				
MARÍA TERESA BASSONS BONCOMPTE	Plan							0.00				
MARÍA VERÓNICA FISAS VERGES	Plan							0.00				

Name	Name of the plan	Financial instruments at the start of 2018		Financial instruments granted during 2018		Consolidated financial instruments in the fiscal year				Instruments expired and non-exercised instruments	Financial instruments at the end of 2018	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent /consolidated shares	Price of the consolidated shares	Gross profit of the shares or consolidated financial instruments (€ thousand)	No. of instruments	No. of instruments	No. of equivalent shares
ALEJANDRO GARCÍA-BRAGADO DALMAU	Plan							0.00				
IGNACIO GARRALDA RUIZ DE VELASCO	Plan							0.00				
JAVIER IBARZ ALEGRÍA	Plan							0.00				
ALAIN MINC	Plan							0.00				
MARÍA AMPARO MORALEDA MARTÍNEZ	Plan							0.00				
JOHN S. REED	Plan							0.00				
ANTONIO SAINZ DE VICUÑA BARROSO	Plan							0.00				
EDUARDO JAVIER SANCHIZ IRAZU	Plan							0.00				
JOSÉ SERNA MASÍA	Plan							0.00				
KORO USARRAGA UNSAIN	Plan							0.00				
JUAN ROSELL LASTORTRAS	Plan							0.00				

Comments

iii) Long-term saving schemes.

Name	Remuneration for the vesting of rights to saving schemes
JORDI GUAL SOLE	
TOMÁS MUNIESA ARANTEGUI	58
GONZALO GORTÁZAR ROTAECHE	
FRANCESC XAVIER VIVES TORRENTS	
CAJA CANARIAS FOUNDATION	
MARÍA TERESA BASSONS BONCOMPTE	
MARÍA VERÓNICA FISAS VERGES	
ALEJANDRO GARCÍA-BRAGADO DALMAU	
IGNACIO GARRALDA RUIZ DE VELASCO	
JAVIER IBARZ ALEGRÍA	
ALAIN MINC	
MARÍA AMPARO MORALEDA MARTÍNEZ	
JOHN S. REED	
ANTONIO SAINZ DE VICUÑA BARROSO	
EDUARDO JAVIER SANCHIZ IRAZU	
JOSÉ SERNA MASÍA	

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Name	Remuneration for the vesting of rights to saving schemes
KORO USARRAGA UNSAIN JUAN ROSELL LASTORTRAS	

Name	Contribution by the company in the year (EUR thousands)				Cumulative amount of funds (EUR thousand)			
	Saving schemes with vested economic rights		Saving schemes with non-vested economic rights		Saving schemes with vested economic rights		Saving schemes with non-vested economic rights	
	2018	2017	2018	2017	2018	2017	2018	2017
JORDI GUAL SOLE					250	250		
TOMÁS MUNIESA ARANTEGUI	58			100	1,001	17,091		27
GONZALO GORTÁZAR ROTAECHE			335	255	2,174	2,248	1,123	778
FRANCESC XAVIER VIVES TORRENTS								
CAJA CANARIAS FOUNDATION								
MARÍA TERESA BASSONS BONCOMPTE								
MARÍA VERÓNICA FISAS VERGES								
ALEJANDRO GARCÍA-BRAGADO DALMAU								
IGNACIO GARRALDA RUIZ DE VELASCO								

Name	Contribution by the company in the year (EUR thousands)				Cumulative amount of funds (EUR thousand)			
	Saving schemes with vested economic rights		Saving schemes with non-vested economic rights		Saving schemes with vested economic rights		Saving schemes with non-vested economic rights	
	2018	2017	2018	2017	2018	2017	2018	2017
JAVIER IBARZ ALEGRÍA								
ALAIN MINC								
MARÍA AMPARO MORALEDA MARTÍNEZ								
JOHN S. REED								
ANTONIO SAINZ DE VICUÑA BARROSO								
EDUARDO JAVIER SANCHIZ IRAZU								
JOSÉ SERNA MASIÁ								
KORO USARRAGA UNSAIN								
JUAN ROSELL LASTORTRAS								

Comments

iv) Details of other items

Name	Item	Remuneration amount
JORDI GUAL SOLE	Item	
TOMÁS MUNIESA ARANTEGUI	Item	
TOMÁS MUNIESA ARANTEGUI	Health Insurance Premium	1
GONZALO GORTÁZAR ROTAECHE	Life insurance risk premium	47
GONZALO GORTÁZAR ROTAECHE	Health Insurance Premium	6
GONZALO GORTÁZAR ROTAECHE	Medical Check-up	2
FRANCESC XAVIER VIVES TORRENTS	Item	
CAJA CANARIAS FOUNDATION	Item	
MARÍA TERESA BASSONS BONCOMPTE	Item	
MARÍA VERÓNICA FISAS VERGES	Item	
ALEJANDRO GARCÍA-BRAGADO DALMAU	Item	
IGNACIO GARRALDA RUIZ DE VELASCO	Item	
JAVIER IBARZ ALEGRÍA	Item	
ALAIN MINC	Item	
MARÍA AMPARO MORALEDA MARTÍNEZ	Item	
JOHN S. REED	Item	
ANTONIO SAINZ DE VICUÑA BARROSO	Item	
EDUARDO JAVIER SANCHIZ IRAZU	Item	
JOSÉ SERNA MASÍA	Item	
KORO USARRAGA UNSAIN	Item	



Name	Item	Remuneration amount
JUAN ROSELL LASTORTRAS		

Comments

b) Remuneration to company directors for their participation on boards of other group companies:

i) Remuneration in cash (in thousands of €)

Name	Non-variable remuneration	Attendance fees	Remuneration for membership on board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Termination benefits	Other concepts	Total 2018 fiscal year	Total 2017 fiscal year
JORDI GUAL SOLE										
TOMÁS MUNIESA ARANTEGUI	433								433	
GONZALO GORTÁZAR ROTAECHE	565								565	520
FRANCESC XAVIER VIVES TORRENTS										
CAJA CANARIAS FOUNDATION										
MARÍA TERESA BASSONS BONCOMPTE										
MARÍA VERÓNICA FISAS VERGES										
ALEJANDRO GARCÍA-BRAGADO DALMAU										
IGNACIO GARRALDA RUIZ DE VELASCO										
JAVIER IBARZ ALEGRÍA	73								73	90
ALAIN MINC										

Name	Non-variable remuneration	Attendance fees	Remuneration for membership on board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Termination benefits	Other concepts	Total 2018 fiscal year	Total 2017 fiscal year
MARÍA AMPARO MORALEDA MARTÍNEZ										
JOHN S. REED										
ANTONIO SAINZ DE VICUÑA BARROSO										
EDUARDO JAVIER SANCHIZ IRAZU										
JOSÉ SERNA MASÍA										
KORO USARRAGA UNSAIN										
JUAN ROSELL LASTORTRAS	68								68	90

Comments

ii) Breakdown of movements of the share-based remuneration systems and gross profit of the consolidated shares or financial instruments.

Name	Name of the plan	Financial instruments at the start of 2018		Financial instruments granted during 2018		Consolidated financial instruments in the fiscal year				Instruments expired and non-exercised instruments	Financial instruments at the end of 2018	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent /consolidated shares	Price of the consolidated shares	Gross profit of the shares or consolidated financial instruments (€ thousand)	No. of instruments	No. of instruments	No. of equivalent shares
JORDI GUAL SOLE	Plan							0.00				
TOMÁS MUNIESA ARANTEGU	Plan							0.00				
GONZALO GORTÁZAR ROTAECHE	Plan							0.00				
FRANCESC XAVIER VIVES TORRENTS	Plan							0.00				
CAJA CANARIAS FOUNDATION	Plan							0.00				
MARÍA TERESA BASSONS BONCOMPTE	Plan							0.00				

Name	Name of the plan	Financial instruments at the start of 2018		Financial instruments granted during 2018		Consolidated financial instruments in the fiscal year				Instruments expired and non-exercised instruments	Financial instruments at the end of 2018	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent /consolidated shares	Price of the consolidated shares	Gross profit of the shares or consolidated financial instruments (€ thousand)	No. of instruments	No. of instruments	No. of equivalent shares
MARÍA VERÓNICA FISAS VERGES	Plan							0.00				
ALEJANDRO GARCÍA-BRAGADO DALMAU	Plan							0.00				
IGNACIO GARRALDA RUIZ DE VELASCO	Plan							0.00				
JAVIER IBARZ ALEGRÍA	Plan							0.00				
ALAIN MINC	Plan							0.00				
MARÍA AMPARO MORALEDA MARTÍNEZ	Plan							0.00				
JOHN S. REED	Plan							0.00				

Name	Name of the plan	Financial instruments at the start of 2018		Financial instruments granted during 2018		Consolidated financial instruments in the fiscal year				Instruments expired and non-exercised instruments	Financial instruments at the end of 2018	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent /consolidated shares	Price of the consolidated shares	Gross profit of the shares or consolidated financial instruments (€ thousand)		No. of instruments	No. of equivalent shares
ANTONIO SAINZ DE VICUÑA BARROSO	Plan							0.00				
EDUARDO JAVIER SANCHIZ IRAZU	Plan							0.00				
JOSÉ SERNA MASIÁ	Plan							0.00				
KORO USARRAGA UNSAIN	Plan							0.00				
JUAN ROSELL LASTORTRAS	Plan							0.00				

Comments

iv) Long-term saving schemes.

Name	Remuneration for the vesting of rights to saving schemes
JORDI GUAL SOLE	
TOMÁS MUNIESA ARANTEGUI	
GONZALO GORTÁZAR ROTAECHÉ	
FRANCESC XAVIER VIVES TORRENTS	
CAJA CANARIAS FOUNDATION	
MARÍA TERESA BASSONS BONCOMPTE	
MARÍA VERÓNICA FISAS VERGES	
ALEJANDRO GARCÍA-BRAGADO DALMAU	
IGNACIO GARRALDA RUIZ DE VELASCO	
JAVIER IBARZ ALEGRÍA	
ALAIN MINC	
MARÍA AMPARO MORALEDA MARTÍNEZ	
JOHN S. REED	
ANTONIO SAINZ DE VICUÑA BARROSO	
EDUARDO JAVIER SANCHIZ IRAZU	
JOSÉ SERNA MASIÁ	
KORO USARRAGA UNSAIN	
JUAN ROSELL LASTORTRAS	

Name	Contribution by the company in the year (EUR thousands)				Cumulative amount of funds (EUR thousand)			
	Saving schemes with vested economic rights		Saving schemes with non-vested economic rights		Saving schemes with vested economic rights		Saving schemes with non-vested economic rights	
	2018	2017	2018	2017	2018	2017	2018	2017
JORDI GUAL SOLE								
TOMÁS MUNIESA ARANTEGUI								
GONZALO GORTÁZAR ROTAECHE								
FRANCESC XAVIER VIVES TORRENTS								
CAJA CANARIAS FOUNDATION								
MARÍA TERESA BASSONS BONCOMPTE								
MARÍA VERÓNICA FISAS VERGES								
ALEJANDRO GARCÍA- BRAGADO DALMAU								
IGNACIO GARRALDA RUIZ DE VELASCO								
JAVIER IBARZ ALEGRÍA								
ALAIN MINC								
MARÍA AMPARO MORALEDA MARTÍNEZ								
JOHN S. REED								

Name	Contribution by the company in the year (EUR thousands)				Cumulative amount of funds (EUR thousand)			
	Saving schemes with vested economic rights		Saving schemes with non-vested economic rights		Saving schemes with vested economic rights		Saving schemes with non-vested economic rights	
	2018	2017	2018	2017	2018	2017	2018	2017
ANTONIO SAINZ DE VICUÑA BARROSO								
EDUARDO JAVIER SANCHIZ IRAZU								
JOSÉ SERNA MASIÁ								
KORO USARRAGA UNSAIN								
JUAN ROSELL LASTORTAS								

Comments
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iv) Details of other items

Name	Item	Remuneration amount
JORDI GUAL SOLE	Item	
TOMÁS MUNIESA ARANTEGUI	Item	
GONZALO GORTÁZAR ROTAECHE	Item	
FRANCESC XAVIER VIVES TORRENTS	Item	



Name	Item	Remuneration amount
CAJA CANARIAS FOUNDATION	Item	
MARÍA TERESA BASSONS BONCOMPTE	Item	
MARÍA VERÓNICA FISAS VERGES	Item	
ALEJANDRO GARCÍA-BRAGADO DALMAU	Item	
IGNACIO GARRALDA RUIZ DE VELASCO	Item	
JAVIER IBARZ ALEGRÍA	Item	
ALAIN MINC	Item	
MARÍA AMPARO MORALEDA MARTÍNEZ	Item	
JOHN S. REED	Item	
ANTONIO SAINZ DE VICUÑA BARROSO	Item	
EDUARDO JAVIER SANCHIZ IRAZU	Item	
JOSÉ SERNA MASÍA	Item	
KORO USARRAGA UNSAIN	Item	
JUAN ROSELL LASTORTRAS	Item	

Comments

c) Summary of remuneration (in thousands of EUR):

The summary should include amounts for all remuneration components referred to in this report accrued by the Director, in thousands of euros.

Name	Remuneration accrued in the company					Remuneration accrued in group companies				
	Total Remuneration in cash	Gross profit from shares or consolidated financial instruments	Remuneration through savings schemes	Remuneration for other concepts	2018 fiscal year company total	Total Remuneration in cash	Gross profit from shares or consolidated financial instruments	Remuneration through savings schemes	Remuneration for other concepts	2018 fiscal year group total
JORDI GUAL SOLE	1,150				1,150					
TOMÁS MUNIESA ARANTEGUI	529		58	1	588	433				433
GONZALO GORTÁZAR ROTAECHE	1,950	392		55	2,397	565				565
FRANCESC XAVIER VIVES TORRENTS	178				178					
CAJA CANARIAS FOUNDATION	136				136					
MARÍA TERESA BASSONS BONCOMPTE	123				123					
MARÍA VERÓNICA FISAS VERGES	140				140					
ALEJANDRO GARCÍA-BRAGADO DALMAU	118				118					
IGNACIO GARRALDA RUIZ DE VELASCO	136				136					
JAVIER IBARZ ALEGRÍA	144				144	73				73
ALAIN MINC	180				180					
MARÍA AMPARO MORALED A MARTÍNEZ	183				183					
JOHN S. REED	123				123					
ANTONIO SAINZ DE VICUÑA BARROSO	203				203					
EDUARDO JAVIER SANCHIZ IRAZU	182				182					

Name	Remuneration accrued in the company					Remuneration accrued in group companies				
	Total Remuneration in cash	Gross profit from shares or consolidated financial instruments	Remuneration through savings schemes	Remuneration for other concepts	2018 fiscal year company total	Total Remuneration in cash	Gross profit from shares or consolidated financial instruments	Remuneration through savings schemes	Remuneration for other concepts	2018 fiscal year group total
JOSÉ SERNA MASIÁ	140				140					
KORO USARRAGA UNSAIN	186				186					
JUAN ROSELL LASTORTRAS	122				122	68				68
<b>TOTAL</b>	<b>5,923</b>	<b>392</b>	<b>58</b>	<b>56</b>	<b>6,429</b>	<b>1,139</b>				<b>1,139</b>

Comments

## D. OTHER USEFUL INFORMATION

If you consider that there is any material aspect of directors' remuneration that has not been addressed in the other sections of this report but which is necessary to provide a fuller and more reasoned view of the company's director remuneration practices, explain briefly.

Continued in Section A.1 Point 3

The current distribution among the members, agreed upon by the Board of Directors, is as follows:

- I. €90,000 annually for each member of the Board of Directors.
- II. €30,000 extra annually for each member of the Appointment Committee or Remuneration Committee.
- III. €50,000 extra annually for each member of the Executive Committee, the Audit and Control Committee or the Risk Committee, due to the responsibility and dedication required.
- IV. €1,000,000 extra annually for the Chairman of the Board of Directors.
- V. The remuneration of the Chairman of the Board of Directors' Committees will always be 20% higher than that of the other members.
- VI. The Coordinating Director receives remuneration of €38,000 per year.

The remuneration of the coordinating Director was approved by the Board of Directors on 23 November 2017, within the overall limit approved by the Annual General Meeting.

The maximum amount mentioned above will remain invariable in future years, until the General Shareholders Meeting agrees on a new figure. Furthermore, the internal distribution between Directors will not change unless the Board of Directors approves a different one, which may make use of the competences attributed by the LSC and the Articles of Association.

CaixaBank, as one of Spain's leading credit institutions, was and still is the entity where Non-executive Directors are paid the least. With respect to directors in their condition as such (i.e. without taking into account remuneration for the executive duties of Executive Directors), their remuneration in the coming years will be adapted to the system defined at any time in the Articles of Association, and to the maximum amount of remuneration established by the AGM. As a result, the current remuneration policy will be understood as modified with respect to the maximum amount of remuneration for Directors in their condition as such, inasmuch that the Annual General Meeting agrees on a different maximum figure to that established in the AGM of 2017.

Any future proposals for remuneration based on Bylaws systems must be approved pursuant to the precepts of the Corporate Enterprises Act and the Bylaws, and share-based payments shall require the approval of the CaixaBank General Meeting.

Continued in Section A.1 Point 6

### - Plan Metrics

The Degree of Fulfilment of the Provisional Incentive and, therefore, the specific number of CaixaBank shares corresponding to the Granting of the Provisional Incentive for each Beneficiary, on each of the Grant Dates in each cycle of the Plan, will depend on the degree of fulfilment of a series of objectives during the First Measurement Period of each of the Plan's cycles, related to the following Company metrics: (I) the evolution of the Core Efficiency Ratio (CER), (ii) the evolution of the Return on Tangible Equity (ROTE), and (iii) the evolution of the Customer Experience Index (CEI).

The Degree of Fulfilment of the Provisional Incentive will be determined according to the following formula, with the weightings included therein:  $DIF = CCER \times 40\% + CROTE \times 40\% + CCEI \times 20\%$

Where:

DIF = Degree of Fulfilment of the Provisional Incentive expressed as a percentage rounded to one decimal place.

CCER = Coefficient achieved in relation to the CER objective, according to the scale established for the CER objective in this section.

CROTE = Coefficient achieved in relation to the ROTE objective, according to the scale established for the ROTE objective under this Section. CCEI = Coefficient achieved in relation to the CEI objective, according to the scale established for the CEI objective under this section.

For the three metrics, CER, ROTE and CEI, a coefficient of between 0% and 120% will be established according to the scale of fulfilment of the objectives related to each of said measures. The objectives reached in relation to the three metrics will be determined by the Company itself.

A condition of the Granting of the Provisional Incentive will be that, in each of the Plan's cycles, on the end of the First Measurement Period of each, the ROTE metric exceeds a specific minimum value, which the Board of Directors will establish for each of the Plan's cycles.

The metrics for calculating the Ex-post Adjustment will be: (I) the CaixaBank Risk Appetite Framework (RAF), (ii) the Total Shareholder Return (TSR) of the Company's shares, and (iii) the Global Reputation Index of the CaixaBank Group ('GRI').

The Ex-post Adjustment will be calculated according to the objectives reached in relation to each of said metrics upon the end of each cycle of the Plan, in accordance with the formula indicated below, with the weightings included therein:

Adj. Ex-post = CRAF x 60% + CTSR x 30% + CGRI x 10%

Where:

Adj. Ex-Post = Ex-post adjustment to apply to the Provisional Incentive granted during each of the Plan's cycles, expressed as a percentage, with a maximum potential of 100%.

CRAF = Coefficient achieved in relation to the RAF objective, according to the scale established for the RAF objective in this section. CTSR = Coefficient achieved in relation to the TSR objective, based on the scale established for the TSR target in this section. CGRI = Coefficient achieved in relation to the GRI objective, according to the scale established for the GRI objective in this section. To calculate the fulfilment of the objective related to the RAF metric, an aggregate level of the scorecard of the Company's Risk Appetite Framework is used. This scorecard is formed of quantitative metrics that measure the different types of risk, and the Board of Directors establishes areas of appetite (green), tolerance (amber) or non-compliance (red), and determines the scale of fulfilment that establishes penalisation or bonus percentages according to the variation on each metric, between the situation of the RAF item at the start and end of the period.

In relation to the Company's TSR evolution in each of the Plan's cycles, this will be calculated by comparing the same indicator for another nineteen (19) calculable reference banks (twenty (20) banks in total including CaixaBank). A coefficient between 0 and 1 will be established according to CaixaBank's ranking among the twenty (20) comparable banks. For anything beneath the median of the comparison group, the coefficient will be 0.

To determine the TSR, and with a view to avoid atypical movements in the indicator, the reference values will take into consideration the average mean price rounded to three decimal places of the shares' closing prices over 31 calendar days, both on the start and end date of the Second Measurement Period on each cycle. As well as 31 December, these 31 days will include the 15 days preceding and following the date in question.

The TSR metric will be calculated at the end of each of the Plan's cycles by a renowned independent expert, at the request of the Company.

The fulfilment of the GRI as an Ex-post Adjustment will be calculated on the basis of the variation of this metric in each of the Plan's cycles. For the first cycle of the Plan, the evolution between the value calculated at the end of 31 December 2018 and that of 31 December 2021 will be measured; for the second cycle, the evolution between 31 December 2019 and 31 December 2022 will be calculated; and for the third cycle, the evolution between 31 December 2020 and 31 December 2023 will be measured. If the variation is negative, i.e. if the reputation indicator goes down, the degree of fulfilment will be 0%. Otherwise it will be 100%. The GRI indicator includes indicators related to CaixaBank's reputation risk, which, among other things, measures social, environmental and climate-change-related aspects, whereby any negative impact related to any of these issues would entail an adjustment to the total number of shares of the Final Incentive.

The Ex-post Adjustment could make the number of final shares to deliver lower, but never higher, than the number of shares corresponding to the Provisional Incentive on each of the Grant Dates.

As well as the foregoing, if, on the end date of each of the Plan's cycles, the CaixaBank TSR ranks between sixteen (16) and twenty (20) (both inclusive) out of the twenty (20) banks comparable to the Company, the Final Incentive that may have resulted from the application of Ex-post Adjustments referred to in this section would be reduced by 50%.

Exceptionally, and only to determine the shares corresponding to the Granting of the Provisional Incentive on the Grant Date of the third cycle of the Plan, an additional multiplying coefficient will be included, which can be up to 1.6, and which will be applied to the GCI, and which will depend on the evolution of the CaixaBank TSR indicator in comparison to the same indicator for the twenty (20) comparable banks during the first cycle of the Plan. Nevertheless, if CaixaBank ranks below the median among the aforementioned twenty (20) banks at the end of the first cycle of the Plan, no additional multiplying factor on the GCI will be applied.

- Requirements for obtaining shares

The requirements for the beneficiary to receive shares derived from each of the Plan's cycles are:

(i) They must comply with the objectives set for them under the Plan, subject to the terms and conditions set out in the Plan regulations.

(ii) The beneficiary must remain part of the Company until the Settlement Dates corresponding to each of the Plan's cycles, except in special circumstances, such as death, permanent disability, retirement, and others as set out in the Plan regulations. In the event of voluntary resignation or lawful dismissal, the Beneficiary will forfeit their entitlement to shares under the Plan, notwithstanding the provisions of the Plan regulations. The shares will be delivered in all cases on the dates established for Beneficiaries of the Plan, in accordance with the requirements and procedures laid out in the Plan.

The Plan will only be settled and the shares delivered if this is sustainable and justified given CaixaBank's situation and results. The shares under this Plan established for each of the Settlement Dates will not be delivered to the beneficiaries - who will lose any right to receive them - in the event that CaixaBank makes a loss, does not distribute dividends or does not pass the stress tests required by the European Banking Authority at the end of the 2019-2021 Strategic Plan, i.e. at the end of the 2021 fiscal year.

c) Special cases of restriction, reduction and recovery of variable remuneration:

- Special cases of restriction

Variable remuneration would be subject to a reduction if, when assessing performance, a requirement or recommendation was in place by the competent authority for CaixaBank to restrict its dividend distribution policy, or if this was required by the competent authority through the use of powers attributed to it by regulations, all by virtue of the provisions of RD 84/2015 and Circular 2/2016.

- Cases of reduction:

Pursuant to the LOSS, the amounts of variable remuneration paid to executive directors shall be totally or partially reduced, including the amounts pending payment, whether cash or share-based payments, in the event of a poor financial performance by CaixaBank overall or by one of its divisions or areas, or because of any material exposure generated. In this regard, CaixaBank must compare the assessed performance with the subsequent performance of the variables that helped meet the targets.

The scenarios entailing deductions from variable remuneration are as follows:

- Material failures in risk management committed by CaixaBank, or by a business unit or risk control unit, including any qualified opinions in the external auditor's report or circumstances that would impair the financial parameters used as a basis to calculate the variable remuneration.

- An increase in capital requirements for CaixaBank or one of its business units that was not envisaged at the time the exposure was generated.
- Regulatory sanctions or adverse legal rulings attributable to the unit or the employee responsible for those proceedings and to the executive director.
- Failure to comply with the Bank's internal regulations or codes of conduct, including, in particular:
  - i) Any serious or very serious regulatory breaches attributable to them.
  - ii) Any serious or very serious breaches of internal regulations.
  - iii) Failure to comply with applicable suitability and behavioural requirements.
  - iv) Regulatory breaches for which they are responsible, irrespective of whether they cause losses that jeopardise the solvency of a business line, and, in general, any involvement in, or responsibility for, behaviour that causes significant losses.
- Improper conduct, whether committed individually or with others, with specific consideration of the adverse effects of the sale of unsuitable products and the responsibility of executive directors in taking such decisions.
- Fair dismissal for employees or, in the case of commercial contracts, dismissal with just cause by the Bank (in this case the full amount will be deducted).

Just cause shall be understood as any serious and culpable breach of the duties of loyalty, diligence and good faith pursuant to which Executive Directors must discharge their duties at the CaixaBank Group, as well as any other serious and culpable breach of the duties undertaken in their contract, or any other organic or service relationships which the individual and the CaixaBank Group may enter into.

- Where payment or vesting of these amounts is not sustainable in light of CaixaBank's overall situation, or where payment cannot be justified in view of the results of CaixaBank as a whole, the business unit, or the director concerned.
- Any others reasons that may be provided for in the corresponding contracts.
- Any others as set down in applicable law or by regulatory authorities in exercise of their powers to issue or interpret regulations, or their executive powers.

- Clawback situations

In cases where any of the aforementioned situations may have occurred prior to payment of any amount of the variable remuneration so that, had this situation been taken into account, partial or full payment would not have been made, the executive director shall repay CaixaBank the part of the variable remuneration erroneously received, along with any returns paid out. This reimbursement must be made in cash or shares, as applicable.

Scenarios in which the executive director has made a major contribution to poor or negative financial results will be regarded as being particularly serious, as shall cases of fraud or other instances of fraudulent behaviour or gross negligence leading to significant losses. The Remuneration Committee shall table a proposal to the Board of Directors to apply the deduction or the loss to the entitlement to receive the amounts deferred, or total or partial recovery, depending on the characteristics and circumstances of each specific case. Pursuant to the provisions of the EBA Guidelines, scenarios of deductions from variable remuneration shall be applicable throughout the entire deferral period for the variable remuneration concerned. Scenarios for recovery of variable remuneration shall apply over a period of one year from payment of the variable remuneration, except in the event of fraud or gross negligence, in which case the provisions of civil or employment legislation in relation to statutory limitations shall be generally applicable.

d) Guaranteed variable remuneration

Executive Directors shall not be paid any guaranteed variable remuneration. However, in exceptional circumstances the Entity may consider this advisable in the event of new appointments or new hires, provided it has a healthy solid capital base and the remuneration is applied to the first year of the contract.

e) Variable components of the remuneration to the Chief Executive Officer in 2019:

i. Variable remuneration as incentives

The target bonus for 2019 for Gonzalo Gortázar is the same as for 2018, at €708,800. The degree of fulfilment will be measured according to a 50% weighting of corporate targets and a 50% weighting of individual targets.

Corporate targets (50%) comprise the following parameters:

- ROTE, with a weighting of 10%, a minimum degree of fulfilment of 80% and a maximum degree of fulfilment of 120%.
- Core Efficiency ratio, with a weighting of 10% and a minimum degree of fulfilment of 80% and a maximum of 120%. Calculated as a ratio between Recurrent Expenses and Core Income (net interest margin, fees and commissions, and insurance-linked income).
- Variation in Non-Performing Assets, with a weighting of 10% and a minimum degree of fulfilment of 80% and a maximum of 120%.
- Risk Appetite Framework: with a weighting of 10%, is subject to minimum degree of fulfilment of 80% and a maximum degree of fulfilment of 120%.
- CaixaBank Quality, with a weighting of 5%, is subject to a minimum degree of fulfilment of 80% and a maximum degree of fulfilment of 120%.
- Conduct and compliance, with a weighting of 5% and a minimum degree of fulfilment of 80% and a maximum degree of fulfilment of 120%. This indicator adds the result of the metrics related to culture of regulatory compliance to the correct formalisation of operations, ensuring proper commercialisation and the management of conflicts of interest.

The degree of fulfilment will be obtained from the level of compliance with the preceding indicators, depending on certain scales of fulfilment approved by the Board of Directors following a proposal from the Remuneration Committee. The specific challenges of each indicator are established on the basis of the annual Operational Plan.

The portion of individual targets (50%) will have a minimum degree of fulfilment of 60% and a maximum of 120%, and will be distributed globally between targets linked to the CaixaBank strategy. The final valuation carried out by the Remuneration Committee, based on consultations with the Chairman, may vary +/-25% with regard to the target evaluation of individual targets, in order to include the quantitative evaluation of the Executive Director's performance. Any exceptional achievements during the year which were not contemplated at the outset shall also be taken into account.

In all cases, the bonus will only be paid if the regulatory training approved for the CEO has been completed. Also, should the minimum degree of fulfilment not be attained, a zero bonus shall be accrued for each of the indicators or

individual targets. The maximum monetary amount in absolute terms would be, if all requirements are met and the maximum degree of fulfilment is achieved for all indicators, €850,560, i.e. 120% of the target bonus described herein.

ii. Plan of conditioned annual incentives linked to the 2019-2021 Strategic Plan

The number of target shares for the Plan's first cycle is 60,920 shares, the result of applying the same pro-rata of the annual target which was already incorporated in the LTI during the 2015-2018 period.

iii. Mandatory contributions for variable remuneration

In accordance with the provisions of Circular 2/2016, 15% of agreed contributions to social security insurance plans will be considered the target amount on which the valuation system to determine the quantity will be applied, as explained in the next section.

Continued in Section A.1 Point 7

Long-term savings schemes for the Chief Executive Officer in 2019

The amount of the contribution defined for 2019 is €500,000 to cover the contingencies of retirement, death and total or absolute permanent disability or severe disability, which is distributed as follows:

- 85% of this contribution forms part of the fixed components of remuneration, and this stands at €425,000.
- 15% of this contribution, €75,000, is considered the target amount of mandatory variable-base contributions.

Since achievement of individual targets in 2018 was 112%, the variable-base contribution for 2019 shall be €84,000. In addition to the above, another policy has been arranged to include cover in the event of death or total, absolute or serious permanent disability in the amount of two annual payments of fixed remuneration at the time the event occurs. We have estimated that the premium for this coverage for 2019 is approximately €52,560.

Continued in Section A.1 Point 9

viii. Payments for cancellation of previous contracts

In cases where remuneration packages are agreed with the Executive Director involving hiring bonuses or other forms of compensation or payments for cancellation of previous employment contracts, these must be in the Entity's long-term interests, establishing, pursuant to the LOSS, provisions regarding withholdings, deferrals, performance and recoveries consistent with the principles established in the Remuneration Policy.

ix. Other contractual conditions

Executive Directors' contracts may contain other common contractual clauses which are compatible with the LOSS, the Corporate Enterprises Act, other prevailing legislation and the Remuneration Policy.

Terms and conditions of Gonzalo Gortázar Rotaeché's contract as Chief Executive Officer:

- General aspects

The current Chief Executive Officer service level agreement entered into with Gonzalo Gortázar Rotaeché is of a commercial nature and for an indefinite period; it contains a clear description of the duties and responsibilities and the duty to exclusively devote his attention to CaixaBank, in the terms described above. It also contains clauses regarding compliance with duties, confidentiality and liability coverage in accordance with the above. The contract does not contain any seniority agreements.

The contract contains provisions to be integrated in the Remuneration Policy and any amendments thereto, as well as possible adaptations to any future regulatory requirements.

- Post-contractual non-competition agreement.

The contract contains a post-contractual non-competition agreement of one year from termination, which encompasses any direct or indirect activity within the financial sector.

The amount for the non-competition agreement is established as one year of the fixed components of his remuneration, and it shall be reduced by any sums received from Companies in the Group or at which he represents CaixaBank by way of compensation for post-contractual non-competition obligations.

Compensation shall be paid in twelve equal monthly instalments, the first of which shall be payable at the end of the calendar month in which the Service Contract is terminated, with the remaining eleven instalments payable at the end of each of the eleven calendar months following.

Should Gonzalo Gortázar breach the post-contractual non-competition agreement, he shall pay CaixaBank an amount equivalent to one year of his fixed remuneration.

- Termination of the contract.

Notwithstanding compensation due to the non-competition agreement, Gonzalo Gortázar shall be entitled to compensation consisting of one year of his fixed remuneration in the event of dismissal and termination of the Service Contract for any of the following reasons:

- Unilateral termination by Gonzalo Gortázar due to a serious breach by CaixaBank of the obligations set out in the Service Contract;
- Unilateral termination by the Company without due cause;
- Removal from or non-renewal of his post as a member of the Board of Directors and his duties as Chief Executive Officer with no just cause; or
- Acquisition of a controlling stake in the Company by an entity other than 'la Caixa' Banking Foundation pursuant to Article 42 of Spain's Commercial Code, or the transfer of all or a relevant part of its activity or its assets and liabilities to a third party or its integration in another business group obtaining control of the Company.

To gain entitlement to the compensation described here, Mr. Gonzalo Gortázar must simultaneously give up all posts of representation and management at other CaixaBank group companies with Company interests, or at any other unrelated companies in representation of CaixaBank.

The amount of compensation shall also be reduced by any of the amounts received from the Companies stipulated in the preceding paragraph by way of compensation.

The amount of compensation resulting from the provisions of the above clauses will be subject to the limits, and must be made effective in the manner and under the terms established at all times by prevailing legislation and the Remuneration Policy regarding payments for early termination, including rules on malus and clawback and on withholding the instruments delivered as a result thereof.

The Company may remove Mr. Gonzalo Gortázar from his post as Chief Executive Officer and terminate the Service Contract with just cause, which shall be understood as follows:

- Any serious and culpable breach of the duties of loyalty, diligence and good faith under which Gonzalo Gortázar is required to perform his duties at CaixaBank and any other Group companies;
  - Where Gonzalo Gortázar becomes unfit for his post for reasons attributable to himself; or
  - Any other serious and culpable breach of the obligations assumed under the service contract, or any other organic or service relationships that may be established between Gonzalo Gortázar and the respective entities at which he represents CaixaBank.
- If the Service Contract is terminated with just cause or voluntarily by Mr. Gonzalo Gortázar for reasons other than those stipulated above, he shall not be entitled to the compensation described in this section.

Continued in Section B.11

- Effects on the accumulated social security rights
  - i) As a result of the termination of the Service Agreement, the funds accumulated in the savings insurance provided for in the Service Agreement will be vested, in accordance with the provisions thereof.
  - ii) With respect to the funds accumulated in the Discretionary Benefits Policy, also provided for in the Service Agreement, these will be subject to a five-year withholding period from the Effective Date, and will be subject to the conditions established in the Board's Remuneration Policy, the Service Agreement and the policy itself; all in accordance with the provisions of sections 3 and 4 of Standard 41 of Circular 2/2016, of 2 February, of the Bank of Spain.
- By virtue of the provisions of the Service Agreement, its extinction will not give way to any compensation to Tomás Muniesa.
- Post-contractual non-competition agreement. As described in section B.10, given that Tomás Muniesa continues to perform the role of non-executive deputy chairman, the obligation of post-contractual non-competition established in his contract will not be applicable, given that the duties of loyalty established for directors in the LSC will still be applicable, along with those of the CaixaBank Directors' Charter.

This annual remuneration report has been approved by the company's Board of Directors, in its meeting on:

21/02/2019

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

Yes [ ]

No [✓]