

## Other relevant information

Regarding CaixaBank S.A.'s Ordinary General Shareholders' Meeting, to be held in València on 21 March 2024, at 11:00 a.m., on first call, and if it cannot be held on first call, to be held on 22 March 2024 on second call, the Board of Directors' reports and recommendation related to certain items on the agenda of the meeting and the reasoned proposal of the Directors' Remuneration Policy are appended hereto.

**The General Meeting is expected to be held on second call, i.e. on 22 March 2024, at 11.00 am.**

The Board of Directors has agreed to also allow **online attendance** at the Ordinary General Shareholders' Meeting, whereby those shareholders that so request may attend and take part in the General Meeting via a remote connection in real time, as provided by the By-laws and the Regulations of the General Meeting.

The aforementioned reports and recommendation, as well as the reasoned proposal together with the remaining documentation related to the 2024 Ordinary General Meeting, including the individual and consolidated financial statements for 2023, will also be available for shareholders and investors on the corporate webpage [www.CaixaBank.com](http://www.CaixaBank.com).

18 February 2024



**REPORT BY THE BOARD OF DIRECTORS OF CAIXABANK, S.A. ON  
THE PROPOSED RE-ELECTION OF MS. MARÍA VERÓNICA FISAS  
VERGÉS AS INDEPENDENT DIRECTOR**

**Board of Directors – 15 February 2024**

## I. PURPOSE OF THE REPORT

This report was drawn up by the Board of Directors of CaixaBank, S.A. (hereinafter referred to as “**CaixaBank**” or the “**Company**”), in accordance with Article 529.*decies* of the Spanish Corporation Law (*Ley de Sociedades de Capital*), which requires an explanatory report to be drawn up by the Board of Directors evaluating the skill, experience and merits of the persons whose re-election or appointment is submitted for approval by the Company's General Shareholders' Meeting, called for 21 March 2024 on first call and for the following day, 22 March on second call, under item 4 of the agenda.

In accordance with the provisions of Article 529.*decies* of the Spanish Corporation Law, on proposal by the Appointments and Sustainability Committee, the re-election to the Board of Directors of Ms. María Verónica Fisas Vergés, in the category of independent Director, for a period of four years, is submitted to the General Meeting.

The proposal of the Appointments and Sustainability Committee is included as annex to this report.

Additionally, for the purposes of Article 518 e) of the Spanish Corporation Law, this report contains information on the identity, curriculum and category of Ms. Fisas, and it will be published together with the annexed proposal by the Appointments and Sustainability Committee on the Company's website as part of the documentation on the General Meeting.

Lastly, in accordance with Article 540.4.c) 8 of the Spanish Corporation Law, it is hereby informed that the re-election proposal submitted for approval by the General Meeting has taken into consideration and valued the diversity targets established in the *Policy for Selection, Diversity and Suitability Assessment of Board of Directors' Members and Senior Management Members and Other Key Function Holders of Caixabank and its Group*, attributing special weight to the aim of favouring diversity of gender, knowledge, training and professional experience, age and geographical origin in the overall composition of the Board, avoiding any kind of discrimination.

In particular, the target of the number of female Directors always accounting for at least 40% of the total members of the Board of Directors was taken into consideration in the proposal for re-election, as established in Recommendation 15 of the Code of Good Governance for Listed Companies. Specifically, the re-election proposal submitted to the General Meeting determine that the

percentage of female Directors will continue to account for 40% of the total members of the Board of Directors.

Also, the proposal submitted maintain the current proportion of independent Directors, accounting for 60% of the total members of the Board of Directors of CaixaBank, in accordance with best corporate governance practices and as stipulated in recommendation 16 of the Code of Good Governance, by virtue of which the number of independent Directors must represent at least half the total number of Directors.

## **II. RE-ELECTION OF MARÍA VERÓNICA FISAS VERGÉS (ITEM 4<sup>th</sup> ON THE AGENDA)**

### **Professional profile and biographical data**

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

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

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

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

In 2009 she joined the Board of Directors of Stanpa, Asociación Nacional de Perfumería y Cosmética, becoming Chair the Board of Directors of Stanpa in 2019 and, in turn, Chair of Fundación Stanpa.

She received the Work-Life Balance Award at the 2nd Edition of the National Awards for Women in Management in 2009, and the IWECA Award (International Women's Entrepreneurial Challenge) for her professional career, in 2014.

In November 2017, Emprendedores magazine named Verónica Fisas as "Executive of the Year".

### **Directorship category**

As to her classification on the Board of Directors of CaixaBank, Ms. María Verónica Fisas Vergés has the status of independent Director, as she meets the requirements established in section 4 of Article 529 duodecies of the Spanish Corporation Law.

### **Assessment of experience, skill and merits**

The Appointments and Sustainability Committee has verified that María Verónica Fisas Vergés meets the suitability requirements referred to in Article 24 of Law

10/2014, Articles 30, 31 and 32 of Royal Decree 84/2015, of 13 February, implementing Law 10/2014 and article 32 of Bank of Spain Circular 2/2016, of February 2: business and professional integrity, appropriate knowledge, skill and experience and readiness to exercise good governance of the Company, as well as she is not subject to any incompatibilities, prohibitions or conflicts of interest.

The Board of Directors endorses the proposal by the Appointments and Sustainability Committee and considers that María Verónica Fisas Vergés has suitable experience, skill and merits to hold the position of Director. Her experience at a business group with an international presence, assuming responsibility for a large number of people is worth particular mention, as well as her independence, objectivity and capacity for innovation and multidisciplinary vision that she contributes to the Board of Directors. Furthermore, the positive performance of her duties as a member of the Board of Directors at CaixaBank since her appointment on 25 February 2016 has been taken into account, especially her participation and performance as a vocal of the Executive Committee from 27 July 2017 to 31 March 2023, of the Remuneration Committee from 5 April 2019 to 22 May 2020 and of the Risk Committee since 22 May 2020.

### **Proposal**

*To re-elect Ms. María Verónica Fisas Vergés as a member of the Board of Directors, with the category of independent director, for the statutory period of four (4) years, at the proposal of the Appointments and Sustainability Committee.*

February 15, 2024

## **Annex 1**

**Proposal for the re-election of Ms. María Verónica Fisas Vergés as an independent Director of CaixaBank, S.A., submitted by the Appointments and Sustainability Committee of CaixaBank, S.A. in accordance with the provisions of Article 529. decies of the Spanish Corporation Law (Ley de Sociedades de Capital).**

Section 4 of Article 529. decies of the consolidating text of the Spanish Corporation Law, approved by Royal Legislative Decree 1/2010 of 2 July (henceforth, “Spanish Corporation Law”) establishes that proposals for re-election of independent Directors are to be made by the Appointments and Sustainability Committee.

In compliance with the abovementioned requirement, the Appointments and Sustainability Committee has drawn up this proposal for the re-election of María Verónica Fisas Vergés as a member of the Board of Directors of CaixaBank, S.A. (hereinafter referred to as “**CaixaBank**” or the “**Company**”), as an independent Director.

For this purpose, the Appointments and Sustainability Committee has studied the current composition of the Board of Directors and has determined that the Board, as a whole, has the sufficient knowledge, skill and experience in the governance of credit institutions to adequately understand the activities of CaixaBank, including its main risks, and to ensure the capacity for autonomous, independent decision-making in the interests of the Company.

Specifically, the Committee highly values Ms. Fisas’s performance of her duties as a director since her appointment on 25 February 2016, especially her participation and performance as a vocal of the Executive Committee from 27 July 2017 to 31 March 2023, of the Remuneration Committee from 5 April 2019 to 22 May 2020 and of the Risk Committee since 22 May 2020.

In accordance with this assessment and the provisions of Law 10/2014 of 26 June on regulation, supervision and solvency of credit institutions (hereinafter referred to as “Law 10/2014”), Royal Decree 84/2015, of 13 February, implementing Law 10/2014 of 26 June on regulation, supervision and solvency of credit institutions, Bank of Spain Circular 2/2016 of February 2, regarding credit institutions’ solvency and supervision completing the adaptation of Spanish legislation to Directive 2013/36/UE and Regulation (UE) nº 575/2013 and the Protocol on procedures for suitability assessment and appointment of Directors and senior management members and other key function holders at CaixaBank, the Appointments and Sustainability Committee also assessed Ms. Fisas’s suitability for holding the position of Director.

### **Education and professional experience**

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

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

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

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

In 2009 she joined the Board of Directors of Stanpa, Asociación Nacional de Perfumería y Cosmética, becoming Chair the Board of Directors of Stanpa in 2019 and, in turn, Chair of Fundación Stanpa.

She received the Work-Life Balance Award at the 2nd Edition of the National Awards for Women in Management in 2009, and the IWECA Award (International Women's Entrepreneurial Challenge) for her professional career, in 2014.

In November 2017, Emprendedores magazine named Verónica Fisas as "Executive of the Year".

### **Suitability assessment**

The Appointments and Sustainability Committee has assessed the content and validity of the CaixaBank Repute and Good Governance Questionnaire filled in by Ms. Fisas on 8 September 2015. This Questionnaire is used to collect information on the three areas contemplated for assessment of the Directors' suitability, i.e. business and professional integrity, knowledge, skills and experience, as well as readiness to exercise good governance of the Company.

The Appointments and Sustainability Committee also took into account the Suitability Assessment Report issued by the Board of Directors at its meeting of 17 September 2015, prior to her appointment by cooptation as Director, as well as the Suitability Assessment Report confirming the suitability of Ms. Fisas in order to continue to hold the position of director, issued by the Board of Directors at its meeting held on 10 March 2016. This last assessment was performed when the submission to the General Shareholders' Meeting of that year for the ratification of the co-opted appointment of Ms. Fisas and her appointment by the General Shareholders' Meeting as a member of the Board of Directors on April 28, 2016. Likewise, the Board of Directors' Report of 16 April 2020, on the proposal for the re-election of Ms. Fisas, which assessed her skills, experience and merits, and which was submitted to the General Shareholders' Meeting of 22 May 2020, which agreed on her re-election, has also been taken into account.

Additionally, the Continuous Assessment Reports issued by the Appointments and Sustainability Committee at its meetings held in December 2016, 2017, 2018, 2019, 2020, 2021, 2022 and 2023 have been considered, which all of them concluded that Ms. Fisas fulfilled the suitability requirements for continuing to be a member of the Board of Directors of CaixaBank.

The conclusion is that Ms. María Verónica Fisas Vergés met and continues to meet the suitability requirements needed to hold a position on the Board of Directors of CaixaBank, as she complies with the legal requisites set forth in the applicable Spanish legislation and the criteria established in the European Banking Authority Guidelines on the assessment of the suitability of members of the management body and key function holders (EBA/GL/2021/06).

On the other hand, Ms. Fisas complies with the maximum limit of positions established in Article 26 of Law 10/2014, there are no potential conflicts of interest that may generate undue influence by third parties, and she has stated that she has sufficient time to perform the functions of the position of member of the Board of Directors of CaixaBank.

#### **Directorship category**

As to her classification on the Board of Directors of CaixaBank, this Committee considers that Ms. María Verónica Fisas Vergés should be assigned the status of independent Director, in view of the personal and professional characteristics enabling her to perform her duties without being conditioned by the relationship she has with the Company or its Group, its significant shareholders or its managers, and in accordance with the provisions of Section 4 of Article 529. duodecies de la Spanish Corporation Law.

#### **Proposal**

Consequently, and in view of the CaixaBank Board of Directors' current requirements, the Appointments and Sustainability Committee hereby makes the following proposal for submission to the General Shareholders' Meeting:

*To re-elect Ms. María Verónica Fisas Vergés as a member of the Board of Directors, with the category of independent director, for the statutory period of four (4) years, at the proposal of the Appointments and Sustainability Committee.*

Appointments and Sustainability Committee  
February 12, 2024





**REPORT OF THE BOARD OF DIRECTORS IN RELATION TO ITEM 5.1  
ON THE AGENDA OF THE ORDINARY GENERAL SHAREHOLDERS'  
MEETING CALLED FOR 21 MARCH 2024, AT FIRST CALL, AND FOR  
THE FOLLOWING DAY, 22 MARCH, AT SECOND CALL, REGARDING  
THE PROPOSED RESOLUTION TO REDUCE THE SHARE CAPITAL OF  
CAIXABANK, S.A. BY EUR 129,404,256 NOMINAL AMOUNT  
THROUGH THE REDEMPTION OF 129,404,256 TREASURY SHARES**

**Board of Directors – 15 February 2024**

## I. SUBJECT MATTER OF THE REPORT

This report has been prepared by the Board of Directors of CaixaBank, S.A. ("**CaixaBank**" or the "**Company**") in compliance with the provisions of Articles 286 and 318 of the revised text of the Corporate Enterprises Act, approved by Royal Legislative Decree 1/2010, of 2 July, as amended (the "**Corporate Enterprises Act**"), in relation to the proposed resolution submitted for approval by the Ordinary General Shareholders' Meeting under item 5.1 on the agenda, to reduce the share capital of CaixaBank by ONE HUNDRED AND TWENTY-NINE MILLION, FOUR HUNDRED AND FOUR THOUSAND, TWO HUNDRED AND FIFTY-SIX EUROS (EUR 129,404,256) nominal value through the cancellation of ONE HUNDRED AND TWENTY-NINE MILLION, FOUR HUNDRED AND FOUR THOUSAND, TWO HUNDRED AND FIFTY-SIX (129,404,256) CaixaBank treasury shares at ONE EURO (EUR 1) nominal value each.

Article 286 of the Corporate Enterprises Act requires that, in order to amend the corporate by-laws, the Directors to draw up a written report justifying the proposal.

Article 318 of the Corporate Enterprises Act states that the share capital reduction must be agreed by the General Meeting with the requirements for the amendment of the by-laws, and duly express the amount of the capital reduction, the purpose of the reduction, the procedure by which the company will carry it out, the execution period and the amount to be paid, if any, to the shareholders.

Whereby the capital reduction must be in accordance with the requirements of the amendment to the by-laws and necessarily involves the amendment of the article of the by-laws governing the share capital, the Board of Directors of CaixaBank issues this report in compliance with the aforementioned provisions.

It is hereby stated that the Company has obtained authorisation for the reduction of capital and the consequent amendment of articles 5 and 6 of the By-laws, as regards share capital and number of shares, in accordance with the regime provided for in article 10 of Royal Decree 84/2015, of 13 February, implementing Law 10/2014, of 26 June, on the regulation, supervision and solvency of credit institutions.

## II. DESCRIPTION OF THE PROPOSAL

It is proposed to the Ordinary General Shareholders' Meeting of CaixaBank to approve the reduction of the share capital by ONE HUNDRED AND TWENTY-NINE MILLION, FOUR HUNDRED AND FOUR THOUSAND, TWO HUNDRED AND FIFTY-SIX EUROS (EUR 129,404,256) in nominal value through the redemption of ONE HUNDRED AND TWENTY-NINE MILLION, FOUR HUNDRED AND FOUR THOUSAND,

TWO HUNDRED AND FIFTY-SIX (129,404,256) CaixaBank treasury shares, each with a nominal value of ONE EURO (EUR 1).

The treasury shares being redeemed were all acquired under the authorisation granted by the Company's General Shareholders' Meeting held on 22 May 2020 under item 8 on the agenda, within the framework of the share buyback programme whose approval and commencement was announced by means of a notice of *Inside Information* dated 18 September 2023 published on the website of the Spanish National Securities Market Commission ("**CNMV**") (registry no. 1973) and on CaixaBank's corporate website (the "**Buyback Programme**"). The Buyback Programme ended on 3 January 2024, as announced in a communication from *Other Relevant Information* on the same date, published on the CNMV's website (registration number 26039) and on the Company's corporate website. It is hereby stated that on 28 July 2023 the Company already announced its intention to establish and implement the Buyback Programme, by means of an *Inside Information* communication published on the website of the CNMV (registration number 1943) and on the Company's corporate website.

The Buyback Programme has been implemented in accordance with the provisions of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016 on conditions for buyback programmes and stabilisation measures.

The treasury shares acquired by CaixaBank under the Buyback Programme will be redeemed after approval of the capital reduction resolution by the General Shareholders' Meeting and, at the latest, within two months from the date of approval of the resolution.

As a result of the reduction, the share capital of CaixaBank is set at SEVEN BILLION, THREE HUNDRED AND SEVENTY-TWO MILLION, SEVEN HUNDRED AND TWENTY-SEVEN THOUSAND, THREE HUNDRED AND SIXTY-THREE EUROS (EUR 7,372,727,363), represented by SEVEN BILLION, THREE HUNDRED AND SEVENTY-TWO MILLION, SEVEN HUNDRED AND TWENTY-SEVEN THOUSAND, THREE HUNDRED AND SIXTY-THREE (7,372,727,363) shares of ONE EURO (EUR 1) nominal value each, all of them belonging to the same class and series, and the text of the proposed resolution reflects the new wording of the articles of the By-laws on share capital and the shares into which the Company's share capital is divided (Articles 5 and 6), in order to reflect the new capital figure and the new number of shares in circulation. It also provides for de-listing the ONE HUNDRED AND TWENTY-NINE MILLION, FOUR HUNDRED AND FOUR THOUSAND, TWO HUNDRED AND FIFTY-SIX (129,404,256) CaixaBank shares to be redeemed from trading on the Spanish stock exchanges and/or on the markets on which the Company's shares are listed, and the cancellation of the corresponding accounting records and the effective redemption of treasury shares, once the capital reduction has been implemented and formalised.

The capital reduction does not entail the return of contributions to the shareholders, as the Company itself is the owner of the shares being redeemed, and is charged against the share premium account or other unrestricted reserve accounts, by means of the allocation of a restricted reserve for redeemed capital for an amount equal to the nominal value of the redeemed shares, i.e. ONE HUNDRED AND TWENTY-NINE MILLION, FOUR HUNDRED AND FOUR THOUSAND, TWO HUNDRED AND FIFTY-SIX EUROS (EUR 129,404,256), which may only be drawn down under the same conditions as those required for the reduction of share capital, in application of the provisions of article 335 c) of the Corporate Enterprises Act.

Additionally, it is expressly stated in the proposal that, once the capital reduction is fully effective, the amount of ONE BILLION, FOUR HUNDRED AND SEVENTY-FOUR MILLION, FIVE HUNDRED AND FORTY-FIVE THOUSAND, FOUR HUNDRED AND SEVENTY-TWO EUROS AND SIXTY CENTS (EUR 1,474,545,472.60), equal to 20% of the share capital resulting from the capital reduction, shall be considered a legal reserve. The surplus of 20% of the share capital of the legal reserve account, i.e. an amount of TWENTY-FIVE MILLION, EIGHT HUNDRED AND EIGHTY THOUSAND, EIGHT HUNDRED AND FIFTY-ONE EUROS AND TWENTY CENTS (EUR 25,880,851.20), will be reclassified to the voluntary reserves account and will therefore be considered an available reserve from that moment onwards.

It is proposed to empower the Board of Directors, to the fullest extent, and with express powers of substitution in the Executive Committee, in the Chairman of the Board of Directors, in the Deputy Chairman, in the Chief Executive Officer, in the Secretary and First Deputy Secretary of the Board of Directors, as well as in the Chief Financial Officer and in the Director of Accounting, Management Control and Capital, to perform such actions as may be necessary or advisable for the execution and successful completion of the capital reduction resolution, being able to determine those points that have not been expressly established in the resolution or that are a consequence of it, mentioning, as an illustration but not limited to, a number of specific powers.

### **III. GROUNDS FOR THE RESOLUTION**

The purpose of the capital reduction is to redeem all of the treasury shares acquired under the Buyback Programme, as announced when the programme was launched on 18 September 2023, as a complementary shareholder remuneration scheme.

CaixaBank's priority objective is to create shareholder value, therefore the different options available at any given time are analysed depending on the existing circumstances.

In view of the Company's position of high solvency, the Company approved the implementation of a share buyback programme to reduce share capital through

the redemption of treasury shares in order to complement, on an extraordinary basis, the traditional cash distributions provided for in the Company's dividend policy, as announced to the market in a notice of *Inside Information* published on 18 September 2023 on the website of the CNMV and on CaixaBank's corporate website.

For the approval of the Buyback Programme, CaixaBank's Board of Directors was authorised to acquire up to 10% of the share capital, which was granted to it for a period of five years by the Ordinary General Shareholders' Meeting of the Company held on 22 May 2020, under point 8 on the agenda.

Although CaixaBank's Board of Directors was authorised to approve the establishment of the Buyback Programme without the need to call a General Shareholders' Meeting, an additional resolution is required to redeem the treasury shares acquired, this being the purpose of the Buyback Programme established in accordance with the provisions of Regulation (EU) no. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016 on conditions applicable to buyback programmes and stabilisation measures. In order to redeem the shares acquired under the Buyback Programme, it is necessary for the General Shareholders' Meeting to adopt a capital reduction resolution such as the one proposed. This resolution provides for the reduction of the share capital through the redemption of the treasury shares acquired by the Company for this purpose under the Buyback Programme.

In view of the foregoing, the Board of Directors considers it necessary to approve a reduction of the Company's share capital through the redemption of treasury shares acquired under the Buyback Programme, on the terms indicated above.

#### **IV. EXCLUSION OF THE RIGHT OF OPPOSITION OF CREDITORS**

The capital reduction is to be carried out with a charge to share premium unrestricted reserve accounts through the allocation of a restricted reserve for amortised capital for an amount equal to the nominal value of the redeemed shares, which may only be used under the same requisites as those stipulated for the share capital reduction, in application of the provisions of Article 335 c) of the Corporate Enterprises Act. Therefore, the Company's creditors will not have the right of opposition referred to in article 334 of the Corporate Enterprises Act.

For the purposes of the provisions of article 411.1 of the Corporate Enterprises Act, it is hereby stated that the consent of the bondholders of the Company's outstanding bond issues is not required, in accordance with the provisions of Additional Provision One, section 9, of *Law 10/2014 of 26 June on the regulation, supervision and solvency of credit institutions*, and with the provisions of article 411 of the Corporate Enterprises Act itself.

## V. PROPOSED RESOLUTION

The full text of the proposed resolution to reduce the share capital as set out under item 5.1 on the agenda is as follows:

***Share capital reduction of a nominal amount of EUR 129,404,256, through the redemption of 129,404,256 treasury shares.***

*To reduce CaixaBank's share capital by ONE HUNDRED AND TWENTY-NINE MILLION, FOUR HUNDRED AND FOUR THOUSAND, TWO HUNDRED AND FIFTY-SIX EUROS (EUR 129,404,256) nominal value through the redemption of ONE HUNDRED AND TWENTY-NINE MILLION, FOUR HUNDRED AND FOUR THOUSAND, TWO HUNDRED AND FIFTY-SIX (129,404,256) CaixaBank treasury shares with a nominal value of ONE EURO (EUR 1) each, acquired within the framework of the share buyback programme whose approval and commencement was announced in a communication of Inside Information dated 18 September 2023, and which ended on 3 January 2024, as announced in a communication of Other Relevant Information on the same date (the “**Buyback Programme**”). It is hereby stated that the Buyback Programme was implemented in accordance with the provisions of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016 on conditions for buyback programmes and stabilisation measures.*

*As a consequence of the reduction, to set the share capital at SEVEN BILLION, THREE HUNDRED AND SEVENTY-TWO MILLION, SEVEN HUNDRED AND TWENTY-SEVEN THOUSAND, THREE HUNDRED AND SIXTY-THREE EUROS (EUR 7,372,727,363), i.e. SEVEN BILLION, THREE HUNDRED AND SEVENTY-TWO MILLION, SEVEN HUNDRED AND TWENTY-SEVEN THOUSAND, THREE HUNDRED AND SIXTY-THREE (7,372,727,363) shares of ONE EURO (EUR 1) nominal value each, all belonging to the same class and series.*

*The purpose of the capital reduction is to redeem all of the treasury shares acquired under the Buyback Programme, as announced at the launch of the programme on 18 September 2023, as a complementary shareholder remuneration scheme.*

*The treasury shares acquired by CaixaBank under the Buyback Programme will be redeemed after approval of this resolution by the General Shareholders' Meeting and, at the latest, within two months from the date of approval.*

*The capital reduction does not entail the return of contributions to shareholders as the Company itself is the owner of the shares being redeemed.*

*The capital reduction is charged to the share premium account or to other unrestricted reserve accounts. Pursuant to article 335 c) of the Corporate Enterprises Act, an amount equivalent to the par value of the redeemed shares, i.e. one hundred and twenty-nine million, four hundred and four thousand, two hundred and fifty-six euros (EUR 129,404,256) shall be transferred to a reserve, which may only be drawn down under the same conditions as those required for the reduction*



*of share capital. Consequently, the company's creditors will not have the right of objection referred to in article 334 of the Corporate Enterprises Act.*

*It is hereby stated that the consent of bondholder syndicates for outstanding debenture and bond issues provided for in article 411 of the Corporate Enterprises Act is not required, pursuant to the provisions of Additional Provision One of Law 10/2014, of 26 June, on the regulation, supervision and solvency of credit institutions.*

*As a consequence of the capital reduction, to amend articles 5 and 6 of the By-laws regarding share capital and number of shares, which shall read as follows:*

#### **ARTICLE 5. SHARE CAPITAL**

*The share capital is set at SEVEN BILLION, THREE HUNDRED AND SEVENTY-TWO MILLION, SEVEN HUNDRED AND TWENTY-SEVEN THOUSAND, THREE HUNDRED AND SIXTY-THREE EUROS (EUR 7,372,727,363) and is fully subscribed and paid up.*

#### **ARTICLE 6. THE SHARES**

*1. The share capital consists of SEVEN BILLION, THREE HUNDRED AND SEVENTY-TWO MILLION, SEVEN HUNDRED AND TWENTY-SEVEN THOUSAND, THREE HUNDRED AND SIXTY-THREE (7,372,727,363) shares with a par value of ONE EURO (EUR 1) each, which are recorded in book-entry form and belong to the same class and series. The shares representing the share capital are considered transferable securities and are governed by the provisions of the Securities Market Act and other applicable provisions.*

*2. The shares, their transfer and the creation of real rights or any other encumbrances on them must be registered in the relevant book entry, pursuant to the Securities Market Act and concordant provisions.*

*3. However, on the basis of the ownership of shares in banks, the Company shall keep its own register of shareholders with the effects and efficiency attributed to it by the prevailing regulations in each case. For this purpose, in the event that the formal status of the shareholder corresponds to persons or organisations which, in accordance with their own legislation, exercise such status by way of trust, fiduciary or any other equivalent title, the Company may require the aforementioned persons or organisations to inform it of the actual holders of such shares, including the addresses and means of contact available to them, as well as the acts of transfer and encumbrance relating thereto.*

*Agree to de-list the ONE HUNDRED AND TWENTY-NINE MILLION, FOUR HUNDRED AND FOUR THOUSAND, TWO HUNDRED AND FIFTY-SIX (129,404,256) CaixaBank shares being redeemed from trading on the Spanish stock exchanges and/or the markets on which the Company's shares are listed, and cancel the corresponding accounting records and effectively redeem treasury shares, once this resolution to reduce share capital has been implemented and formalised.*

*Once the capital reduction is fully effective, the amount of ONE BILLION, FOUR HUNDRED AND SEVENTY-FOUR MILLION, FIVE HUNDRED AND FORTY-FIVE THOUSAND, FOUR HUNDRED AND SEVENTY-TWO EUROS AND SIXTY CENTS (EUR 1,474,545,472.60), equal to 20% of the share capital resulting from the capital reduction, shall be considered a legal reserve. The surplus of 20% of the share capital of the legal reserve account, i.e. an amount of TWENTY-FIVE MILLION, EIGHT HUNDRED AND EIGHTY THOUSAND, EIGHT HUNDRED AND FIFTY-ONE EUROS AND TWENTY CENTS (EUR 25,880,851.20), will be reclassified to the voluntary reserves account and will therefore be considered an available reserve from that moment onwards.*

*To empower the Board of Directors, to the fullest extent as required by law, and with express powers to delegate to the Executive Committee, the Chairman of the Board of Directors, the Deputy Chairman, the Chief Executive Officer, the Secretary and the Deputy Secretary or the First Deputy Secretary of the Board of Directors, in addition to the Chief Financial Officer and the Head of Accounting, Management Control and Capital, so that any of these, jointly and severally, may perform the actions required or appropriate for the execution and completion of this resolution, having the power to determine those points which have not been expressly set out in this resolution or which are the consequence of this resolution, including but not limited to:*

- (i) Undertake any actions, declarations or procedures that are necessary or appropriate in relation to the public information on the capital reduction and its execution (including any announcements that are required or appropriate), and any actions that should be carried out before the CNMV, Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal (Iberclear), the Spanish stock exchanges and/or the regulators and stock exchange management companies of the markets in which the Company's shares are listed.*
- (ii) Execute the corresponding deed for the reduction of share capital and, in general, to negotiate, agree and sign all such public and/or private documents as may be necessary or advisable to execute and bring the capital reduction to a successful conclusion, including, without limitation, such acts, legal transactions, contracts, declarations and operations as may be necessary.*
- (iii) Undertake all the procedures and actions that are necessary or appropriate, and present all required documents before the competent bodies, so that, once the redemption of the Company's shares has taken place and the corresponding capital reduction deed has been awarded and filed in the Companies' Registry, the redeemed shares may be de-listed from the Spanish stock exchanges and/or markets in which the Company's shares are traded, and cancelled in the corresponding accounting records and the redemption of its treasury shares will be effectively carried out.*
- (iv) Perform all tasks that may be required or advisable vis-à-vis any public or private bodies or organisations, whether Spanish or foreign, to obtain the consent and authorisations required to ensure the effectiveness of these*



*resolutions and complete and formalise the capital reduction, including to declare, provide complementary information or correct defects or omissions that may impair or impede the full effectiveness of the aforementioned resolution.*

*It is hereby stated that the Company received authorisation for the capital reduction and the consequent amendment of articles 5 and 6 of the By-laws, in relation to the share capital and number of shares, in accordance with the provisions of article 10 of Royal Decree 84/2015, of 13 February, implementing Law 10/2014, of 26 June, on the regulation, supervision and solvency of credit institutions.*

15 February 2024



**REPORT OF THE BOARD OF DIRECTORS IN RELATION TO ITEM 5.2 OF THE AGENDA OF THE ORDINARY GENERAL SHAREHOLDERS' MEETING CALLED FOR 21 MARCH 2024, AT FIRST CALL, AND FOR THE FOLLOWING DAY, 22 MARCH, AT SECOND CALL, REGARDING THE PROPOSED RESOLUTION TO REDUCE THE SHARE CAPITAL OF CAIXABANK, S.A. THROUGH THE REDEMPTION OF TREASURY SHARES**

**Board of Directors – 15 February 2024**

## I. SUBJECT MATTER OF THE REPORT

This report has been prepared by the Board of Directors of CaixaBank, S.A. (“**CaixaBank**” or the “**Company**”) in compliance with the provisions of Articles 286 and 318 of the consolidated text of the Corporate Enterprises Act, approved by Royal Legislative Decree 1/2010, of 2 July, as amended (the “**Corporate Enterprises Act**”), serving also for the purposes of the provisions of article 10 of *Royal Decree 84/2015, of 13 February, implementing Law 10/2014, of 26 June, on the regulation, supervision and solvency of credit institutions*, in relation to the proposed resolution submitted to the Ordinary General Shareholders' Meeting under item 5.2 of the agenda, to reduce the share capital of the Company up to a maximum amount equivalent to 10% of the resulting share capital after completing the execution of the capital reduction submitted for approval under item 5.1 of the agenda (i.e. up to a maximum nominal amount of SEVEN HUNDRED AND THIRTY-SEVEN MILLION, TWO HUNDRED AND SEVENTY-SEVEN THOUSAND, SEVEN HUNDRED AND THIRTY-SIX EUROS [EUR 737,272,736], represented by SEVEN HUNDRED AND THIRTY-SEVEN MILLION, TWO HUNDRED AND SEVENTY-TWO THOUSAND, SEVEN HUNDRED AND THIRTY-SIX [737,272,736] shares with a nominal value of ONE EURO [EUR 1]), after obtaining, where applicable, the corresponding regulatory authorisations, by redeeming the treasury shares acquired by CaixaBank under the authorisation granted by the General Shareholders' Meeting of the Company held on 22 May 2020 under item 8 of the agenda, authorising the Board of Directors of CaixaBank to execute the reduction in whole or in part, on one or more occasions, from the adoption of the reduction resolution until the date of the next Ordinary General Shareholders' Meeting, or even not to carry it out when supervening circumstances so advise for reasons of corporate interest, all in accordance with the provisions of applicable legislation and regulations, as well as with the limitations that may be established by any competent authorities as indicated in this report.

Article 286 of the Corporate Enterprises Act requires that, in order to amend the corporate by-laws, the Directors to draw up a written report justifying the proposal.

Article 318 of the Corporate Enterprises Act states that the share capital reduction must be agreed by the General Meeting with the requirements for the amendment of the by-laws, and duly express the amount of the capital reduction, the purpose of the reduction, the procedure by which the company will carry it out, the execution period and the amount to be paid, if any, to the shareholders.

Whereby the capital reduction must be in accordance with the requirements of the amendment to the By-laws and necessarily involves the amendment of the article of the By-laws governing the share capital, the Board of Directors of CaixaBank issues this report in compliance with the aforementioned provisions.

In addition, this report will also serve the purposes provided for in article 10 of Royal Decree 84/2015, of 13 February, which establishes that, in order to modify the corporate by-laws of the banks, a request must be submitted and accompanied by a certificate of the minutes in which it was agreed, an explanatory report of the proposal prepared by the Board of Directors, as well as a draft of new by-laws identifying the amendments made.

## **II. DESCRIPTION OF THE PROPOSAL**

It is proposed to the Ordinary General Shareholders' Meeting of CaixaBank to approve the reduction of the Company's share capital up to a maximum nominal amount equivalent to 10% of CaixaBank's resulting share capital after completing the execution of the capital reduction submitted for approval by the Ordinary General Shareholders' Meeting under item 5.1 on the agenda, i.e. up to a maximum nominal amount of SEVEN HUNDRED AND THIRTY-SEVEN MILLION, TWO HUNDRED AND SEVENTY-TWO THOUSAND, SEVEN HUNDRED AND THIRTY-SIX EUROS (EUR 737,272,736), i.e. SEVEN HUNDRED AND THIRTY-SEVEN MILLION, TWO HUNDRED AND SEVENTY-TWO THOUSAND, SEVEN HUNDRED AND THIRTY-SIX (737,272,736) shares of ONE EURO (EUR 1) nominal value), subject to obtain the corresponding regulatory authorisations, through the redemption of treasury shares that have been acquired by CaixaBank, all in accordance with the provisions of applicable legislation and regulations, as well as any limitations that may be established by any competent authorities.

The capital reduction does not entail the refund of contributions to the shareholders since the Company itself is the owner of the shares to be redeemed, and it will be carried out against the share premium account or, where appropriate, other unrestricted reserve accounts, through the allocation of a restricted reserve for amortised capital for an amount equal to the nominal value of the redeemed shares, which may only be used under the same requisites as those stipulated for the share capital reduction, in application of the provisions of Article 335 c) of the Corporate Enterprises Act.

On the other hand, it is expressly stated in the proposal that, once the share capital reduction is fully effective, the amount equivalent to 20% of the share capital resulting from the reduction will be considered a legal reserve. Any surplus of 20% of the share capital in the legal reserve account will be reclassified to the voluntary reserves account and will therefore be considered as an available reserve from that moment onwards.

It is proposed to empower the Board of Directors, in the broadest terms possible, so that it can fully or partially execute the capital reduction, in one or several times, within the established completion period, or even not to do so should supervening circumstances so advise on the grounds of corporate interest, being able to establish the terms and conditions of the reduction where not provided for in the proposed resolution.

### III.GROUNDS FOR THE RESOLUTION

CaixaBank's priority objective is to create shareholder value by analysing the various options available at any given time, depending on the prevailing circumstances.

In view of CaixaBank's high solvency position, on 2 February 2024 it announced, by means of the *Inside Information* notice published on the website of the Spanish National Securities Market Commission ("**CNMV**") and on the Company's corporate website, its intention to acquire treasury shares for subsequent redemption during the first semester of 2024, with the aim of bringing the CET1 ratio closer to 12%, subject to obtaining the relevant regulatory authorisation.

CaixaBank's Board of Directors is authorised to acquire up to 10% of the share capital, which was granted to it for a period of five years by the Ordinary General Shareholders' Meeting of the Company held on 22 May 2020, under point 8 on the agenda.

Although CaixaBank's Board of Directors is empowered to resolve to acquire treasury shares through the establishment of a buyback programme or other formulas or mechanisms without the need to call a General Shareholders' Meeting, an additional resolution is required to redeem the treasury shares acquired, for which purpose the General Shareholders' Meeting must adopt a capital reduction resolution such as the one proposed.

This resolution provides for the reduction of the share capital through the redemption of the treasury shares acquired by the Company. Furthermore, in order to enable better management of the Company's treasury shares, this resolution provides for authorisation to the Board of Directors to implement all or part of the reduction of the share capital, in one or more times, within the established implementation period, with the power to set the terms and conditions of the reduction for all matters not provided for in the proposed resolution. For such purposes, the capital reduction up to the maximum amount set out in the resolution must be implemented no later than the date of the next Ordinary General Shareholders' Meeting, and the part of the capital reduction not implemented shall cease to have effect after that date. This is without prejudice to the possibility of not implementing it if circumstances make it advisable to do so, in the terms provided for in the proposed text.

This resolution is justified by the desirability of the Company having all the necessary mechanisms in place to enable it to acquire and redeem effectively and, if deemed appropriate, in full, any treasury shares that may be acquired through any mechanism, such as a share buyback programme, in an agile and flexible manner, without the need to call and hold a General Shareholders' Meeting on the occasion of each execution, albeit always within the limits, terms

and conditions established by the Corporate Enterprises Act, the General Shareholders' Meeting and other limitations that may be established by the competent authorities.

The proposal foresees that, after each implementation of a capital reduction in accordance with the proposed resolution which is the subject of this report, the articles of the By-laws relating to the share capital and the shares into which the share capital of the Company is divided (articles 5 and 6) will be amended to reflect the new capital figure and the new number of shares outstanding.

In any event, if treasury shares are not acquired for the purpose of redemption or if, once the Company has acquired them, the market conditions, the Company or any event of social or economic significance, suddenly advise against or prevent the completion of the resolution concerning the capital reduction, including, but not limited to, a significant change in the CaixaBank share price, the performance of the business, the capital position of the Company, the regulatory framework applicable to the company or the applicable capital requirements, the Board of Directors of CaixaBank may decide not make use of the resolution on the grounds of corporate interest, in which case such a decision must be reported at the next General Shareholders' Meeting.

In light of the above, the Board of Directors considers that the approval of a reduction in the Company's share capital through the cancellation of treasury shares acquired with the purpose of being cancelled up to a maximum of 10% of the share capital in the terms indicated and with the Board of Directors being conferred all the necessary powers to complete the resolution, totally or partially, in one or several times, up to the maximum indicated and within the established term, or even not to execute it, it is an adequate and flexible mechanism so that, in an agile and efficient manner, the Company can adequately attend to the opportunities that may arise at all times maximising the creation of value for the shareholder, avoiding the delays and cost increases that would entail the need to attend the General Shareholders' Meeting and in turn preserve capital adequacy and returns, all in accordance with the applicable conditions in each instance at any given time and in the best interests of the Company.

#### **IV. EXCLUSION OF THE RIGHT OF OPPOSITION OF CREDITORS**

At all times, the capital reduction will be carried out with a charge to share premium unrestricted reserve accounts through the allocation of a restricted reserve for amortised capital for an amount equal to the nominal value of the cancelled shares, which may only be used under the same requisites as those stipulated for the share capital reduction, in application of the provisions of Article 335 c) of the Corporate Enterprises Act. Therefore, the Company's creditors will not have the right of opposition referred to in article 334 of the Corporate Enterprises Act.

As provided for by article 411.1 of the Corporate Enterprises Act, it is hereby stated that the consent of the bondholders of the outstanding bond issues of the Company would not be required, in accordance with the provisions of Additional Provision One, section 9, of *Law 10/2014, of 26 June, on the organisation, supervision and capital adequacy of credit institutions*, and with the provisions of article 411 of the Corporate Enterprises Act.

## V. PROPOSED RESOLUTION

The full text of the proposed resolution for the reduction of share capital up to a maximum amount corresponding to 10% of share capital, through the redemption of treasury shares that have been acquired by CaixaBank for the purpose of being redeemed, delegating the Board of Directors to execute all or part of the reduction on one or more occasions within the established execution period, is as follows:

***Capital reduction by a maximum amount equivalent to 10% of the share capital through the redemption of treasury shares, subject to obtaining the relevant regulatory authorisations.***

*Reduce the share capital of CaixaBank up to a maximum amount equivalent to 10% of the resulting share capital after completing the execution of the capital reduction submitted for approval under agenda item 5.1 above, i.e. up to a maximum nominal amount of SEVEN HUNDRED AND THIRTY-SEVEN MILLION, TWO HUNDRED AND SEVENTY-TWO THOUSAND, SEVEN HUNDRED AND THIRTY-SIX EUROS (EUR 737,272,736), i.e. SEVEN HUNDRED AND THIRTY-SEVEN MILLION, TWO HUNDRED AND SEVENTY-TWO THOUSAND, SEVEN HUNDRED AND THIRTY-SIX (737,272,736) shares with a nominal value of ONE EURO (EUR 1), after obtaining, where applicable, the corresponding regulatory authorisations, through the redemption of the treasury shares acquired by CaixaBank under the authorisation granted by the General Shareholders' Meeting of the Company held on 22 May 2020 under agenda item 8, all in accordance with the provisions of the applicable legislation and regulations, as well as with the limitations that may be established by any competent authorities.*

*This resolution will be executed up until the date of the next Ordinary General Shareholders' Meeting, and the unexecuted portion will be considered to be invalid as of that date.*

*The final amount of the capital reduction will be set by the Board of Directors, within the maximum limit indicated above, based on the number of shares acquired and that the Board of Directors resolves to redeem in accordance with the delegation of powers approved below.*

*The capital reduction does not entail the refund of contributions to the shareholders since the Company itself is the owner of the shares to be redeemed,*



*and it will be charged to the share premium account or, where applicable, to other unrestricted reserve accounts, through the allocation of a restricted reserve for amortised capital for an amount equal to the nominal amount of the redeemed shares, which may only be used under the same requirements as those stipulated for a share capital reduction, in accordance with the provisions of Article 335 c) of the Corporate Enterprises Act. Therefore, the Company's creditors will not have the right of opposition referred to in Article 334 of said Act.*

*It is hereby stated that the consent of bondholder syndicates for outstanding debenture and bond issues provided for in article 411 of the Corporate Enterprises Act is not required, pursuant to the provisions of the Additional Provision One of Law 10/2014, of 26 June, on the regulation, supervision and solvency of credit institutions.*

*Once the implementation of each reduction of share capital is fully effective, an amount equal to 20% of the share capital resulting from the reduction of share capital shall be deemed to be a legal reserve. Any surplus of 20% of the share capital in the legal reserve account will be reclassified to the voluntary reserves account and will therefore be considered as an available reserve.*

*Likewise, and without prejudice to the specific powers established above, to empower the Board of Directors, to the full extent required by law, with no power of delegation, so that it can fully or partially execute the capital reduction, on one or more occasions, within the established execution period and in the manner it deems most suitable, in particular and without limitation, with the power to:*

- (i) Specify and implement this resolution, setting the terms and conditions of the capital reduction in all aspects not covered by the resolution, including, but not limited to, establishing the date or dates on which the capital reduction resolution must be carried out, which must be before the Company's Ordinary General Meeting.*
- (ii) Establish the number of shares to be redeemed in each execution, and it may resolve not to fully or partially execute the resolution if no acquisition of treasury shares is made for the purposes of redemption, or when shares have been acquired for that purpose, market conditions, the Company's situation or any significant corporate or economic event so advise, for reasons of corporate interest, or prevent the execution from being carried out. Such a decision must be reported to the next Ordinary General Shareholders' Meeting.*
- (iii) Agree on the de-listing of the CaixaBank shares to be redeemed on the Spanish stock exchanges and/or on the markets on which the Company's shares are listed, and the cancellation of the corresponding accounting records and the effective redemption of the treasury shares, once this resolution to reduce capital has been implemented and formalised.*

*Furthermore, without prejudice to the specific powers established above, it is resolved to empower the Board of Directors, to the fullest extent as required by law, and with express powers to delegate to the Executive Committee, the Chairman of the Board of Directors, the Deputy Chairman, the Chief Executive*



*Officer, the Secretary and the Deputy Secretary or the Deputy Secretaries of the Board of Directors, in addition to the Chief Financial Officer and the Head of Accounting, Management Control and Capital, so that any of these, jointly and severally, may perform the actions required or appropriate for the execution and completion of this resolution or that may result from it, including but not limited to:*

- (i) Declare each of the executions of the capital reduction finally resolved upon as closed, establishing, as the case may be, the definitive number of shares to be redeemed in each execution and, therefore, the amount by which the share capital of the Company must be reduced in each execution, in accordance with the limits established in this resolution, as well as the share premium account or available reserves against which each capital reduction is to be made.*
- (ii) Undertake any actions, declarations or procedures that are necessary or appropriate in relation to the public information on the capital reduction and each of its executions, including any announcements that are required or appropriate, and any actions that should be carried out before the National Securities Market Commission (CNMV), Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal (Iberclear), the Spanish stock exchanges and/or the regulators and stock exchange management companies of the markets in which the Company's shares are listed.*
- (iii) Restate the text of Articles 5 and 6 of the By-laws to reflect the new capital figure and the number of outstanding shares after the completion of each approved capital reduction.*
- (iv) Grant the corresponding deed(s) of reduction of share capital and, in general, negotiate, agree and sign all such public and/or private documents as may be necessary or advisable to execute and successfully complete the capital reduction, including, without limitation, all such acts, legal transactions, contracts, declarations and operations as may be necessary.*
- (v) Undertake all the procedures and actions that are necessary or appropriate, and present all required documents before the competent bodies, so that, once the redemption of the Company's shares has taken place and the corresponding capital reduction deed has been awarded and filed in the Companies' Registry, the redeemed shares may be de-listed from the Spanish stock exchanges and/or markets in which the Company's shares are traded, and cancelled in the corresponding accounting records and the redemption of its treasury shares will be effectively carried out.*
- (vi) Perform all tasks that may be required or advisable vis-à-vis any public or private bodies or institutions, whether Spanish or foreign, to obtain the consent and authorisations required to ensure the effectiveness of these resolutions and complete the capital reduction, including duties to declare, provide complementary information or correct defects or omissions that*

*may impair or impede the full effectiveness of the aforementioned resolution.*

15 February 2024



**REPORT OF THE BOARD OF DIRECTORS IN RELATION TO ITEM 5.3 ON THE AGENDA OF THE ORDINARY GENERAL SHAREHOLDERS' MEETING CALLED FOR 21 MARCH 2024, ON FIRST CALL, AND FOR THE FOLLOWING DAY, 22 MARCH, ON SECOND CALL, REGARDING THE PROPOSED RESOLUTION OF AUTHORISATION TO THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL BY MEANS OF MONETARY CONTRIBUTIONS, REVOKING THE UNUSED PORTION OF THE CURRENT AUTHORISATION. DELEGATION OF POWERS TO EXCLUDE PRE-EMPTIVE SUBSCRIPTION RIGHTS**

**Board of Directors – 15 February 2024**

## I. PURPOSE OF THE REPORT

This report has been prepared by the Board of Directors of CaixaBank, S.A. (hereinafter, "**CaixaBank**" or the "**Company**"), in compliance with the provisions of articles 286, 296.1, 297.1.b) and 506 of Royal Legislative Decree 1/2010, of 2 July, approving the revised text of the Corporate Enterprises Act ("**Corporate Enterprises Act**"), in order to justify the proposal on the authorisation to the Board of Directors to increase the share capital according to the provisions of Article 297.1.b) of the Corporate Enterprises Act, including the delegation of powers to exclude pre-emptive subscription rights in accordance with Article 506 of the Corporate Enterprises Act, subject to approval of the proposal made to the General Shareholders' Meeting under item 5.3 of the Agenda.

## II. GROUNDS FOR THE RESOLUTION

### Delegation of powers to increase the share capital

The Board of Directors understands that the proposed resolution submitted to the General Shareholders' Meeting is motivated by the opportunity to provide the Board with an instrument authorised by current corporate legislation which, at any time and without the need to call and hold a General Shareholders' Meeting, allows it to resolve on capital increases which, within the limits and under the terms, deadlines and conditions decided by the General Meeting, are deemed appropriate for the company's best interests.

The dynamics of any commercial company, and especially a large corporation, require that the Company has access at all times to the best and most agile instruments to ensure they are able to meet the company's needs, based on the market conditions, which includes having new funds available to the Company, such funds to be normally provided through new share capital contributions.

It is usually not possible to anticipate the Company's needs in terms of capital and, moreover, the normal way to increase the share capital holding a General Shareholders' Meeting, with the resulting delay and increased costs involved, may in certain circumstances make it difficult for the Company to respond rapidly and efficiently to market needs. In view of that, the ability to grant an authorisation for that purpose, in accordance with Article 297.1.b) of the Corporate Enterprises Act, largely enables avoiding such difficulty, while giving the Board of Directors a sufficient amount of flexibility to deal with the Company's needs, according to the Company's circumstances.

For such purposes, it is resolved to submit to the General Shareholders' Meeting the approval of an authorisation to the Board to increase the share capital of the Company by up to a maximum amount of THREE BILLION, SIX HUNDRED AND EIGHTY-SIX MILLION, THREE HUNDRED AND SIXTY-THREE THOUSAND, SIX HUNDRED AND EIGHTY-ONE EUROS (EUR 3,686,363,681) (that is, 50% of the share capital following the execution of the capital reduction submitted for approval of the General Meeting under item 5.1 of the agenda, rounded down), on one or more occasions. The proposed resolution includes rescinding, to the extent not used, the resolution adopted by the General Shareholders' Meeting of the Company on 22 May 2020, concerning the authorisation to increase capital.

The proposed resolution submitted to the General Meeting includes authorisation for the Board to delegate to the Executive Committee and, where appropriate, to the director(s) it deems appropriate, the delegable powers received from the General Meeting.

For the purposes of the appropriate coordination with the delegations in force for the issue of convertible securities, the proposed resolution specifies that it will be considered included within the available limit at any given time of the maximum amount of THREE BILLION, SIX HUNDRED AND EIGHTY-SIX MILLION, THREE HUNDRED AND SIXTY-THREE THOUSAND, SIX HUNDRED AND EIGHTY-ONE EUROS (EUR 3,686,363,681) the capital increases that, where appropriate and for the purpose of cover the conversion of securities issued are carried out under the provisions of the resolution submitted for approval at this Ordinary General Shareholders' Meeting under item 5.4 of the following agenda, or any other resolution that may be passed by the General Meeting on this matter.

### **Delegation of the power to exclude pre-emptive subscription rights in the case of new share issues**

In addition, and as permitted by article 506 of the Corporate Enterprises Act in the case of listed companies, when the General Meeting delegates to the directors the power to increase the share capital in accordance with the provisions of article 297.1.b) of the Corporate Enterprises Act, it may also confer on them the power to exclude pre-emptive subscription rights in relation to the share issues that are the object of the delegation, when the interests of the Company so require, although such proposal for exclusion must be stated in the announcement of the General Meeting and a report by the directors justifying the proposal must be made available to the shareholders.

In this regard, it is hereby informed that, according to Article 506 of the Corporate Enterprises Act and the limits established in the proposed resolution, the authorisation given to the Board of Directors to increase the share capital contained in the proposal referred to in this report, also includes the authorisation that allows the Board of Directors to exclude the pre-emptive subscription rights of the shareholders, totally or partially, where the Company's interest so requires, all according to the terms of said Article 506.

The Board of Directors considers that this additional possibility, which considerably increases the room for manoeuvre and capacity of response provided by the mere delegation of the power to increase the share capital under the terms of Article 297.1.b) of the Corporate Enterprises Act, is justified by the flexibility and agility called for, at times, in the financial markets to take advantage, for the best interest of the Company, of a moment in time when market conditions are most favourable. In turn, raising capital on international markets may require the exclusion of pre-emptive subscription rights to enable the use of book building methods commonly required in the aforementioned markets. In this regard, such book building methods also reduce the distorting effect on the trading of Company shares during the issuance period, which tends to be shorter than in an issuance with pre-emptive subscription rights, and normally also enables to reduce the costs associated with the operation (including, especially, commissions charged by financial entities involved in the issuance) compared with an issuance with pre-emptive subscription rights.

In any case, as a general rule, the proposal submitted to the General Shareholders' Meeting expressly provides that the share capital increases that the Board may approve under this authority excluding pre-emptive subscription rights are limited to a maximum total amount of SEVEN HUNDRED AND THIRTY-SEVEN MILLION, TWO HUNDRED AND SEVENTY-TWO THOUSAND, SEVEN HUNDRED AND THIRTY-SIX EUROS (EUR 737,272,736), i.e., a figure equivalent to 10% of the equity capital following the execution of the capital decrease submitted for approval by the General Meeting under agenda item 5.1.

The Corporate Enterprises Act limits the delegation to increase the share capital with exclusion of pre-emptive subscription rights to 20% of the company's share capital at the time of authorisation. However, taking into account best practices in corporate governance, the Board of Directors has considered it appropriate that the power to increase share capital, excluding pre-emptive subscription rights under this delegation, should not exceed a maximum nominal value, in aggregate, of 10% of CaixaBank's share capital. It is also hereby stated that the 10% has not been calculated on the amount of share capital in force at the time of authorisation, but on the share capital resulting from the capital reduction submitted for approval by the General Shareholders' Meeting under item 5.1 on the agenda.

It is hereby stated that, as an exception and in accordance with the provisions of law, the amount of any capital increases which, if applicable, and for the purpose of addressing the conversion of securities issued under the resolution submitted to this Ordinary General Shareholders' Meeting under item 5.4 on the agenda or any other resolution on the matter that may be adopted by the General Meeting in the future, with a general limit applicable to such capital increases being THREE BILLION, SIX HUNDRED AND EIGHTY-SIX MILLION, THREE HUNDRED AND SIXTY-THREE THOUSAND, SIX HUNDRED AND EIGHTY-ONE EUROS (EUR 3,686,363,681).

Directive 2013/36/EU of the European Parliament and of the Council, of 26 June 2013, on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, EU Regulation 575/2013 on prudential requirements for credit institutions and investment firms and Law 11/2015, of 18 June, on recovery and resolution of credit institutions and investment service companies, provide for the need for credit institutions to equip themselves, in certain proportions, with various instruments in the composition of their regulatory capital so that they may be considered adequately capitalised. In this regard, there are different capital categories that must be covered by specific instruments. Despite the Company's current adequate capital situation, in certain circumstances the Board of Directors may deem it appropriate to issue convertible instruments under the authorisation granted by the General Shareholders' Meeting. Insofar as the issuance of such instruments entails the need to have authorised capital available to cover possible convertibility and in order to provide the Company with greater flexibility, bearing in mind that in capital increases whose purpose is to cover the conversion of bonds there is no pre-emptive subscription right pursuant to the provisions of article 304.2 of the Corporate Enterprises Act, it is understood that the capital increases that the Board of Directors approves under the delegation resolution covered by this report to cover the conversion of securities whose issuance has excluded pre-emptive subscription rights are not subject to the maximum limitation of 10% of the share capital, but are only subject to the limit of 50%, insofar as convertible securities are considered additional tier 1 capital instruments, in accordance with the provisions of the Fifteenth Additional Provision of the Corporate Enterprises Act.

It is hereby stated that the total or partial exclusion of pre-emptive subscription rights is simply an authorisation given to the Board of Directors by the General Shareholders' Meeting and the exercise of that authorisation will depend on the decision of the Board, taking into consideration the circumstances applicable in each individual case and in compliance with all legal requirements. If, in the exercise of the aforementioned powers, the Board decides to waive pre-emptive subscription rights in relation to a specific capital increase that it may decide to carry out under the authorisation granted by the General Shareholders' Meeting, the Board shall issue, at the time of resolving on the increase, the corresponding directors' report under the terms provided for by law. The Company may also obtain the report of the independent expert provided for in article 308 of the Corporate Enterprises Act, as provided for in article 506 of the Corporate Enterprises Act. The directors' explanatory report and,



where appropriate, that of an independent expert, would be made available to the shareholders and communicated in the first General Meeting held after the resolution to increase the share capital, in accordance with the aforementioned provision.

### III. PROPOSED RESOLUTION

The full text of the proposed resolution under item 5.3 on the agenda is as follows:

***Authorisation for the Board of Directors, pursuant to the provisions of Article 297.1.b) of the Corporate Enterprises Act, to increase the capital on one or more occasions and at any time, within a term of five years, through monetary contributions and to a maximum nominal amount of EUR 3,686,363,681, all of which within the terms and conditions that the Board deems appropriate, revoking the authorisation currently in force. Delegation for the exclusion of pre-emptive subscription rights, in accordance with the provisions of Article 506 of the Corporate Enterprises Act, in which case the capital increases will be limited, in general, to the maximum amount of EUR 737,272,736.***

*To authorise the Board of Directors, as broadly as it is legally necessary, to increase the share capital, in accordance with the provisions of article 297.1.b) of the Corporate Enterprises Act, on one or more occasions and at any time, within a period of five years from the date of this General Meeting, by a maximum amount of THREE BILLION, SIX HUNDRED AND EIGHTY-SIX MILLION, THREE HUNDRED AND SIXTY-THREE THOUSAND, SIX HUNDRED AND EIGHTY-ONE EUROS (EUR 3,686,363,681) (i.e. a figure equivalent to 50% of the share capital after implementation of the capital reduction submitted for approval by the General Meeting under item 5.1 on the agenda, rounded down), by issuing new shares – with or without a premium and with or without voting rights – the consideration for the new shares to be issued consisting of cash contributions, with the power to set the terms and conditions of the capital increase and the characteristics of the shares, as well as freely offering the new shares not subscribed for within the preferential subscription period or periods, establishing that, in the event of incomplete subscription, the capital shall be increased only by the amount of the subscriptions made and redrafting the articles of the By-laws relating to capital and shares. It shall be deemed to include within the limit available from time to time of the maximum amount of THREE BILLION, SIX HUNDRED AND EIGHTY-SIX MILLION, THREE HUNDRED AND SIXTY-THREE THOUSAND, SIX HUNDRED AND EIGHTY-ONE EUROS (EUR 3,686,363,681) the amount of the capital increases that, if applicable, are made in order to cover the conversion of securities issued under the terms of the resolution submitted for the approval of this Ordinary General Shareholders' Meeting under item 5.4 on the agenda below or any other resolution on the matter that may be adopted in the future by the General Shareholders' Meeting.*

*The Board is also hereby authorised to exclude, in whole or in part, pre-emptive subscription rights under the terms of article 506 of the Corporate Enterprises Act, although capital increases with the suppression of pre-emptive subscription rights shall be limited, in general, to a maximum amount of SEVEN HUNDRED AND THIRTY-SEVEN MILLION, TWO HUNDRED AND SEVENTY-TWO THOUSAND, SEVEN HUNDRED AND THIRTY-SIX EUROS (EUR 737,272,736) (i.e. a figure equivalent to 10% of the share capital after the implementation of the capital reduction submitted for approval by the General Meeting under item 5.1 above on the agenda). This limit shall not apply, by way of exception, to increases in share capital that the Board may approve to cover the conversion of securities issued, with suppression of pre-emptive subscription rights, under the resolution submitted to this Ordinary General Shareholders' Meeting under item 5.4 on the agenda or any other resolution on the matter*

*that may be adopted by the General Meeting in the future, and the general limit of THREE BILLION, SIX HUNDRED AND EIGHTY-SIX MILLION, THREE HUNDRED AND SIXTY-THREE THOUSAND, SIX HUNDRED AND EIGHTY-ONE EUROS (EUR 3,686,363,681) shall apply to such capital increases.*

*By virtue of this authorisation, the Board of Directors is also authorised to apply for admission to trading of the new shares that may be issued on the stock exchanges on which the Company's shares are listed, under the terms of the applicable regulations, and the Board of Directors is also authorised to take such steps and actions as may be necessary before the competent bodies and authorities.*

*The Board of Directors is also authorised to delegate to the Executive Committee and, where appropriate, to the Chairman of the Board of Directors, the Deputy Chairman, the Chief Executive Officer, the Secretary and Deputy Secretary or Deputy Secretaries of the Board of Directors, as well as to the Chief Financial Officer and the Director of Accounting, Management and Capital Control, the powers conferred by this resolution that may be delegated.*

*This delegation replaces and repeals the prior delegation in effect, approved at the Company's Annual General Meeting held on 22 May 2020, in terms of the undrawn amount.*

15 February 2024





**REPORT OF THE BOARD OF DIRECTORS IN RELATION TO ITEM 5.4 OF THE AGENDA OF THE ORDINARY GENERAL SHAREHOLDERS' MEETING CALLED FOR 21 MARCH 2024, ON FIRST CALL, AND FOR THE FOLLOWING DAY, 22 MARCH, ON SECOND CALL, REGARDING THE DELEGATION TO THE BOARD OF DIRECTORS OF THE POWER TO ISSUE SECURITIES CONTINGENTLY CONVERTIBLE INTO SHARES OF CAIXABANK, S.A. FOR THE PURPOSE OF OR TO MEET REQUIREMENTS FOR THEIR ELIGIBILITY AS ADDITIONAL TIER 1 REGULATORY CAPITAL INSTRUMENTS ("CoCos"); THE POWER TO INCREASE THE SHARE CAPITAL IN THE AMOUNT REQUIRED; AND, WHERE APPLICABLE, TO EXCLUDE PRE-EMPTIVE SUBSCRIPTION RIGHTS**

**Board of Directors – 15 February 2024**

## I. PURPOSE OF THE REPORT

The Board of Directors of CaixaBank, S.A. (hereinafter, the "**Company**" or "**CaixaBank**"), subject to the provisions of article 511 of Royal Legislative Decree 1/2010, of 2 July, approving the revised text of the Corporate Enterprises Act (the "**Corporate Enterprises Act**"), issues this report in order to justify the proposed resolution on item 5.4 of the agenda of the Ordinary General Shareholders' Meeting regarding the delegation to the Board of Directors of the power to issue, on one or more occasions, at any time during a maximum period of three years, securities that are contingently convertible into newly issued shares of CaixaBank, as well as financial instruments of a similar nature, which are intended to or allow for meeting regulatory requirements for their eligibility as additional Tier 1 regulatory capital instruments ("**CoCos**"), for a maximum aggregate amount of THREE BILLION, FIVE HUNDRED MILLION EUROS (EUR 3,500,000,000) (or its equivalent in other currencies), as well as the power to determine the terms and conditions of the conversion, the possibility of increasing the share capital by the amount necessary for the conversions and excluding the pre-emptive subscription right of the Company's shareholders if it is justified by the company's interest.

For clarification purposes, it is hereby stated that the issuance of fixed income securities exchangeable exclusively (in other words, not additionally or alternatively convertible into newly issued Company shares) for existing shares of the Company or other companies in which CaixaBank may or may not hold a stake, or which are merely settled net, are not included in the scope of this proposed delegation and shall be governed instead by applicable law and the Company's By-laws.

## II. JUSTIFICATION FOR THE PROPOSAL

The dynamics of any company and, especially, of large listed companies, require that their governance and management bodies have the most suitable instruments to provide an appropriate and agile response to the Company's needs at any time, given the market conditions. For this purpose, it is considered necessary that the Company's Board of Directors, in view of the current regulatory situation and of the financial markets, has the greatest flexibility to raise funds through the issuance of securities or convertible instruments that comply with the eligibility requirements for additional Tier 1 capital instruments in accordance with solvency regulations, currently provided for in Regulation (EU) No 575/2013 of the European Parliament and of the Council, of 26 June 2013, on the prudential requirements of credit institutions and investment firms ("**Regulation (EU) 575/2013**").

Convertible securities that meet certain requirements make it possible to optimise the capital structure in order to meet capital and solvency requirements or, with a solid capital position and comfortably meeting the capital ratios required in accordance with the current regulations, allow capital to be increased at a lower cost. Therefore, it is considered appropriate that the Board of Directors be empowered to issue securities that will allow the Company to maintain and, where appropriate, increase its eligible capital ratios, in a flexible and agile manner, in accordance with the regulations that are

in force at any time. Likewise, the issuance of convertible instruments may also be an efficient way to raise funds in terms of cost or the issuance of new capital.

The Board of Directors understands that the proposed resolution submitted to the General Shareholders' Meeting of the Company is motivated by the opportunity to provide the Board with the room to manoeuvre and response capacity by means of a delegation of powers permitted under current regulations, by virtue of which, without the need to previously call and hold a General Meeting (with the delays and costs that this would inevitably entail), it will be able to agree, within the limits and in the time period, and subject to the terms and conditions established by the General Meeting, upon the issuances of securities contingently convertible into newly issued CaixaBank shares, for the purpose of or that meet the requirements for eligibility as additional level 1 regulatory capital instruments ("CoCos") and financial instruments of a similar nature, in line with the corporate interest.

The draft resolution sets at three thousand five hundred million euros (EUR 3,500,000,000) (or its equivalent in other currencies) the maximum issuance amount for which authorisation is requested. The Board of Directors considers that this amount is of sufficient size to enable the necessary funds to be raised in the capital markets to implement the financing policy of the Company and its Group and, where appropriate, to increase the eligible capital ratios in accordance with capital and solvency regulations.

The draft resolution also establishes the criteria for establishing the bases and terms of conversion, although it empowers the Board of Directors, in the event that it agrees to make use of the authorisation of the General Meeting, to specify these parameters for each issuance, within the limits and in accordance with the criteria established by the Board. Thus, the Board of Directors will establish the specific conversion ratio. Further, in accordance with the circumstances and terms set down in the Corporate Enterprises Act, the Board of Directors, on approving a securities issuance under this delegation of power, will ratify a report detailing the specific bases and terms of conversion applicable to the issuance which, where appropriate, will be supplemented by the corresponding report from an accounts auditor other than the Company's auditor.

The draft resolution that is submitted by the Board for approval by the General Meeting provides that, for the purposes of conversion, fixed income securities will be valued at their nominal value, and shares at the exchange rate established by the Board of Directors in the resolution in which it makes use of this delegation, or the rate established on the date or dates close to the issuance as indicated in the Board resolution, with or without a discount or premium. It may also be resolved to issue convertible fixed income securities with a variable conversion ratio (which may include maximum and/or minimum limits on the conversion price). In such case, the price of the shares for the purposes of the conversion will be determined by the Board of Directors, which may apply a premium or discount on the share price in accordance with established criteria. Thus, the Board considers that it has been granted sufficient flexibility to set the price of the shares for conversion purposes based on market conditions and other applicable considerations.

The draft resolution to delegate to the Board of Directors also includes the power to establish the capital increase required to meet conversion requests, subject to any limits in force at all times. Consequently, this power may only be exercised provided that such a capital increase under delegated powers, in addition to any other capital increases that the Board of Directors may have agreed upon under the authorisation granted by the General Meeting, is no higher than half of the amount of the share capital, as established in article 297.1.b) of the Corporate Enterprises Act. In this regard, the amount of capital increases that, where appropriate, are approved in order to carry out the conversion of securities or instruments issued under the delegation of powers described in this report, will be considered to fall within the limits available at any given time. Pursuant to the regulations currently in force, and the authorisation submitted for approval by the General Shareholders' Meeting under item 5.3 of the agenda, the capital increases that the Board of Directors approves under the delegation resolution covered by this report to cover the conversion of this type of securities are subject to the limit of 50% of the share capital, in accordance with the provisions of the Fifteenth Additional Provision of the Corporate Enterprises Act.

It is hereby stated that the Board of Directors, pursuant to the provisions of the Corporate Enterprises Act, is also empowered to remove, all or part of shareholders' pre-emptive subscription rights, if required to raise funds on Spanish and international markets or for any other reason deemed to be in the corporate interest. The Board of Directors considers that the possibility of removing pre-emptive subscription rights is justified, as long as it is in the corporate interest, due to the flexibility and agility with which it is necessary to act in the current financial markets to be able to take advantage of the moments when market conditions are more favourable. This justification is especially relevant when the acquisition of financial resources is to be carried out on international markets, in which the large amount of funds traded and the agility and speed with which they move, can give rise to high volumes of funds under more favourable conditions using *bookbuilding* techniques. The Board considers that the removal of pre-emptive subscription rights could lead to relatively lower financial and transaction costs (especially the fees and commissions of the financial entities participating in the issue) compared to an issue with pre-emptive subscription rights, and at the same time would have a lower distortion effect on the trading of the Company's shares during the issuance period. Additionally, it is hereby stated given the nature of the securities issued, all the issuances of convertible securities carried out in recent years under the powers conferred by the General Meeting have been aimed at institutional or professional investors, as these securities were not suitable for retail investors, a point which also justifies the removal of pre-emptive subscription rights.

If the Board decides to remove shareholders' pre-emptive subscription rights in relation to any or all issuances it makes under this delegation of powers, upon implementing the issuance resolution it may have a legal requirement to draw up a specific report, which may, in turn, be the subject of a further report issued by an independent expert, pursuant to the Corporate Enterprises Act. These reports must be made available to shareholders in the terms provided for by law.

Directive 2013/36/EU of the European Parliament and of the Council, of 26 June 2013, on access to the activity of credit institutions and the prudential supervision of credit institutions and investment companies, and Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms, and Spanish Law 11/2015, of 18 June, on the recovery and resolution of credit institutions and investment services companies, anticipate the need for credit entities to provide, in certain proportions, different instruments in the composition of their regulatory capital so that they can be considered suitably capitalised. In this regard, there are different capital categories that must be covered by specific instruments. Although the Company's capital situation is currently adequate, it was deemed necessary to pass a resolution that allows the issuance of instruments that may be convertible in certain cases.

Insofar as the issue of these instruments entails the need to have authorised capital available to cover any possible convertibility at the time of issue, and in order to provide the company with greater flexibility, it has been considered appropriate that the increases in share capital that the Board approves under the delegated authority that is the subject of this report to cover the conversion of this type of securities whose issuance has excluded pre-emptive subscription rights be subject to a maximum of 50% of the capital envisaged in the proposed resolution submitted for approval by the General Shareholders' Meeting under agenda item 5.3. In this regard, the Corporate Enterprises Act expressly establishes that, in the case of issues of convertible securities with exclusion of pre-emptive subscription rights, the maximum number of shares that may be issued to cover the exchange, added to the number of shares that have been issued under the delegation to the Board of Directors to increase the capital, may not exceed 20% of the number of shares comprising the share capital at the time of authorisation. However, this 20% limit shall not apply to convertible bond issues made by credit institutions, provided that these issues comply with the requirements laid down in Regulation (EU) 575/2013 on prudential requirements for credit institutions and investment firms in order for the convertible bonds issued to qualify as additional Tier 1 capital instruments of the issuing credit institution. Therefore, the general limit will be 50% for capital increases that are approved to cover the potential conversion of the securities issued under the delegation of powers referred to in this report, excluding pre-emptive subscription rights.

Lastly, the implementation of the necessary resolutions is proposed to ensure that the securities issued by virtue of this delegation of powers are admitted to trading on any official or unofficial, Spanish or foreign secondary market (organised or otherwise).

In conclusion, the resolution submitted to the General Meeting provides the Board of Directors with room for manoeuvre and response capacity and is justified by the flexibility and agility with which it is necessary to act in current financial markets in order to be able to take advantage of moments when market conditions are more favourable. In addition, although the Company's capital situation is currently adequate, the resolution submitted to the General Meeting allows the capital structure to be optimised and increased to comply with the current and future regulatory solvency and prudential capital requirements of credit institutions.

### III. PROPOSED RESOLUTION

The full text of the proposed resolution under agenda item 5.4 is as follows:

***Delegation to the Board of Directors of the power to issue securities contingently convertible into shares of the Company, or instruments of a similar nature, for the purpose of or to meet regulatory requirements for their eligibility as additional Tier 1 regulatory capital instruments in accordance with applicable capital adequacy regulations, for a maximum total amount of EUR 3,500,000,000 (or the equivalent in other currencies); as well as the power to increase share capital by the necessary amount, including power to exclude, where appropriate, pre-emptive subscription rights. Establishment of the criteria for determining the bases and modalities of conversion.***

*It is resolved to delegate powers to the Board of Directors, to the fullest extent required by law, to issue securities contingently convertible into newly issued shares of CaixaBank, or instruments of a similar nature, for the purpose of or to meet regulatory requirements for their eligibility as additional Tier 1 regulatory capital instruments ("CoCos"), in accordance with prevailing capital adequacy regulations, all this subject to the terms of this resolution and in compliance with applicable law and the By-laws and after obtaining any authorisations that may be required.*

*For clarification purposes, it is hereby stated that the issuance of fixed-income securities exchangeable for existing shares of the Company or other companies in which CaixaBank may or may not hold a stake, or which are merely settled net, fall outside the scope of this delegation of powers and shall be governed instead by applicable law and the Company's By-laws.*

*The delegation is made in accordance with the following conditions:*

- 1. The Board of Directors is empowered by virtue of this resolution to issue securities on one or more occasions, at any time, within a maximum of three years from the date this resolution is passed.*
- 2. The maximum total amount of the issuance or issuances of securities envisaged under this delegation of powers will be THREE BILLION FIVE HUNDRED MILLION EUROS (EUR 3,500,000,000), or equivalent value in another currency.*
- 3. Issues made by virtue of this delegation may be for Spanish or foreign investors of all kinds.*
- 4. By virtue of the powers hereby delegated, the Board of Directors shall be responsible for determining each and everyone of the terms, characteristics and conditions of each of the issues of securities effected under the terms of this resolution, including, without limitation, the amount thereof, though always subject to the aforementioned total quantitative limit, place of issue – national or foreign – and currency, including, if issued in foreign currency, the equivalent value in euros; the*



*name or type, for the purposes of its eligibility as regulatory capital instruments in accordance with applicable capital adequacy regulations; the date or dates of issuance; the form, time and events of conversion; whether the securities are contingently convertible; the number of securities and their nominal value, which shall not be less than the nominal value of the shares; the issue price; the form and conditions of the remuneration, whether the interest rate is fixed or variable and the dates and procedures for payment of interest; the maturity date or whether the issuance is perpetual in nature; if applicable, the terms and conditions of early redemption (total or partial); the form of representation of the securities; anti-dilution clauses; pre-emptive subscription rights, if any, and the subscription regime; the rank or seniority of the securities and any subordination clauses; and the legislation applicable to the issuance, whether domestic or foreign. The Board shall likewise request, where appropriate, admission to trading (and, where appropriate, de-listing) of the issued securities on official or unofficial secondary markets, whether or not organised and whether domestic or foreign, in accordance with applicable legal requirements in each case; and, in general, any other term or condition of the issuance. It shall likewise establish the relevant body, form and mechanisms to allow for the association, collective organisation and/or representation and protection of the holders of the securities and, where applicable, shall appoint their representatives, if necessary or if it is decided that such representatives should exist.*

*This delegation of powers also includes authority for the Board of Directors to decide the terms of redemption of the securities issued, with authority to use, to the extent applicable, the redemption methods envisioned in the Corporate Enterprises Act or any others that may apply. Likewise, the Board of Directors is empowered to, when deemed appropriate, and subject to obtaining any approval or consent that may be required from the syndicates or bodies representing the holders of the securities, modify the terms of redemption of the issued securities and their respective terms and any yield or remuneration that may accrue in relation to each of the issuances made under this authorisation.*

5. *For the purpose of determining the basis and modalities of the conversion, it is agreed to establish the following criteria:*
  - i. *The securities issued under this resolution shall be contingently convertible into newly issued shares of the Company, at a fixed (determined or determinable) or variable conversion ratio (which may include maximum and/or minimum limits on the conversion price), with the Board of Directors being given the power to establish the terms of such conversion, including manner, time and conversion events or whether the conversion is to be contingent or conditional.*
  - ii. *If it is resolved to issue the convertible securities with a fixed conversion ratio, the securities will be valued at their nominal value and the shares at the fixed exchange rate stipulated in the resolution of the Board of Directors made further to this delegation of powers, or at the exchange rate to be determined on the date or dates close to the issuance as indicated in the Board resolution*

*itself, and based on the stock market value of the Company's shares on the date/s or period/s taken as the reference point in that same resolution, with or without discount or premium, with the Board of Directors being authorised to establish any conversion criteria it deems appropriate.*

- iii. It may also be agreed to issue the convertible securities with a variable conversion ratio. In the latter case, the price of the shares for the purposes of the conversion will be determined by the Board of Directors, which may apply a premium or discount on the share price in accordance with the relevant rules and criteria. The premium or discount may be different for each date taken as the reference for the conversion of each issuance (or, where applicable, each tranche of an issuance). In addition, a minimum and/or maximum reference price for the shares may be established for the purposes of their conversion, on such terms as the Board of Directors may deem appropriate.*
- iv. Where conversion is applicable, any fractions of a share to be delivered to the holder of the securities shall be rounded down to the next whole number. The Board will be responsible for deciding whether each holder should be paid the resulting difference in cash, where the case may be.*

*When approving an issuance of securities pursuant to the powers set out in this resolution, the Board of Directors shall issue a report specifying the terms and conditions of the issuance. This report may be accompanied by the corresponding report of an auditor other than the Company's own auditor, all the foregoing in accordance with the provisions of the Corporate Enterprises Act.*

- 6. To the extent that the conversion into shares of the securities that may be issued under this delegation is possible, their holders shall have all the rights recognised to them by applicable legislation.*
- 7. This delegation to the Board of Directors also includes the following powers, by way of example but without limitation:*
  - i. The power for the Board of Directors to exclude, in whole or in part, the pre-emptive subscription rights of shareholders, when doing so is required in order to raise funds on national or international markets and is to be carried out through the use of book building or for any other reason deemed to be in the Company's interest. If the Board decides to exclude the pre-emptive subscription rights of shareholders in relation to a specific issue it decides to make under this authorisation, it shall, at the time of approving the issue, elaborate a specific report, when necessary and accordingly with the terms required by the applicable regulations, which, when applicable, will be subject of a consecutive report issued by an independent expert, in accordance with the Corporate Enterprises Act. These reports shall be made available to shareholders in due course in the terms provided for by law.*
  - ii. The power to increase capital by the amount necessary to meet requests for conversion and/or where shareholders exercise their right to subscribe for shares, subject to any limits in force and available from time to time. It is*



*hereby stated for the record that the increases in share capital that the Board may approve under this authorisation to cover the conversion of convertible securities or instruments of a similar nature that meet the regulatory requirements for their eligibility as additional tier 1 capital instruments in accordance with applicable solvency regulations, the issuance of which has excluded pre-emptive subscription rights, shall not be subject to the maximum limitation of 10% of share capital set forth in the proposed resolution submitted for approval of this General Meeting under item 5.3 of the agenda, or that which may be approved in the future by the General Shareholders' Meeting, nor to the limitation set forth in article 511 of the Corporate Enterprises Act, in accordance with the fifteenth additional provision of the Corporate Enterprises Act, which excludes the application of this limit to credit institutions. This capital increase authorisation includes the authorisation to issue and put into circulation, on one or more occasions, the shares representing it that are required for the conversion and/or exercise of the share subscription right, and the authorisation to redraft the articles of the Company By-laws concerning the amount of capital and shares and, where the case may be, to cancel the part of the said capital increase that is not necessary for the conversion and/or exercise of the share subscription right.*

- iii. The power to draw up and specify the terms and modalities of the conversion and/or exercise of the rights to subscribe for shares by virtue of the securities to be issued, taking into account the criteria set out in point five above and, in general and in the broadest terms, the power to determine such aspects and conditions as may prove necessary or appropriate for the issuance.*
- iv. To request, when deemed appropriate, the admission to (or, as the case may be, the de-listing from) trading of the securities issued under this delegation of powers on/from official or unofficial secondary markets, whether or not organised and whether national or foreign. For such purposes, the Board of Directors will be authorised to conduct such business as may be necessary or fitting in order to arrange the admission to trading of the issued securities vis-à-vis the competent bodies of different national or foreign securities markets, subject to the rules that currently exist or may apply in the future on matters relating to listing and, especially, trading, continuity of trading and de-listing from official trading.*

*The delegation of powers in the Board of Directors – with express authority to sub-delegate such powers to the Executive Committee of the Board of Directors or to one or more Board members or senior officers – includes the broadest powers required by law for the interpretation and effective application, implementation and enforcement of the resolutions concerning the issuance of the securities. Likewise, the Board is granted powers to correct and further specify such resolutions as and when necessary and to comply with any legal requirements when implementing and acting upon such resolutions. It may also remedy omissions or defects in such resolutions, as indicated by any national or foreign authorities, officials or bodies, and may adopt such further resolutions and implement such public or private documents as it deems necessary or advisable in order*

*to adjust or amend the aforementioned resolutions for the issue of securities and the corresponding capital increase accordingly to reflect the verbal or written opinion of the Companies Registrar or, in general, of any other competent national or foreign authorities, officials or institutions.*

*This delegation replaces and renders ineffective, in the unused amount, the previous delegation in force, approved at the General Meeting of 14 May 2021.*

15 February 2024



**REASONED PROPOSAL ON THE AMENDMENT OF THE POLICY ON DIRECTORS' REMUNERATION (ARTICLE 529 NOVODECIES OF THE CORPORATE ENTERPRISES ACT)**

**Board of Directors – 15 February 2024**

Article 529 novodecies of the prevailing Corporate Enterprises Act<sup>1</sup> (**LSC**) obliges listed companies to prepare a Remuneration Policy for their Board of Directors, applicable for a period of up to three years, and submit it to the General Shareholders' Meeting for approval.

However, proposals for new Remuneration Policies for Directors must be submitted to the General Shareholders' Meeting before to the end of the last financial year of application of the previous policy. The General Shareholders' Meeting may determine that the new policy shall apply from the date of approval and for the following three years. Any amendment or substitution to the policy during the period requires the prior approval of the General Shareholders' Meeting in accordance with the procedure established for its approval.

In relation to the members of the Board of Directors in their capacity as such (hereinafter, **Directors in their capacity as such**), the Remuneration Policy must determine their remuneration within the system provided for in the By-laws, and necessarily include the maximum amount of annual remuneration to be paid to all of them for their mere status as directors, i.e. without taking into account the remuneration for the executive functions of the members of the Board.

In relation to directors who carry out executive functions (hereinafter, **Executive Directors**), the Remuneration Policy must also contemplate the amount of fixed annual remuneration and how it may change over the period to which the policy relates, as well as the different parameters for establishing the variable components and the main terms and conditions of their contracts, particularly duration, indemnity payments for early termination or termination of the contractual relationship and any exclusivity, post-contractual non-compete and minimum contract commitment or loyalty arrangements.

Any remuneration received by the directors for holding or terminating their posts and for performing executive functions must be in accordance with the prevailing Remuneration Policy, except in the case of remuneration expressly approved at the General Meeting.

The Ordinary General Shareholders' Meeting of CaixaBank, S.A. (hereinafter, **CaixaBank** or the **Bank**) at its meeting held on 8 April 2022, has agreed to approve the Remuneration Policy of the Board of Directors for its application as of the date of approval until 2025, inclusive. Subsequently, on 31 March 2023, the Ordinary General Shareholders' Meeting of CaixaBank approved the amendment of this Policy, which, with the amendments introduced, was to remain in force until the financial year 2025 included (hereinafter, **Remuneration Policy** or **Policy**).

Notwithstanding the foregoing, the Board of Directors considers it necessary to amend the Remuneration Policy once again.

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<sup>1</sup> Legislative Royal Decree 1/2010, of 2 July, approving the restated text of the Corporate Enterprises Act, after the amendment introduced by Law 5/2021, of 12 April.

The proposed amendment to the Remuneration Policy is mainly motivated by the update for 2024 of the annual Fixed Remuneration in cash and the target amount of the Variable Remuneration Scheme with Multi-Year Metrics, both for the Chairman of the Board of Directors and the Chief Executive Officer of CaixaBank, as well as the annual contribution to the Long-Term Savings System of the latter. On the other hand, the metrics for the measurement of the targets of the Variable Remuneration Scheme with Multi-Year Metrics for the 2024 financial year are modified for both the Chairman of the Board of Directors and the Chief Executive Officer.

This update must be approved by the General Shareholders' Meeting by including it in the aforementioned Policy. The reason for the need for this approval is that the mechanisms for updating the remuneration of Executive Directors, previously established in the Policy initially approved by the Ordinary General Shareholders' Meeting held on 8 April 2022, were eliminated by the amendment of the Policy agreed by the Ordinary General Shareholders' Meeting held on 31 March 2023.

On the other hand, and taking advantage of the context of the modification of these components of Executive Directors' remuneration, and for the purposes of maximum transparency, certain updates are introduced, the purpose of which is merely to reflect the following:

- (a) The updating of the remuneration of the directors in their capacity as such, for their membership of the Board and its Committees and for chairing the aforementioned Committees, following approval by this Board of Directors, at the proposal of the Remuneration Committee, at its meeting held on 15 February 2024, in the use of its legal and statutory powers and within the parameters of the current Remuneration Policy and the maximum amount approved by the Ordinary General Shareholders' Meeting held on 31 March 2023.
- (b) The updating of certain estimated amounts of other items foreseen in the Remuneration Policy.

Finally, certain time references are modified to adapt them to the remaining term of the Remuneration Policy, and other minor changes of a purely grammatical nature are introduced.

As a result of the foregoing, at its meeting held on 15 February 2024, the Board of Directors at CaixaBank approved the proposed amendment to the Remuneration Policy and submit it to the General Shareholders' Meeting for approval as a separate item on the agenda.

Likewise, at the same meeting, the Board of Directors of CaixaBank resolved to take notice of the Remuneration Committee's mandatory report regarding amendment of the Remuneration Policy, the content and reasoning of which are acknowledged by the Board and form an integral part of its proposal.

Appendix 1 Amended Policy on Directors' Remuneration to be submitted to the Annual General Meeting for approval.

Appendix 2 Report of the Remuneration Committee on the proposed amendment of the Policy on Directors' Remuneration.

## **Appendix 1**

**Amended Policy on Directors' Remuneration.**

**Article 529 novodecies of the Corporate Enterprises Act**

**CaixaBank, S.A.**

**POLICY ON DIRECTORS' REMUNERATION**

Valencia, 15 February 2024



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## 1. INTRODUCTION

Article 529 novodecies of the current Corporate Enterprises Act<sup>1</sup> (LSC) obliges listed companies to prepare a remuneration policy for their board of directors, applicable for a period of up to three years, and submit it to the Annual General Meeting for approval.

Proposals for new director remuneration policies must be submitted to the Annual General Meeting before the end of the last financial year of application of the previous policy. Shareholders at the Annual General Meeting may determine that the new policy shall apply from the date of approval for the following three years. Finally, it establishes that any amendment or replacement of the Directors Remuneration Policy requires the prior approval of the Annual General Meeting in accordance with the procedure stipulated for its approval.

The Annual General Meeting of CaixaBank, S.A. (hereinafter, **CaixaBank**, **Company** or **Bank**) held on 8 April 2022, approved the Remuneration Policy for the Board of Directors, applicable from the date of its approval up to and including the financial year 2025 (hereinafter, **Remuneration Policy** or **Policy**). This policy was amended by resolution of the Ordinary General Meeting of CaixaBank held on 31 March 2023.

The content of this Remuneration Policy is detailed below, including the amendments proposed by the Board of Directors, which will be applicable subject to their approval by the Ordinary Annual General Meeting to be held on 22 March 2024. The amendments are detailed in the mandatory report by CaixaBank's Remuneration Committee dated 12 February 2024 and the reasoned proposal of CaixaBank's Board of Directors of 15 February 2024.

If the amendments mentioned are approved by the Bank's Annual General Meeting, this Director Remuneration Policy will fully replace the one amended at the 2023 Ordinary Annual General Meeting, notwithstanding the effects produced and consolidated by it.

## 2. OBJECTIVE AND SCOPE

The objective of this Policy is to establish a comprehensive regulatory framework for the remuneration of members of the Board of Directors of CaixaBank, respecting the provisions of the By-laws and other internal and external regulations. This remuneration system must be compatible with CaixaBank's business strategy and proportional with the scale of the Bank, its business situation and market standards among peers.

The Policy seeks to define the Bank's remuneration practices for its directors clearly and concisely, in accordance with article 217 of the LSC. Its aim is to foster the long-term profitability and sustainability of CaixaBank while incorporating the caution needed to avoid excessive risk taking and rewarding unfavourable results. It is not discriminatory in terms of gender.

This Policy only applies to members of CaixaBank's Board of Directors.

With regard to its temporal scope of application, in accordance with article 529 novodecies of the LSC, the Policy will apply from the date of approval and for the following three financial years (up to and including the 2025 financial year).

## 3. PRINCIPLES OF THE REMUNERATION POLICY

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<sup>1</sup> Legislative Royal Decree 1/2010, of 2 July, approving the restated text of the Corporate Enterprises Act, after the amendment introduced by Law 5/2021, of 12 April.

CaixaBank considered the Remuneration Policy of all Company employees in establishing the Remuneration Policy, especially with respect to the terms and conditions of remuneration of Executive Directors.

CaixaBank designs its Remuneration Policy in alignment with the Company's general remuneration scheme, based on general remuneration principles aimed at achieving a market positioning that attracts and retains the necessary talent and promotes behaviours that ensure long-term value generation and sustainability.

Specifically, it aims to foster the engagement of professionals to society, personal and corporate ethics, and promote strategic and sustainable development objectives.

Market practices are assessed annually through salary surveys and specific ad hoc studies conducted by top tier companies, using as a benchmark a sample of peer financial institutions operating in the markets in which CaixaBank is present and a sample of comparable IBEX 35 companies.

The overall Remuneration Policy focuses on fostering behaviour to ensure long-term value creation and results that are sustainable over time, contributing to CaixaBank's business strategy, objectives, values and long-term interests through the following general remuneration principles, which are shared with Company employees:

- Variable remuneration takes into account not only the achievement of targets but also the way in which these targets are met, ensuring prudent risk management.
- Individual professional targets are defined on the basis of the commitment employees undertake and establish with their managers.
- The Remuneration Policy's strategy for attracting and retaining talent is based on the employees and professionals becoming involved in a distinctive social and business endeavour and developing professionally with competitive overall remuneration conditions.
- As part of these overall compensation conditions, the Remuneration Policy seeks to ensure that total fixed remuneration and social benefits are highly competitive, basing the Bank's ability to attract and retain talent on these two remuneration components.
- The main component of the benefits provided is the corporate pension scheme offered to employees and professionals, which stands out in comparison to other financial institutions in the Spanish market and is a key feature of their remuneration.
- The fixed components and the social benefits offered constitute the bulk of the remuneration packages offered. In general, variable remuneration tends to be more moderate, given its potential to generate risk for the Bank.
- The Policy is consistent with managing sustainability risks. The variable remuneration component includes sustainability-related metrics, taking into account the duties and functions assigned.
- The Policy shall ensure non-discrimination and promote equal remuneration management in terms of gender.
- The promotions system is based on an appraisal of skills, performance, commitment and professional merit of employees over time.
- Remuneration of senior management is established within the general framework defined in this Remuneration Policy and is approved by the governing bodies of CaixaBank.

Furthermore, directors are subject to the general remuneration principles set out in article 33 of Act 10/2014, of 26 June, on the regulation, supervision and solvency of credit institutions (**LOSS** for its

initials in Spanish) and its implementing regulations, governing those persons whose activities have a material impact on the risk profile of the Company and its Group (the **Identified Group**).

#### **4. REMUNERATION OF DIRECTORS IN THEIR CAPACITY AS SUCH**

##### **4.1 Remuneration components**

In accordance with the By-laws, the current remuneration payable to members of CaixaBank's Board of Directors acting in their capacity as such (**Directors in their capacity as such**) consists solely of fixed components.

Non-executive directors maintain a purely organic relationship with CaixaBank and therefore have no contract in effect with the Company governing the performance of their duties and have no type of recognised payment upon termination of their directorship.

The system provided for in the By-laws thus establishes that the remuneration of CaixaBank directors should consist of a fixed annual amount to be determined by the General Meeting, which shall remain in force until the General Meeting agrees to modify it.

The figure set by the Annual General Meeting shall be used to remunerate the Board of Directors and its committees and shall be distributed as the Board of Directors sees fit upon the recommendation of the Remuneration Committee, not only in terms of remuneration payable to members, especially the Chairman, according to the duties and dedication of each member and the positions they hold on the various committees, but also as regards the frequency and the form of remuneration stipulated in the By-laws. Consequently, the distribution may give rise to different remuneration for each director.

Any future proposals for share-based remuneration must be approved by the CaixaBank Annual General Meeting pursuant to the Corporate Enterprises Act and the By-laws.

Lastly, the Directors in their capacity as such are named as insured parties under the civil liability insurance policy arranged for directors and managers of the CaixaBank Group to cover any liability they may incur when discharging their duties.

##### **4.2 Remuneration envisaged for 2024 and following year**

###### **a) Remuneration envisaged for 2024**

The maximum annual amount of remuneration payable to all directors acting in their capacity as such, without therefore taking into account any possible executive positions they may hold, approved by the Annual General Meeting held on 31 March 2023, is EUR 3,071,250, which will remain invariable in future years, until the Annual General Meeting agrees on a new figure.

The distribution among its members, as agreed by the Board of Directors at its meeting held on 15 February 2024, within the maximum amount approved by the aforementioned General Shareholders' Meeting, is as follows:

- EUR 97,335 per year for each member of the Board of Directors.
- EUR 32,445 of additional annual remuneration for each member of the Appointments and Sustainability Committee or Remuneration Committee.
- EUR 32,445 of additional annual remuneration for each member of the Innovation, Technology and Digital Transformation Committee. While the Chairman of the Board of Directors and the Chief Executive Officer sit on this committee, they do not receive remuneration for their seats.

- EUR 54,075 of additional annual remuneration for each member of the Executive Committee, the Audit and Control Committee or the Risks Committee, due to the responsibility and dedication required.
- EUR 39,140 per year for the Coordinating Director.
- The remuneration of the chairmen of the various committees attached to the Board of Directors will always, at least, 50% higher than that of the other members.

The criteria for distributing the maximum remuneration among the Directors will remain the same until the Board of Administration approves a different distribution, which is within its competences under the LSC and the By-laws, considering criteria such as the dedication required of the Directors, duties on the Board, and membership of Committees and the complexity of these.

#### **b) Remuneration foreseen in the following financial year**

In relation to the Directors in their capacity as such (i.e. without taking into account the remuneration of Directors for the performance of executive duties), their remuneration in the financial year following 2024 shall be adapted to the system defined in the By-laws at that time and to the maximum amount of remuneration to be established by the General Meeting. Accordingly, the current Remuneration Policy will be deemed to have been amended in relation to the maximum amount of remuneration payable to directors acting in their capacity as such if and when the Annual General Meeting agrees upon a different maximum figure to that stipulated in section 4.2a).

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.

## **5. REMUNERATION OF EXECUTIVE DIRECTORS**

### **5.1 Executive Directors' contracts**

When a member of the Board of Directors is appointed Chief Executive Officer or is assigned executive duties in some other form (**Executive Directors**), they must sign a contract with the Bank, which must first be approved by the Board of Directors with a vote in favour by two thirds of its members. The director in question must abstain from the deliberations and from voting.

The contracts of Executive Directors stipulate all the concepts for which they can receive remuneration for their executive duties. Directors may not receive any remuneration for performance of executive duties other than for the amounts and concepts in their contracts. All contracts must comply with the provisions of this Policy.

### **5.2 General description and materiality of fixed and variable components**

The LSC and CaixaBank's By-laws grant Executive Directors remuneration for their executive duties in addition to that received as directors in their capacity as such.

Currently, Gonzalo Gortázar Rotaèche, in his capacity as Chief Executive Officer (the **Chief Executive Officer**) and José Ignacio Goirigolzarri Tellaèche, as the Executive Chairman (the **Executive Chairman**), are the only members of the Board of Directors who perform executive duties at CaixaBank.

The remuneration components for Executive Directors are structured considering the business situation and results, and mainly include:

- Fixed remuneration based on the subject's responsibility and track record, which constitutes a major portion of the total remuneration.

- Variable remuneration, mainly through a variable remuneration scheme linked to the achievement of previously established annual and multi-year targets (the **Variable Remuneration Scheme with Multi-year Metrics**) and prudent risk management.
- Social welfare systems and other social benefits.

Long-term incentive plans can also be established for all or some of the Executive Directors, as a variable remuneration component. The remuneration of such plans may be based on CaixaBank instruments or benchmarked against their price (**ILP**), as established in section 5.5.

In accordance with the objective of reasonable and prudential balance between fixed and variable remuneration components, the amounts of the fixed remuneration of Executive Directors must be sufficient, and the variable components must be established so as not to encourage excessive risk-taking and link performance to the Bank's sustainability. Accordingly, the variable remuneration with multi-year metrics as a percentage of annual fixed remuneration, considering both short- and long-term variable remuneration and also considering market peers, should not exceed 100% of the fixed component of each director's remuneration.

In any event, the overall 100% limit of the variable remuneration components relative to fixed components may only be exceeded if CaixaBank's General Meeting approves a higher level, which may never exceed 200% of the fixed component, in the manner and as per the requirements and procedures set forth in the LOSS.

In this regard, the procedure to be followed by the Bank in the event of approval of a variable remuneration level higher than 100 per cent of the fixed component is set out below:

- The Board of Directors will notify all shareholders in advance that this matter will be submitted for approval to the Annual General Meeting, providing a detailed recommendation setting out the reasons and scope of the decision and including the number of people involved and their positions, as well as the projected effect on the continuing robustness of the Bank's capital base.
- The Board of Directors will notify the Bank of Spain immediately of the recommendation to the Annual General Meeting, including the highest level of the variable component of the proposed remuneration and the justification for this. It will certify that this level does not affect the Bank's obligations under solvency regulations, particularly with regard to its own funds obligations.
- The Annual General Meeting will adopt a decision by a majority of at least two-thirds, provided that at least half of the shares or equivalent voting rights are present or represented in the vote. If this quorum is not possible, the resolution will be adopted by a majority of at least three-quarters of the share capital present or represented with voting rights.
- The persons directly affected by the application of higher maximum levels of variable remuneration may not exercise any voting rights that they may have as shareholders, directly or indirectly. Their shares will be deducted from total share capital for calculating the majority of votes required for resolutions involving the application of higher maximum levels of variable remuneration.
- The Board of Directors will notify the Bank of Spain immediately of the decision adopted by the Annual General Meeting, including the highest maximum percentage of the variable component of remuneration approved.

Components of remuneration will be classified as fixed or variable in accordance with regulations on remuneration in credit institutions.

### **5.3 Fixed components of remuneration**

#### **a) Fixed remuneration**

Fixed remuneration of 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 and ad hoc surveys. The salary surveys and specific ad hoc studies in which CaixaBank participates are performed by top level specialised companies, with the sample being comparable to that of the market financial sector where CaixaBank operates and that of comparable IBEX 35 companies.

As its sample from the financial sector, CaixaBank relies on public information about the executive directors of financial and non-financial institutions listed on the IBEX 35 (Santander, BBVA, Bankia, Banco Sabadell and Bankinter, among others) and also, from 2018 onward and updated in 2024, a sample of European banks such as ABN Amro, Commerzbank, Deutsche Bank, Erste Group, KBC Groep, Lloyds Banking Group, Natwest, ING Group, Société Générale, Standard Chartered and Swedbank. When conducting multi-sector peer comparisons, it relies on available public information concerning the executive directors of a representative number of companies that are similar to CaixaBank in terms of scale (stock market capitalisation, assets, turnover and number of employees).

#### **b) Remuneration for holding posts at investee companies**

The fixed remuneration of Executive Directors includes any remuneration they may receive for holding managerial posts at CaixaBank Group companies or at other companies in CaixaBank Group's interests, with this remuneration to be deducted from the net amount to be paid by CaixaBank as fixed remuneration.

#### **c) Other fixed remuneration components**

As a fixed component of remuneration, the contracts of the Executive Directors envisage pre-defined contributions to pension and savings plans, as explained at greater length in section 5.8.

Executive Directors may be beneficiaries, at the expense of CaixaBank, of health insurance for themselves and their immediate family and other remuneration in kind (company vehicle or accommodation) that is common in the sector and appropriate to their professional status. This will follow the standards established by CaixaBank at the time for the segment of professional employees to which they belong.

### **5.4 Variable Remuneration with Multi-year Metrics**

#### **a) General aspects**

The Executive Directors may be granted variable remuneration in the form of a risk-adjusted bonus, based on measurement of their performance. Ex-ante and ex-post remuneration adjustments are applied in view of the performance measurements, as a risk alignment mechanism.

#### **b) Performance measurement**

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

Multi-year factors based on corporate criteria are also used and adjust, as a reduction mechanism, payment of the deferred portion subject to multi-year factors.

The Variable Remuneration with Multi-year Metrics Scheme applicable as of 2022 for Executive Directors is established on the basis of a target bonus established for each director by the Board of Directors on the recommendation of the Remuneration Committee, subject to a maximum attainment percentage of 120%.



Level of attainment of metrics for measuring annual factors is determined exclusively based on corporate targets.

This portion of variable remuneration of measurement of annual factors includes the upfront payment of the bonus and the first two deferred payments.

The annual and multi-year corporate targets are set each year by the CaixaBank Board of Directors based on a proposal by the Remuneration Committee, and their weighting is distributed among objective concepts according to the Bank's main objectives. For annual targets, these concepts may, by way of example, include some or all of:

- ROTE
- Core cost to income ratio
- Changes in non-performing assets (NPAs)
- Risk appetite framework
- Quality
- Conduct and compliance
- Sustainability factors

Multi-year targets will also use measurable concepts that may, by way of example, include some or all of:

- CET1
- Total shareholder return (TSR)
- Multi-year ROTE
- Sustainability factors

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.

The proposal for the composition and weighting of corporate targets is in any case set in accordance with the provisions of the LOSS and implementing regulations and may vary between Executive Directors.

For variable remuneration accrued in years prior to 2022 and pending collection through the Bonus Programmes or Challenge Programmes, the scheme set out in the previous policy shall apply.

#### **c) Deferral percentage**

The deferral percentage applicable to the variable remuneration of Executive Directors will be 60%.

This deferral percentage may be amended if the competent authorities decide to establish absolute or relative thresholds for determining what constitutes a “particularly high amount” of variable remuneration within the meaning of the European Banking Authority (EBA) guidelines on sound remuneration policies<sup>2</sup> (EBA Guidelines).

#### **d) Deferral period**

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<sup>2</sup> European Banking Authority ("EBA") guidelines on sound remuneration policies, applicable as of 31 December 2021 (EBA/GL/ 2021/04).

At the date of the bonus payment, the non-deferred part of the variable remuneration to have accrued must be paid (the **Initial Payment Date**).

Providing that none of the reduction situations foreseen in section 5.6 arise, the risk-adjusted deferred portion of variable remuneration is paid in five instalments, the amounts and dates of these are 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.

For these purposes, deferred payments receivable 36, 48, and 60 months from the Initial Payment Date are subject to an additional adjustment through the multi-year metrics described in section 5.4 b). This adjustment can only reduce the outstanding variable remuneration receivable, never increase it.

**e) Payment in cash and instruments**

Of the upfront payment, 50% will be paid in cash and the remaining 50% in non-cash instruments, once the applicable taxes (withheld or on account) have been paid.

Of the deferred amount, 30% will be paid in cash and the remaining 70% in instruments, once the applicable taxes (withheld or on account) have been paid.

Where payment is to be made in financial instruments, this may be in the form of CaixaBank shares. However, CaixaBank may deliver other eligible instruments for payment of the variable remuneration, subject to the conditions and requirements set out in section 1.I) of article 34 of the LOSS and other applicable regulations.

**f) Lock-up policy**

All instruments delivered are subject to a retention period of three years, during which the director may not use the shares.

However, as of one year following delivery of the instruments, Directors may use any instruments if they, after the disposal or exercise, have a net economic exposure to changes in the price of the instruments for a market value equal to an amount of at least double their annual fixed remuneration through ownership of shares, options, rights to deliver shares or other financial instruments reflecting CaixaBank's market value.

They may also dispose of the instruments after the first year of ownership to the extent required to meet the related acquisition costs or, based on a favourable opinion of the Remuneration Committee, to address extraordinary situations requiring this.

During the retention period, directors will enjoy all of the rights as the owners of the instruments.

**g) Payment of interest and returns on deferred cash and instruments**

During the deferral period, CaixaBank will retain ownership of both the shares and the cash for which delivery has been deferred.

Pursuant to the principles of labour and contractual law applicable in Spain, particularly the bilateral nature of contracts and equity in the accrual of reciprocal consideration, the deferred cash accrues interest in favour of the recipient, calculated by applying the corresponding interest rate to the first

tranche of the "CaixaBank employee" 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 applicable reductions under section 5.6.

With respect to returns on instruments, and in accordance with the EBA Guidelines, the Company shall not pay, either during or after the deferral period, any interest or dividends on deferred instruments to have accrued.

**h) Termination or suspension of the professional relationship**

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 provisions for deductions and clawback of variable remuneration in section 5.6.

In the event of death, the Human Resources Department (**HR**) and the Risk Management function shall determine and, as the case may be, propose a suitable settlement process for the outstanding payment cycles under criteria compatible with the general principles enshrined in the LOSS, its implementing regulations and the Remuneration Policy.

**i) Special situations**

In the event of any unexpected special situation (meaning corporate operations that affect ownership of the deferred or delivered shares), specific solutions must be applied in accordance with the LOSS, its implementing regulations and the principles enshrined in the Remuneration Policy, so as not to artificially dilute or alter the value of the consideration in question.

**j) Permanence requirement**

In order to be eligible for the Variable Remuneration with Multi-year Metrics Scheme, a 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.

**k) Incompatibility with personal hedging strategies or circumvention 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 Group.

**5.5 Long-term incentives**

Some or all of the Executive Directors may additionally be remunerated through long-term incentive plans. These may or may not be based on instruments as a form of multi-year variable remuneration.

The LTI may be structured as a variable remuneration scheme enabling participants to receive an amount in shares or other instruments, stock options or cash, after a certain period of time, providing they meet certain conditions established in the LTI.

The specific terms of the LTI (including those concerning the payment cycle and malus and clawback clauses) will be as established by CaixaBank's Board of Directors, on the recommendation of the Remuneration Committee, in the corresponding resolutions and implementing documents, which must be compliant with the principles of the Remuneration Policy and be subject to approval by CaixaBank's General Shareholders' Meeting, insofar as required.

## **5.6 Reduction and recovery of variable remuneration**

### **a) Circumstances for reductions**

Pursuant to the LOSS, amounts of variable remuneration accrued by Executive Directors shall be reduced partially or to zero, including amounts pending payment (whether in cash or in instruments), in the event of poor financial performance by CaixaBank overall or by any given division or area, or because of the exposure generated. For such purposes, CaixaBank must compare the assessed performance with the subsequent performance of the variables that helped attain the targets.

The following situations may result in a reduction of variable remuneration:

- a) 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.
- b) Any increase in capital requirements for CaixaBank or one of its business units that was not envisaged at the time the exposure was generated.
- c) Regulatory sanctions or adverse legal rulings attributable to the unit or the employee responsible for those proceedings and to the executive director.
- d) Failure to comply with the Bank's internal regulations or codes of conduct, including, in particular:
  - Any regulatory breach attributable to the subject that qualifies as serious or very serious.
  - Any serious or very serious breaches of internal regulations.
  - Breach of the applicable suitability and behavioural requirements.
  - Regulatory breaches attributable to them which, whether or not involving losses, could jeopardise the solvency of a line of business and, in general, participation in or responsibility for conduct that has generated significant losses.
- e) 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.
- f) Fair dismissal or, in the case of business contracts, with just cause<sup>3</sup> by the Bank (in this case the amount will be reduced to zero).
- g) When the payment or vesting is not sustainable in light of CaixaBank's financial situation overall, or not justified in light of CaixaBank's overall results, those of the business unit and those of the Executive Director in question.
- h) Any other circumstances expressly stipulated in the relevant contracts.

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3 Just cause shall be understood as any serious and culpable breach of the duties of loyalty, diligence and good faith pursuant to which the officer must discharge their duties in 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 that the individual and CaixaBank Group may enter into.

- i) Any other circumstances established by applicable legislation or by the regulatory authorities in exercising their powers to implement the law through regulations, executive powers or powers to interpret law and regulations.
- j) Whenever CaixaBank's dividend distribution policy is restricted by a requirement or recommendation from a competent authority, or if it is required to do so by a competent authority in the exercise of its powers under the regulations, pursuant to the provisions of Royal Decree 84/2015<sup>4</sup> and Bank of Spain Circular 2/2016<sup>5</sup> (**Circular 2/2016**).

#### **b) Clawback**

In cases where any of the situations in points a) to i) of section a) 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 the corresponding CaixaBank Entity the part of the variable remuneration erroneously received, along with any returns paid out pursuant to section 5.4.g). This reimbursement must be made in cash or instruments, 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.

#### **c) Common rules**

The Remuneration Committee is responsible for proposing the application of the reduction or loss of the right to collect deferred amounts, or their total or partial clawback, to the Board of Directors. This will depend on the characteristics and circumstances of each particular case and shall comply with the procedure established by the Bank for effective application of these malus and clawback clauses, as approved by CaixaBank for this purpose.

Pursuant to the provisions of the EBA Guidelines, scenarios of deductions from variable remuneration shall be applicable throughout the entire deferral period for the remuneration. The cases for clawback of variable remuneration will apply throughout the deferral and retention period for the variable remuneration.

The implementing regulations of the LTI must establish specific rules regarding the reduction (malus) or recovery (clawback) of benefits by Executive Directors, adapting the malus and clawback events set out in the Remuneration Policy to the terms and purposes of the LTI, as and when necessary.

#### **d) Main principles of contract or employment law**

In accordance with the LOSS, proposals for the reduction or recovery of variable remuneration must be compliant with the main principles of contract or employment law.

### **5.7 Guaranteed variable remuneration**

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

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4 Royal Decree 84/2015, of 13 February, implementing Law 10/2014, of 26 June, regarding regulation, supervision and solvency of credit institutions.

5 Bank of Spain Circular 2/2016, of 2 February, to credit institutions, regarding supervision and solvency and completing the transposition of Directive 2013/36/EU and Regulation (EU) No. 575/2013 into Spanish law.

the contract only. In general, guaranteed variable remuneration should not exceed the amount of one year of fixed remuneration components.

## **5.8 Pension and long-term savings systems**

### **a) General description**

Executive Directors may be eligible for a complementary pension scheme, as are all CaixaBank employees. As the contract is commercial, they may be eligible for specific pension schemes equivalent to the complementary pension scheme.

The commitments assumed with Executive Directors may take the form of a defined contribution scheme to cover situations of retirement, disability and death and such directors may also be entitled to defined benefit coverage in the event of disability or death. These commitments are arranged through an insurance contract.

### **b) Non-discretionary nature**

Except as provided for in section e) 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 entailed changes to their remuneration, taking the form of a lump sum or an amount benchmarked to fixed remuneration, according to their contracts.

The establishment of the size of the contributions and degree of coverage of the benefits:

- a) must be set at the start of the year and have adequate coverage in the corresponding contracts;
- b) may not originate from variable parameters (such as attaining targets, achieving milestones etc.);
- c) 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
- d) may not be related to substantial changes in the retirement conditions, including any changes arising from merger processes or business combinations.

### **c) Elimination of duplicate coverage or benefits**

The contributions paid to pension schemes by CaixaBank shall be less 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. These contributions must be adjusted accordingly to avoid overlap or duplication.

### **d) Vesting of rights**

Executive directors shall retain their economic rights to the pension scheme in the event that the professional relationship is terminated or ends before the date the covered contingencies occur, unless that termination or end is due to fair dismissal, as defined in section 5.6, or for any other specific causes that may be expressly envisaged in the relevant contracts.

### **e) Mandatory variable-base contributions**

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

This amount shall be determined using the same principles and procedures established for granting remuneration based on annual factors in the Variable Remuneration with Multi-year Metrics Scheme set out in section 5.4, and it shall be contributed to a Discretionary Benefits Pension Policy.

The contribution will be considered as deferred variable remuneration for all the purposes set out in Circular 2/2016 and, consequently, the Discretionary Pension Benefit Policy will contain the necessary clauses so that it is explicitly subject to the reduction scenarios set out in section 5.6 for the Variable Remuneration Scheme with Multi-Year Metrics. It shall also be included in the sum of variable remuneration for the purposes of limits and other factors that might be established.

In accordance with section 1.ñ) of Article 34 of the LOSS, if the Executive Director leaves the Bank due to retirement or for any other reason, the discretionary pension benefits will be subject to a retention period of five years. This five-year retention period starts from the date on which the Director ceases to provide services to the Bank, whatever the reason. During the retention period, the Bank will apply the same malus and clawback clause requirements for remuneration already disbursed established in section 5.6.

## **5.9 Payments for cancellation of previous contracts**

In cases where remuneration packages are agreed involving compensation for cancellation of previous employment contracts, these must be in the Bank's long-term interests, applying the limits and requirements of the LOSS and EBA Guidelines, and provisions of similar payment cycles to those for variable remuneration in the Remuneration Policy.

## **5.10 Retention bonuses**

Any retention bonuses agreed between the Bank and an Executive Director will be subject to the conditions, limits and requirements established in the LOSS and EBA Guidelines and principles similar to those in the Remuneration Policy for variable remuneration.

## **5.11 Other benefits**

In general, Executive Directors are eligible for the benefits policy established for CaixaBank Group employees, which comprises competitive benefits and is based on exploiting the Group's synergies (i.e. preferential financial conditions and healthcare).

Executive Directors will be covered by the civil liability policy for directors and executives of CaixaBank Group entities, which covers liabilities that they may incur in the performance of their duties, in accordance with the subjective scope defined in such policies.

## **5.12 Payments for termination of contract**

### **a) Amount and limits of severance for termination of contract**

The amount of termination benefits for Executive Directors will be established taking into account the criteria set out in the EBA Guidelines and will be calculated using the following generic formulas:

- a) In general terms and provided that the applicable legislation does not establish a higher mandatory amount (e.g. due to a suspended contract), the amount of severance pay for termination of the contract shall not exceed once the annual amount of all the fixed remuneration components, without prejudice to the compensation agreed on in the post-contractual non-compete commitments provided for in section 5.12 b).
- b) In cases where the Bank and the executive director reach an agreement in the event of an actual conflict or differences in the interpretation of the contract that might otherwise give rise to legal



proceedings, CaixaBank may agree on an indemnity not exceeding that provided for in section a) above.

- c) The same rule regarding the calculation of the amount shall apply when CaixaBank and the Executive Director agree to early termination of the contract in situations in which, although there are no grounds for termination for cause, CaixaBank has an interest in relieving the Executive Director for justified strategic reasons, and the Executive Director shows willingness to accept compensation that does not exceed that which would correspond in accordance with section a) above.

Ordinary payments related to the length of the applicable notice periods shall not be considered severance payments.

**b) Post-contractual non-competition payments**

The contracts with Executive Directors may contain post-contractual non-competition agreements. The compensation for these agreements may consist of an amount that, as a general rule, may not exceed the sum of the fixed components of the remuneration the Executive Director would have received had they continued in the Bank. The amount of such compensation will be divided into instalments payable over the duration of the non-competition agreement.

**c) Deferral and payment**

The payment of the amount of termination payments resulting from the application of the provisions of this section 5.12 and which, under the provisions of section 172 of the EBA Guidelines, is not exempted from the requirements for computation in the maximum ratio, deferral and payment in instruments, shall be subject to deferral and payment as follows:

- The percentage deferred shall be 60% in accordance with section 5.4.c).
- The non-deferred part of variable remuneration must be paid on the early termination date (the Initial Payment Date).
- Provided that none of the reduction situations foreseen in section 5.6 arise, the deferred portion of variable remuneration subject to prudential requirements is paid in five instalments, the amounts and dates of which are 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
- Of both the Initial Payment and the deferred part, 50% will be paid in cash and the remaining 50% in non-cash instruments, once the applicable taxes (withheld or on account) have been paid.
- Where payment is to be made in financial instruments, this may be in the form of CaixaBank shares. However, CaixaBank may deliver other eligible instruments for payment of the variable remuneration, subject to the conditions and requirements set out in section 1.l) of article 34 of the LOSS and other applicable regulations.
- All instruments delivered are subject to a retention period of one year, during which the director may not use the shares.
- These payments are also subject to the principles set out in sections g), h), i) and k) of article 5.4.

#### **d) Reduction and recovery**

Payments for early termination are considered variable remuneration under the provisions of applicable regulations and the EBA Guidelines. They are, therefore, subject to the same reduction and clawback conditions as established for variable remuneration in section 5.6, which apply to deferred payments pending payment.

#### **e) Absolute limit on payments for early termination**

Under no circumstances may early termination payments cause the CaixaBank Group to breach the limits on variable remuneration to fixed remuneration prescribed by law. If necessary, early termination payments will be reduced accordingly in order to comply with those mandatory limits.

#### **f) Main principles of contract or employment law**

In accordance with the LOSS, any proposals for reduction or recovery of early termination payments must take into account the main legal principles with regard to contractual or employment matters.

### **5.13 Remuneration envisaged for 2024 and following year**

#### **a) Fixed remuneration in cash**

The total annual fixed remuneration to be paid in cash to the Chief Executive Officer will be EUR 2,507,200. The amount for the Executive Chairman will be EUR 1,784,500.<sup>6</sup> Remuneration for positions held in Group companies or in the interests of CaixaBank will be deducted from this amount.

The remuneration for positions held in Group companies or in the interests of CaixaBank is included in the annual remuneration for membership of the Board of Directors of CaixaBank or its Committees for Gonzalo Gortázar Rotaache and José Ignacio Goirigolzarri Tellaache, set at EUR 151,410 and EUR 179,735, respectively.

The total amount of remuneration for positions held (or that might effectively be received in 2024 and subsequent year by executive directors of Group companies or other companies in the interests of CaixaBank) will be discounted from the amount to be paid by CaixaBank as fixed remuneration as set out in this section. The estimated amount to be paid by CaixaBank in 2024 to the Chief Executive Officer is EUR 2,260,690 and to the Executive Chairman is EUR 1,589,585. The relevant amounts will be deducted over the successive years of application of the Remuneration Policy.

#### **b) Variable Remuneration with Multi-Year Metrics Scheme**

The target bonus for the provision of services, in each case, for 2024 is EUR 1,191,900 for the Chief Executive Officer and EUR 346,100 for the Executive Chairman.<sup>7</sup>

The parameters for measuring targets in 2024 are as follows:

- CaixaBank's ROTE: with a weighting of 20% and a minimum achievement level of 80% and a maximum of 120%.

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<sup>6</sup> These amounts represent an increase of 5.6% for the Chief Executive Officer and 3% for the Executive Chairman compared to the 2023 financial year.

<sup>7</sup> These amounts represent an increase of 24.9% for the CEO and 3% for the Executive Chairman, compared to the 2023 financial year.

- Recurring cost-to-income *ratio*: with a weighting of 15% and a minimum achievement level of 80% and a maximum of 120%.
- Changes in Troubled Assets: with a weighting of 10% and a minimum achievement level of 80% and a maximum of 120%.
- Risk appetite framework: with a weighting of 20% and a minimum achievement level of 80% and a maximum of 120%.
- CaixaBank quality: with a weighting of 15% and a minimum achievement level of 80% and a maximum of 120%.
- Sustainability: with a weighting of 10% and a minimum achievement level of 80% and a maximum of 120%.
- Market Share: with a weighting of 10% and a minimum achievement level of 80% and a maximum of 120%.
- Conduct and compliance adjustment: adjustment linked to the number of compliance gaps, which can be negatively adjusted up to a maximum of 5%.

The parameters for measuring multi-year targets for the 2023-2025 period are as follows:

- CET1: with a maximum reduction of 25% of the deferred amount subject to multi-year metrics.
- Total Shareholder Return (TSR): with a maximum reduction of 25% of the deferred amount subject to multi-year metrics.
- Multi-year ROTE: with a maximum reduction of 25% of the deferred amount subject to multi-year metrics. Sustainability: with a maximum reduction of 25% of the deferred amount subject to multi-year metrics.
- Sustainability: with a maximum reduction of 25% of the deferred amount subject to multi-year metrics.

#### **c) Performance-based payments in deferred cash**

The forecast payments for deferred cash items provided for in section 5.4.g is EUR 11,603 for Gonzalo Gortázar Rotaeché and EUR 2,660 for José Ignacio Goirigolzarri Tellaeche, for each year the Remuneration Policy is in effect.

#### **d) Long-term savings system**

A defined contribution of EUR 554,400<sup>8</sup> shall be made each year to insurance cover for retirement, death or total, absolute or serious permanent disability for Gonzalo Gortázar Rotaeché. In addition to the above, the same policy shall include coverage 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. The estimated premium for this coverage is EUR 97,702 for each year in which this Remuneration Policy remains in effect.

In accordance with the provisions of section 5.8.e), the annual target amount for Gonzalo Gortázar Rotaeché under the Discretionary Pension Benefits Policy is EUR 83,160.

The cover for death and permanent, total, absolute and severe disability for José Ignacio Goirigolzarri Tellaeche amounts to two years' fixed remuneration at the time the contingency occurs. The

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<sup>8</sup> This amount represents an increase of 5.6% compared to the 2023 financial year.

estimated premium for this coverage is EUR 127,128 for each year in which this Remuneration Policy remains in effect.

**e) Other benefits**

The contracts with the Chief Executive Officer and the Executive Chairman include health insurance for themselves, their spouses and children under the age of 25. This is valued at EUR 4,008 for the Chief Executive Officer and EUR 2,672 for the Executive Chairman for each year of this Remuneration Policy.

**f) Remuneration of new Executive Directors**

Remuneration conditions for new Executive Directors shall be set to the extent possible considering those applicable to existing Executive Directors. However, to safeguard corporate interest, the Board of Directors, exercising its non-delegable powers, subject to a report from the Remuneration Committee and in accordance with the remuneration principles set out in the LOSS and in the Remuneration Policy, may set different remuneration conditions than current ones based on the following circumstances:

- a) The new Executive Director's level of experience and qualifications, and the duties and responsibilities assigned.
- b) The remuneration level prior to the appointment and whether it was internal or external.
- c) Market conditions of comparable positions and at peer institutions.
- d) The related jurisdiction.
- e) Guidelines and feedback from institutional investors and proxy advisors.

For the same purpose, for new Executive Directors, the Board of Directors shall have authority use of the remuneration mechanisms provided for in sections 5.7 (Guaranteed variable remuneration), 5.9 (Payments for cancellation of previous contracts) and 5.10 (Retention bonuses), where this is necessary to attract and retain talent and provide incentives for hiring the new Executive Director or compensate lost remuneration from their previous position, all under terms that are competitive relative to the market.

Any new conditions or changes to the remuneration components for existing or new Executive Directors who may be hired, will be disclosed in the Annual Report on Directors' Remuneration for the financial year in which they occur.

## **6. CONTRACT TERMS OF EXECUTIVE DIRECTORS**

### **6.1 General contract conditions**

**a) Type of contract**

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".

**b) Duration**

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

**c) 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 CaixaBank's organisational and governance structure.

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 their own or family-run businesses, provided these activities do not prevent the Director from exercising the duties of their positions diligently and loyally or pose a conflict of interests with the Bank.

The contract may also include other permanency obligations that are in CaixaBank's best interests.

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

**d) Compliance with duties and confidentiality obligation**

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.

**e) 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.

**f) Post-contractual non-compete undertakings**

Contracts may contain non-competition agreements for financial activities in general, which should last no less than one year following termination of the contract, in exchange for the consideration provided for in section 5.12.b).

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.

**g) Termination clauses**

Contracts shall establish the scenarios in which Executive Directors may terminate their contract with the right to compensation. These may include non-compliance on the part of CaixaBank, unfair dismissal or a change of control at the Bank.

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 any case of termination of contract, CaixaBank reserves the right to insist on the Executive Directors' resignation from any other posts or duties they may hold or perform within the CaixaBank Group or at any other companies in the company's interests.

Contracts shall also include a notice period of at least three months and appropriate compensation in the event of non-compliance, proportional to the fixed remuneration to be accrued during the years not served.

Likewise, any compensation and indemnities due to Executive Directors as a result of early termination of their contracts will be governed by the provisions of section 5.12.

**h) Other terms of contract**

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.

**i) Establishing or amending the terms of contract**

The basic contract conditions described in this Policy will be applicable to any Executive Director who joins the Bank's Board of Directors during its term.

However, the contract conditions for any new Executive Directors and those in the agreements currently signed with the Chief Executive Officer and the Executive Chairman may be set or amended by mutual agreement between them and the Bank during the years covered by the Remuneration Policy. Any setting or amendment of such terms must be in accordance with the general conditions in this section 6.1 of the Remuneration Policy and must be approved by the Board of Directors in exercise of its powers under the LSC. The conditions in contracts with any new Executive Directors and amendments to the conditions in current contracts with Executive Directors will be disclosed in the Annual Report on Directors' Remuneration for the financial year in which they occur.

**6.2 Terms and conditions of the contract of Mr Gonzalo Gortázar Rotaeché as Chief Executive Officer and Mr José Ignacio Goirigolzarri Tellaeche as Executive Chairman**

**a) General aspects**

The services agreement for the post of Chief Executive Officer signed with Gonzalo Gortázar Rotaeché is an open-ended commercial contract. It took effect on the date of CaixaBank's 2017 General Shareholders' Meeting, applying retroactively from 1 January 2017.

The contract for the provision of services relating to the position of Executive Chairman signed with José Ignacio Goirigolzarri Tellaeche is of a commercial nature and of indefinite duration; it came into force on 30 March 2021, the date on which the CaixaBank Board of Directors approved the aforementioned contract, and this Remuneration Policy shall apply from then onwards.

Both contracts contain a clear description of the duties and responsibilities of the position and the obligation of exclusive dedication to CaixaBank, in the terms of section 6.1.c).

They also contain clauses regarding compliance with duties, confidentiality and liability coverage as described in sections 6.1.c) and 6.1.e). These contracts do not contain loyalty agreements.

Both contracts contain provisions for integration with the Remuneration Policy and any amendments to it, as well as adaptations to any future regulatory requirements.

**b) Post-contractual and non-competition compensation agreement**

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

In any situation of termination, the compensation for the non-compete clause is set at one year's payment of the fixed components of their remuneration, payable in twelve equal instalments.

Failure to comply with the non-competition agreement will lead to payment by the Chief Executive Officer or the Executive Chairman to CaixaBank of the amount established as compensation.

**c) Reasons for termination**

The contracts contain the following grounds for termination:

- Unilateral termination by the Chief Executive Officer or Executive Chairman due to a serious breach by CaixaBank of the obligations in the contract.
- Unilateral termination by CaixaBank where no just cause is found.

- Removal from or non-renewal of the post as a Director of CaixaBank and the duties of Chief Executive Officer or Executive Chairman with no just cause.
- Unilateral termination by the Executive Chairman or Chief Executive Officer due to acquisition of control of CaixaBank by an entity other than "la Caixa" Banking Foundation pursuant to article 42 of the Commercial Code, or the transfer of all or a significant part of its activity or its assets and liabilities to a third party or its integration into another business group that obtains control of the Company.
- Dismissal of Gonzalo Gortázar Rotaeché from the position of Chief Executive Officer or of José Ignacio Goirigolzarri Tellaeché from the position of Executive Chairman and termination of the contract with just cause (for serious and culpable breach of obligations).
- Voluntary resignation of the Chief Executive Officer or the Executive Chairman, with advance notice of at least three months.

In the cases in points one and four above, the Chief Executive Officer and the Executive Chairman must exercise their right to terminate the contract within six months of becoming aware of the cause of termination. If this right of termination is not exercised in the period established, the Executive Chairman or Chief Executive Officer shall not be entitled to any compensation for such circumstances.

#### **d) Severance for early termination**

In all cases of termination other than just cause or voluntary withdrawal by the Chief Executive Officer or the Executive Chairman, compensation is established in their favour (in addition to the compensation for the post-contractual non-competition agreement in section 6.2.b).

The compensation to be received by the Chief Executive Officer or the Executive Chairman is an amount equivalent to one year's gross annual fixed components of anticipated remuneration, which are the amount of the annual fixed remuneration in section 5.13.a) and, in the case of the Chief Executive Officer, 85% of the annual contribution to the complementary pension system provided for in section 5.13.f), at the amounts applicable on the termination date of the contract.

The right to receive compensation is conditional upon the Executive Chairman and Chief Executive Officer simultaneously resigning from all positions held in other companies in the interests of CaixaBank.

## **7. MAXIMUM AMOUNT OF DIRECTOR REMUNERATION**

The maximum amount of remuneration of all Company directors shall be the sum of the following items:

- a) The amounts for remuneration items described in sections 5.13.a), b), c), d), e) and f) above for Executive Directors for discharging executive duties, in the amounts in force at the time.
- b) The maximum amount of remuneration of the Directors in their capacity as such that is applicable at the time, as provided for in section 4.2 a) of the Policy.

In the event of dismissal of the Chief Executive Officer or the Executive Chairman, these amounts are supplemented by the amount to which they are entitled under the provisions of their contracts, as indicated in sections 6.2.b) and d).

The amounts resulting from applying this item shall remain applicable while the Remuneration Policy is in effect unless a resolution is adopted at the Annual General Meeting to modify them in the future.



Any remuneration received by directors for the performance or termination of their duties shall be in accordance with the Remuneration Policy, except any remuneration the Annual General Meeting expressly approves or has approved.

## **8. CORPORATE GOVERNANCE OF THE REMUNERATION POLICY**

### **8.1 General aspects**

The main rules and regulations in effect at CaixaBank governing the process of determining, applying and supervising the Remuneration Policy are described below.

### **8.2 Functions of the CaixaBank Board of Directors**

The LOSS establishes that the board of directors of a credit institution must adopt and regularly review the general principles of the Remuneration Policy and be responsible for supervising its application.

Among other non-delegable powers, the LSC establishes the following powers for the boards of directors of listed companies:

- a) determining the company's general policies and strategies;
- b) determining the risk management policy;
- c) determining the corporate governance policy of the company and of the group they are the parent company of;
- d) appointing and removing the Executive Directors of the company, and establishing their contract conditions; and
- e) making decisions regarding director remuneration, within the framework set out in the By-laws and the Remuneration Policy approved by the General Meeting.

CaixaBank's Bylaws and the Regulations of the Board of Directors are consistent with these precepts.

The EBA Guidelines establish the following duties for the board of directors:

- a) adopt and maintain the Bank's Remuneration Policy and supervise its application to ensure its full operation as planned;
- b) approve any subsequent significant exemptions for individual staff members and changes to the Remuneration Policy and carefully consider and monitor their effects. The exemptions must not be based on gender considerations or on other discriminatory grounds. They must be duly justified and comply with the remuneration requirements in national legislation; and
- c) ensure that the Bank's remuneration policies and practices are adequately applied and are in accordance with the Bank's general corporate governance framework, corporate culture, risk appetite and capital structure, and the related governance processes.

### **8.3 Duties of CaixaBank's Remuneration Committee**

The duties attributed to the remuneration committees of listed companies by the LSC include proposing the Remuneration Policy for directors to the board of directors.

CaixaBank's Bylaws and the Regulations of the Board of Directors are consistent with these precepts.

In line with the EBA Guidelines, CaixaBank's Remuneration Committee has the following duties:

- a) preparing remuneration decisions to be made by the Board of Directors, particularly with respect to the remuneration of executive members and other members of the Identified Staff, in compliance with non-delegable powers of the Board established in the LSC;
- b) supporting and advising the Board of Directors on defining the Bank's Remuneration Policy and making sure that Remuneration Policy has no gender bias and supports equal treatment of personnel of different gender;
- c) supporting the Board of Directors with regard to control of the remuneration policies, practices and processes and compliance with the Remuneration Policy;
- d) checking that the current Remuneration Policy is up to date and proposing any necessary changes;
- e) reviewing the appointment of external remuneration consultants that the Board of Directors may decide to engage for advice or support;
- f) guaranteeing the adequacy of the information on remuneration policies and practices provided to the shareholders, and in particular the proposal of any upper limits exceeding the ratio between the fixed and variable remuneration;
- g) evaluating the mechanisms and systems adopted to ensure that the remuneration system duly considers all types of risks, liquidity and capital levels, and that the general Remuneration Policy promotes, and is consistent with adequate and efficient risk management and is in line with the business strategy, the corporate objectives, the culture and values, the risk culture and the Bank's long-term interests;
- h) as the case may be, evaluating attainment of the results targets and the need for any ex-post risk adjustments, including the application of malus and clawback clauses; and
- i) as the case may be, reviewing different possible scenarios in order to analyse how the remuneration policies and practices react in the case of internal and external events, and back-testing the criteria used to determine ex-ante risk assumption and adjustment based on real risk results.

The Remuneration Committee's proposals are submitted to CaixaBank's Board of Directors for its scrutiny and, as the case may be, approval. If the decisions correspond to the CaixaBank General Shareholders' Meeting, in accordance with its remit, CaixaBank's Board of Directors shall approve their inclusion on the agenda and the corresponding motions, accompanied by the mandatory reports.

#### **8.4 Duties of CaixaBank's Control Areas and Management Committee**

HR and EBA guidelines establish that the control functions (internal audit, risk control and management and regulatory compliance) and other competent corporate bodies (HR, legal, strategic planning, budget, etc.) and the business units shall provide the necessary information for the definition, implementation and supervision of the Bank's remuneration policies. The EBA's guidelines place specific responsibilities on the HR, risk management, compliance and internal audit functions, which are undertaken by the corresponding CaixaBank departments.

Similarly, CaixaBank's Management Committee includes representatives from the areas of risk, finance, internal auditing, human resources and the general secretary's office (legal counsel), among others, and it is responsible for ensuring that the necessary information is obtained and drawn up so that the Remuneration Committee can efficiently perform its duties. CaixaBank's HR Department promotes these actions in CaixaBank's Management Committee.

To prevent conflicts of interest, the Remuneration Committee is directly responsible for obtaining, preparing and reviewing information on the members of CaixaBank's Board of Director and the members of its Management Committee.

#### **8.5 Temporary exceptions to enforcement of the Policy**

The Board of Directors of the Bank may, only in exceptional circumstances in which it is necessary to serve CaixaBank's long-term interests and overall sustainability or to ensure its viability, based on a reasoned proposal from the Remuneration Committee:

- Agree to apply temporary exceptions to the Policy regarding the granting, vesting and/or payment of all the components provided for in this Policy.
- Adjust the targets applicable to the Variable Remuneration with Multi-Year Metrics Scheme because of exceptional circumstances that may arise during the financial years in which the Policy is in force.
- Change the rules for the award, vesting and payment of the remuneration provided for in this Policy should any event, circumstance or corporate transaction arise that, in the opinion of the Board of Directors, could significantly affect the receipt of the deferred variable remuneration components.

These restrictive exceptions shall be based on the Bank's specific business needs.

Any exception applied shall be duly recorded and explained in the related Annual Report on Remuneration of Directors.

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## **Appendix 2**

**Report of the Remuneration Committee on the proposed  
amendment of the Policy on Directors' Remuneration**

**Article 529 novodecies of the Corporate Enterprises Act**

**CaixaBank Group**

**Remuneration Committee's Report on the proposal for amendment of the Policy  
on Directors' Remuneration**

12 February 2024



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## 1. INTRODUCTION

Article 529 novodecies of the current Corporate Enterprises Act (hereinafter, **LSC**) imposes the obligation on listed companies to draw up and submit any proposal to approve, amend or replace the Remuneration Policy of the Board of Directors (hereinafter, **Remuneration Policy** or **Policy**) to the approval of the General Shareholders' Meeting.

Pursuant to the LSC, the drafting of the proposal to amend the Board of Directors' Remuneration Policy must be well-founded and accompanied by a specific report issued by the Remuneration Committee.

In compliance with the aforementioned legal provision, the Remuneration Committee attached to the Board of Directors of CaixaBank, S.A. (hereinafter, **CaixaBank** or the **Bank**) has proceeded to prepare, for submission to the Board as a plenary body, this report (hereinafter, the **Report**) on the proposal to amend the Remuneration Policy, and its submission for approval by the General Shareholders' Meeting as a separate item on the agenda.

## 2. REASONS JUSTIFYING THE AMENDMENT OF THE REMUNERATION POLICY

The proposed amendment to the Remuneration Policy is mainly motivated by the update for 2024 of the annual Fixed Remuneration in cash and the target amount of the Multi-Year Metrics Variable Remuneration Scheme for both the Chairman of the Board of Directors and the Chief Executive Officer of CaixaBank, as well as the annual contribution to the Long-Term Savings System of the Chief Executive Officer. On the other hand, the metrics for the measurement of the targets of the Variable Remuneration Scheme with Multi-Year Metrics for the 2024 financial year are amended for both the Chairman of the Board of Directors and the Chief Executive Officer.

This update must be approved by the General Shareholders' Meeting by including it in the aforementioned Policy. The reason for the need for this approval is that the mechanisms for updating the remuneration of Executive Directors, previously established in the Policy initially approved by the Ordinary General Shareholders' Meeting held on 8 April 2022, were eliminated by the amendment of the Policy agreed by the Ordinary General Shareholders' Meeting held on 31 March 2023.

On the other hand, and taking advantage of the context of the amendment of the aforementioned components of the remuneration of Executive Directors, and for the purposes of maximum transparency, certain updates are introduced, the purpose of which is merely to reflect the following:

- (a) The updating of the remuneration of the Directors in their capacity as such, for their membership of the Board and its Committees and for chairing the aforementioned Committees, following the planned approval by the Board of Directors, at the proposal of the Remuneration Committee, at its next meeting on 15 February 2024, in the use of its legal and statutory powers and within the parameters of the current Remuneration Policy and the maximum amount approved by the Ordinary General Shareholders' Meeting held on 31 March 2023.
- (b) The updating of certain estimated amounts of other items outlined in the Remuneration Policy.

Finally, certain time references are amended to adapt them to the remaining term of the Remuneration Policy, and other minor grammatical modifications are introduced.



### **3. PROPOSED AMENDMENTS**

#### **3.1 Amendment of the Fixed Remuneration in cash and the target amount of the Variable Remuneration Scheme based on Multi-Year Metrics for Executive Directors, as well as the contribution to the Chief Executive Officer's Long-Term Savings System.**

The amounts of Fixed Remuneration in cash for the Executive Chairman and Chief Executive Officer for 2024 are amended in section 5.13 a), reflecting an increase of 3% and 5.6%, respectively, over the amounts previously established for 2023. The same section also updates the amounts to be deducted from the fixed remuneration for membership of the governing bodies of group companies or other companies beneficial to CaixaBank, including the Board of Directors of the latter.

The target amounts of the Variable Remuneration Scheme with Multi-Year Metrics for the Chairman of the Board of Directors and the Chief Executive Officer are amended in section 5.13 b) for the financial year 2024, reflecting an increase of 3% and 24.9% respectively, compared to the amounts previously established for the financial year 2023.

In addition, section 5.13 d) amends the amount of the contribution to the CEO's long-term savings system, which also reflects an increase of 5.6% over the amounts previously established for the financial year 2023.

The reasons justifying the updating of these remuneration components of the Executive Directors are as follows:

- (a) The need to maintain a level of remuneration appropriate to that established in comparable entities according to salary surveys and specific ad hoc studies, conducted by top-level specialised companies, in which the bank participates. The reference samples are those of European banks with a size or business model comparable to CaixaBank and that of comparable IBEX 35 companies.
- (b) Linked to the above is the need to continue to focus on a competitive positioning with respect to the strategy of attracting and retaining talent through the Remuneration Policy, which forms part of the principles on which remuneration conditions are based, in line with CaixaBank's employee remuneration policy.

#### **3.2 Update of the measurement parameters for the annual targets of the Variable Remuneration Scheme with Multi-Year Metrics.**

The metrics for the 2024 targets for the Chairman of the Board of Directors and the Chief Executive Officer are amended in section 5.13 b) to align them with the strategic objectives of the financial year.

#### **3.3 Update of the remuneration of directors in their capacity as such.**

The amounts of directors' remuneration in the different categories are updated in section 4.2 of the Policy to reflect the resolutions of the Board of Directors in the use of its powers and in accordance with the parameters and within the limit of the maximum amount in force approved by the General Meeting. The amendment reflects an increase of approximately 3% in each of the items on the amounts previously established for the 2023 financial year. The motives that led the Board of Directors to make this update are as follows:

- (a) The need to compensate for the growing complexity in the operation and scope of the Board of Directors and its Committees, with the resulting increase in workload, which also entails a greater effort in terms of dedication.
- (b) The need to maintain an adequate level of remuneration, which is close to the level established in comparable entities in accordance with the analyses carried out with the publicly available information of the comparator groups, and that is capable of attracting and retaining directors with the desired profile in accordance with the high suitability requirements of the sectoral legislation of credit institutions.

### **3.4 Update of the estimated amounts of other remuneration items for Executive Directors.**

The estimated amounts corresponding, respectively, to the payment of returns on deferred cash, premiums for risk insurance coverage and health insurance are updated in sections 5.13 (c), (d) and (e).

### **3.5 Update of time references and grammatical issues**

The corresponding time references are updated in paragraphs 1, 2, 4.2, 5.3(a) and 5.13 to reflect the dates of approval of the Policy and its amendments, and its application in the financial years 2024 and 2025.

At the same time, changes are made to paragraphs 1, 5.1, 5.2, 5.4(b), 5.8(e), 5.12(a), 5.12(c), 5.13(e) and 6.2(a) to correct and improve grammar.

## **4. CONCLUSION**

In accordance with what is stated in this report, the CaixaBank Remuneration Committee considers that the approval of the amendment of the Remuneration Policy is appropriate with the content and for the reasons indicated above.

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**DETAILED RECOMMENDATION ON THE PROPOSAL TO APPROVE THE MAXIMUM AMOUNT OF VARIABLE REMUNERATION PAYABLE TO EMPLOYEES WHOSE PROFESSIONAL ACTIVITIES HAVE A SIGNIFICANT IMPACT ON THE COMPANY'S RISK PROFILE.**

**Board of Directors – 15 February 2024**

## I. PURPOSE OF THE RECOMMENDATION

Article 34.1 g) of Law 10/2014 of 26 June 2014, on the organisation, supervision and capital adequacy of credit institutions (referred to by its Spanish acronym of "LOSS"), states that when credit institutions set the variable components of remuneration for senior executives, employees who are risk takers, staff engaged in control functions and any employee whose total remuneration takes them into the same remuneration bracket as senior executives and risk takers, whose professional activities have a material impact on the Company's risk profile (Identified Staff), they must determine appropriate ratios between the fixed and variable remuneration components, applying the following principles:

1. The variable component must not exceed 100% of the fixed component of the total remuneration for each person.
2. The entity's shareholders may however approve a higher level than that indicated in the previous paragraph, providing it does not exceed 200% of the fixed component of the total remuneration.

For the purpose of approving this higher level of variable remuneration, the article just mentioned states the shareholders of the institution must reach their decision on the basis of a detailed recommendation issued by the board of directors or equivalent body, setting out the reasons for and the scope of the decision, including the number of affected individuals and their positions, as well as the expected effect on the Bank's ability to maintain a sturdy capital base (**Detailed Recommendation**).

The Board of Directors of CaixaBank, S.A. (**CaixaBank**, the **Company** or the **Bank**), subject to the provisions of Article 34.1 g) of the LOSS, hereby issues this Detailed Recommendation on the motion to approve the maximum level of variable remuneration (200% of fixed items) for a total of 199 positions within the Identified Staff, said motion as included under Agenda item 6.3 of the General Shareholders' Meeting to be held on 21 March 2024, at first call, and on 22 March 2024, at second call.

## II. APPLICABLE LAW AND REGULATIONS

The variable components of the Identified Group's remuneration are mainly governed by Article 34.1 of the LOSS, the said section g) of which governs the ratios to be established in relation to the fixed components and the mechanisms for determining them.

The variable components of remuneration include not only annual variable bonuses or incentives (annual or multi-year, short-term or long-term), as well as other items such as early termination payments (severance payments, compensation for non-compete obligations), discretionary pension benefits, retention bonuses or payments for walking away from previous contracts.

Further to the above, paragraph 131 of the Guidelines of the European Banking Authority<sup>1</sup> (**EBA Guidelines**) set out the criteria for a remuneration component to be considered as fixed remuneration; while paragraph 130 explains where the clear allocation of a component to the fixed remuneration is not possible based on the criteria provided in those guidelines, it should be considered as variable remuneration.

Consequently, when calculating the variable remuneration for the purposes of the maximum ratio, all the components, which due to their nature or residual nature, that cannot be considered as fixed and which are granted in a given year must be taken into account, including, as previously mentioned, not only bonuses or incentives, but also other items that are classified as variable remuneration components.

With regard to early termination payments, section 172 of the EBA Guidelines, despite reiterating that severance payments are considered variable remuneration, establishes that such payments must not be contemplated on calculating the ratio or be subject to application of deferral and payment in instruments if they are included in any of the following categories:

1. compulsory severance payments under national labour law<sup>2</sup>;
2. indemnity payments obliged by a Court ruling<sup>3</sup>;
3. the following severance pay when the entity is able to demonstrate the reasons and the adequacy of its amount:
  - a) compensation calculated using a suitable generic predefined formula established in the remuneration policy in the situations referred to in paragraph 167 of the EBA Guidelines<sup>4</sup>;
  - b) severance payments relating to an additional amount due to the application of a non-compete clause in the contract and are paid in future years up to the maximum amount of fixed remuneration that would have been paid in the non-compete period if the staff were still employed;

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<sup>1</sup>Guidelines on remuneration policies adapted in accordance with Directive 2013/36/EU (EBA/GL/2021/04); although the Guidelines of the European Banking Authority do not properly form part of European Union Law, the European Union Regulation that governs their creation and operation establishes that the competent authorities and entities must do everything possible to "adhere to them".

<sup>2</sup>Taken to mean those legally established as being mandatory or minimum by the Workers' Statute or by Royal Decree 1382/1985, of 1 August, governing special labour relationships for senior management staff.

<sup>3</sup>According to the original English version of the EBA Guidelines.

<sup>4</sup>This section refers to compensation in the following specific situations: a) severance pay in the event of early termination of the contract by the entity or its subsidiary; b) remuneration granted for a limited time in which it is agreed to introduce a cooling-off period upon termination of the contract and subject to a non-compete clause; c) the entity terminates the personnel contracts due to the infeasibility of the entity or early action measures; d) the entity wants to terminate the contract after a significant reduction in the activities in which the member of staff was engaged or when certain business areas are acquired by other entities without the staff having the option of maintaining their employment in the acquirer; and e) the entity and a staff member reach an agreement in the event of an actual labour dispute that might otherwise lead to legal action.

4. severance payments envisaged in section 167 of the EBA Guidelines that do not fulfil the condition of section 3.a) above when the entity has demonstrated the reasons and the suitability of the amount before the competent authority.

Section 175 of the EBA Guidelines considers certain payments after the end of a contract that are either not considered as variable remuneration or are not subject to the requirements applicable to variable remuneration<sup>5</sup>.

### III. THE VARIABLE COMPONENTS IN CAIXABANK'S REMUNERATION POLICIES

1. General remuneration policy for variable remuneration

The remuneration guidelines approved by the Board of Directors and generally applicable to the Entity and its group include the principle that the fixed and welfare benefit components should constitute the predominant part of the overall remuneration conditions, and that the variable remuneration item should tend to be conservative, given its potential as a risk generation factor.

This conservative principle for variable remuneration is reflected in both the General Remuneration Policy for CaixaBank and its group and the specific Remuneration Policies for the Board of Directors and CaixaBank's Identified Group.

There follows a description of the approach to the variable remuneration components in these policies.

2. Board of Directors' Remuneration Policy

- a) General Considerations

CaixaBank's Directors' Remuneration Policy (**DRP**) envisages items of variable remuneration for executive directors only.

In relation to executive directors, and based on the objective of achieving a reasonable and prudent balance between fixed and variable remuneration, the **DRP** states that the amounts of fixed remuneration must be sufficient; it thus establishes that variable component of the remuneration of the executive directors must not exceed 100% of the fixed components of the total remuneration of each of them, unless CaixaBank's General Shareholders' Meeting approves a greater percentage, but not more than 200% of the fixed component, adhering to the format, the requisites and the procedures stipulated by the **LOSS**.

The various components of variable remuneration for executive directors are largely regulated in sections 5.4, 5.5, 5.6, 5.7, 5.8. e), 5.9 and 5.10 of the **DRP**, or such sections as may replace them, and are established in compliance with legally established parameters that apply regarding deferral, payment in instruments,

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<sup>5</sup>These include ordinary remuneration payments related to the length of the notice period, which are not considered severance pay; or the payment of an adequate fixed amount after the ordinary termination of an employment contract and to compensate staff when the entity restricts access to a professional activity, which will not be subject to the requirements of variable remuneration when this is compatible with the national legislation.

retention, calculation of the maximum ratio and malus and clawback clauses.

The main regular variable remuneration component for executive directors provided for in the DRP is variable remuneration with multi-year metrics, calculated using the percentages and metrics set out in it.

b) Considerations on termination payments

In relation to early termination payments, section 5.12. a) of the DRP states that the amount of executive directors' **termination payments** should at all times be set so as not to exceed the legally established limits on the maximum variable remuneration ratio, based on the criteria set out in the EBA Guidelines.

In relation to payments for **post-contractual non-compete covenants**, section 5.12. b) of the DRP provides that contracts may contain covenants of this nature, compensation for which may consist of an amount that should not generally -using a generic formula- exceed the sum of the fixed components of the remuneration that the executive director would have received had he or she continued at the company; the amount of the compensation should be divided into future periodic instalments payable over the term of the non-compete covenant.

Paragraph 5.12 of the DRP finally states that in no case may the payment of early termination payments cause the Entity to breach the limits on variable remuneration prescribed by applicable law in respect of fixed remuneration, and that, where necessary, early termination payments must be lowered accordingly so as to ensure strict compliance with the mandatory limits.

c) Other variable components

The DRP also provides for other variable components of remuneration for executive directors, such as discretionary pension benefits, retention bonuses and payments for walking away from previous contracts.

d) The Entity's practice

Since the entry into force of the EBA Guidelines, CaixaBank sets this compensation as the equivalent of one year's fixed components of the executive director's remuneration. Meanwhile, the term of the non-contractual non-compete arrangements of the contracts in effect is one year, and the compensation has been set at an amount equal to one year's fixed components of the subject's remuneration, payable monthly in 12 equal parts.

The EBA Guidelines consider that severance payment and compensation for non-compete arrangements of contracts in effect are variable remuneration and, therefore, generally subject to the payment cycle for this type of remuneration, unless circumstances allow the Entity to not calculate them in the maximum ratio, deferral and payment in instruments.

15% of the agreed contributions to supplementary pension plans are considered as discretionary pension benefits and are therefore classified as a variable component.

Finally, although the respective contracts of the executive directors do not currently include such remuneration, the DRP provides for the possibility of establishing retention bonuses or payments for walking away from previous contracts.

### 3. Remuneration Policy for the Identified Group<sup>6</sup>

#### a) General Considerations

As in the DRP, CaixaBank's current Remuneration Policy for the Identified Staff (**RPIS**) reflects the Entity's conservative policy when it comes to variable remuneration components.

The different components of variable remuneration of the members of the Identified Staff are largely regulated in sections 7, 8, 9, 10, 11, 12.5, 13 and 14 of the RPIS, or such sections as may replace them, and are established in compliance with the legally established parameters regarding deferral, payment in instruments, withholding, calculation of the maximum ratio and malus and clawback clauses, as applicable.

The main regular variable remuneration component for executive directors provided for in the RPIS is variable remuneration with multi-year metrics, calculated using the percentages and metrics set out in it.

#### b) Considerations on termination payments

In relation to payments for early termination, section 16.1 of the RPIS establishes the generic formulas for determining severance payments for the termination of contracts with members of the Identified Staff:

- In the case of ordinary employment contracts, the amounts established in the Workers' Statute as a minimum, mandatory and non-available amount.
- In the case of members of the Identified Staff with a senior management employment relationship, in general terms and provided that the applicable legislation does not establish a higher mandatory amount (e.g. due to a suspended contract), once the annual amount of all the fixed remuneration components, without prejudice to the compensation agreed on in the post-contractual non-compete commitments.
- In cases of settlement of a labour dispute, an amount not exceeding the amounts provided for in the two preceding points, as appropriate, in the event of unfair dismissal or termination for causes attributable to the Entity.
- The same rule applies in cases of termination by mutual agreement in special situations described in the RPIS.

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<sup>6</sup>Although the Identified Staff includes the members of the CaixaBank Board of Directors, both executive and non-executive, they are not included in CaixaBank's Remuneration Policy for the Identified Staff as they are subject to specific regulation in the Remuneration Policy of the Board of Directors.



Paragraph 16.2 of the RPIS stipulates that if a **post-contractual non-compete undertaking** has been included in the contract, the compensation may not generally -using a generic formula- exceed the sum of the fixed components of the remuneration that the professional would have received had he or she remained at the entity; and that the amount of the compensation must be divided into future and equal periodic instalments, payable over the entire duration of the non-compete undertaking.

Meanwhile, section 16.5 of the RPIS regulates payments for termination under a collective redundancy plan which applies generally to all CaixaBank employees (**TRP**) who are eligible under the plan, and to which members of the Identified Staff with an employment relationship may also be subject. The terms and conditions of redundancy plans (collective redundancy, workforce restructuring measures or voluntary redundancy plans) are normally those agreed with the bank's employee representatives, although they may also be established unilaterally by the bank. The plans may include (i) monthly payments equivalent to less than 100% of fixed remuneration, (ii) payment of social security contributions until the expected date of retirement, (iii) continued contributions to social security schemes until the expected date of retirement, and (iv) other in-kind benefits of less material importance (e.g. health insurance).

Section 16.6 of the RPIS establishes the cases in which the Entity does not have to fulfil the requirements for calculating the maximum ratio, deferral and payment in instruments, based mainly on the set formulas described above.

Lastly, paragraph 16.8 of the RPIS states that in no case may the payment of early termination payments cause the Entity to breach the limits on variable remuneration prescribed by applicable law in respect of fixed remuneration, and that, where necessary, early termination payments will be lowered accordingly so as to ensure strict compliance with all such mandatory limits.

#### c) Other variable components

The RPIS also provides for other variable remuneration components for Identified Staff members, such as special incentives, discretionary pension benefits, retention bonuses or payments for walking away from previous contracts.

#### d) The Entity's practice

In accordance with the contractual practice followed by CaixaBank since the application of the EBA Guidelines, for members of the Identified Group with a senior management contract an indemnity payment has generally been established consisting of either (i) the indemnity payment that would correspond to them by virtue of the Workers' Statute in accordance with a suspended previous ordinary employment contract or (ii) a year's payment of the fixed components of the annual remuneration, whichever is the highest.

As a general rule, the contracts of members of the Identified Staff that contain post-contractual non-compete commitments have a term of one year, and the compensation for such commitments consists —again using a generic formula— of

an amount equal to one year of the fixed components of the subject's remuneration, payable monthly in 12 equal parts.

In accordance with paragraph 16.6 of the RPIS and paragraph 172 of the EBA Guidelines, certain termination payments based on the above generic formulas may be exempted from being calculated in the maximum ratio, deferral and payment in instruments. However, there may be cases where the exemption does not apply (e.g. certain cases of TRP, termination payments in excess of the generally established formulas, etc.), and where the amounts paid must be fully subject to the requirements of the variable remuneration payment cycle (particularly the maximum ratio).

Finally, discretionary pension benefits (15% of the agreed contributions to supplementary social welfare plans of the members of the Management Committee) should be calculated as variable remuneration, according to applicable regulations and the RPIS. Likewise, special incentives, retention bonuses and payments for walking away from previous contracts should be calculated as variable remuneration, in the cases where the Entity and the member of the Identified Staff have agreed on these remuneration components.

#### **IV. EVENTS WARRANTING THE PROPOSED INCREASE IN THE MAXIMUM RATIO OF VARIABLE REMUNERATION AND JUSTIFICATIONS**

The cases giving rise to the motion to increase the maximum variable remuneration ratio, and their justification, are as follows:

1. The need to adapt to standard practice and market competition.

Although CaixaBank's Remuneration Policy generally establishes relatively low variable remuneration in relation to the fixed components and welfare benefits, the proportion established between the fixed and variable components for certain specific posts must comply with standard market practice for equivalent posts, both in Spain and internationally, on the basis of market surveys and information drawn up by top-level specialist companies.

European credit institutions are required to limit their variable remuneration regardless of the location of their business, while non-EU entities are only subject to this limitation for the business they carry out in Europe. As a bank with international vocation, CaixaBank must invest itself with the maximum potential and the necessary flexibility to be competitive with regard to attracting and retaining talent. CaixaBank must thus be able to attract, motivate and retain the best professionals for the posts in question, through a remuneration system comparable to those of the Company's direct competitors.

Extending the maximum ratio to 200% due to market conditions would, as in previous years, affect a limited number of 28 positions in the Identified Staff, as identified under **Heading I** of the **APPENDIX** to this Detailed Recommendation.

However, in accordance with the Entity's current remuneration principles and practices, the motion is for limited, specific and non-generalised use of variable

remuneration in bonus form in the case of it possibly exceeding 100% of the fixed component.

2. Co-existence of different variable components in the same year of payment

As explained in previous sections, the obligatory classification of the different types of remuneration by fixed and variable components (with no intermediate or additional categories existing) and the form of defining each one (a variable component is any component that cannot be defined as fixed) means that in the same financial year, apart from the multi-year bonuses established, different types of variable remuneration may be earned, all of them subject to the maximum ratio applicable to the Entity (special incentives, early termination payments, including TRP payments, not exempt from being calculated in the ratio, special incentives, discretionary pension benefits, retention bonuses or payments due to walking away from previous contracts).

In the case of CaixaBank, although conservative policies have been applied with regard to variable remuneration, in some cases these variable remuneration payments may have to be reduced as their overall amount exceeds the limit of 100% of the fixed components when they are calculated together with all the variable components and are not totally or partially exempted from being calculated in the maximum ratio, in accordance with applicable regulations and the EBA Guidelines.

Extending the maximum ratio to 200% in these cases would not change the Entity's policies on variable remuneration in the form of variable remuneration and early termination payments, but would make it better able to honour, in quantitative terms, all of its commitments with the members of the Identified Staff under the same conditions as the rest of the Entity's employees (without prejudice to the fact that their payment, insofar as it is classified as a variable component and not exempted under the EBA Guidelines, it must be made in accordance with the applicable principles of deferral, payment in instruments, retention, malus and clawback clauses).

In raising the maximum ratio to 200% for this reason it must eventually include all 199 positions of the Identified Staff that have recognised variable remuneration components, as identified under **Heading I** and **Heading II** of the APPENDIX.

The approval of the maximum ratio should not constitute a general authorisation for the Entity to change its policies regarding variable remuneration components or for it to conduct a broad review of the terms of the contracts of the members of the Identified Staff; rather, and as stated above, its purpose is to respond to the needs of the market in the case of the positions in **Heading I** of the APPENDIX, and to make the Entity better able to honour its individual and collective commitments in terms of variable remuneration under equal conditions for all members of its Identified Staff and all other employees who receive variable remuneration components, both for positions under **Heading I** and those under **Heading II** of the APPENDIX.

## V. EFFECT OF THE PROPOSAL ON THE ABILITY TO MAINTAIN A STRONG CAPITAL BASE

For the 28 positions whose annual variable remuneration may exceed 100% of their fixed components due to market conditions (as described in **section IV.1** above and listed under **Heading I of the APPENDIX** to this Detailed Recommendation), the maximum estimated aggregate amount of such excess, even in the hypothetical (and unforeseen) scenario, would be EUR 2,633,032.

In relation to the total 199 positions of the Identified Staff that receive variable remuneration components (as described under **Heading I** and **Heading II** of the **APPENDIX** this Detailed Recommendation), and taking into account the fact that they may only potentially be affected, even if the concurrence of variable components were to affect a significant number of the persons currently occupying the positions included on the list whose contractual situation would require a reduction in payments for early termination or TRP, the economic impact would be EUR 8,529,985.

The Board of Directors considers that the aggregate amount of both figures (€11,163,017) would have no significant impact on maintaining a sound capital base and would not affect the Entity's solvency obligations.

## VI. APPLICATION OF THE MAXIMUM LEVEL OF VARIABLE REMUNERATION AT CAIXABANK SUBSIDIARIES

The proposal to approve the maximum variable remuneration ratio extends to members of the CaixaBank Group's Identified Staff who work or provide services at subsidiaries of the Company, without prejudice to the need for these subsidiaries to comply with the obligations pertaining to them specifically in each case when raising this ratio up to the maximum level permitted.

## VII. MOTION TO BE SUBMITTED TO THE GENERAL MEETING

By virtue of the above, the Board of Directors proposes approval of the following resolution to the General Shareholders' Meeting:

***Approval of the maximum level of variable remuneration payable to employees whose professional activities have a significant impact on the Company's risk profile.***

*To approve that the variable remuneration for the one hundred and ninety-nine (199) positions of the employees whose professional activities have a significant impact on the Company's risk profile ("Identified Staff") referred to in the 'Board of Directors' Detailed Recommendation on the proposal to approve the maximum amount of variable remuneration payable to members of the Identified Staff', may reach up to two hundred per cent (200%) of the fixed component of their total remuneration, by virtue of and subject to the provisions of Article 34 of Law 10/2014 of 26 June, on the regulation, supervision and solvency of credit institutions.*

*The purpose of the approval of this resolution is (i) to meet the market conditions in the case of the twenty-eight (28) positions included in section I of the appendix to the aforementioned Detailed Recommendation, or (ii) for all the positions included in sections I and II of the aforementioned appendix, expand the Company's capacity to meet*

*the individual and collective commitments acquired in terms of variable remuneration in equal conditions for all members of its Identified Staff and the rest of its staff who have 10 recognized variable remuneration components, without this implying a general change in the remuneration practices and policies in force in the Company.*

*Likewise, to approve that the Company may exercise its voting rights in the subsidiaries subject to a maximum variable remuneration ratio by approving the maximum limit allowed, following the same principles applicable to the Company.*

Valencia, 15 February 2024

## APPENDIX

### to the detailed recommendation on the motion for resolution to approve the maximum level of variable remuneration for professionals belonging to the Identified Group

#### NUMBER OF PERSONS AND POSITIONS AFFECTED

Heading I      Affected positions of the Identified Staff due to market reasons

POST	NO. OF PERSONS
INTERNATIONAL BRANCH DIRECTOR	1
CORPORATE & INVESTMENT BANKING SOLUTIONS DIRECTOR	1
STRUCTURED FINANCE DIRECTOR	1
ASSET & STRUCTURED TRADE FINANCE DIRECTOR	1
INTERNATIONAL BANKING DIRECTOR	1
INSTITUTIONAL BANKING DIRECTOR	1
DEBT CAPITAL MARKETS & FICC SALES DIRECTOR	1
CORPORATE BANKING DIRECTOR	1
CIB TRANSACTIONAL BANKING DIRECTOR	1
CONSTRUCTION & INFRASTR. & REAL ESTATE DIRECTOR	1
HEALTHCARE & CHEMICALS / FOOD & BEVERAGE DIRECTOR	1
TMT & SERVICES DIRECTOR	1
ENERGY DIRECTOR	1
MARKETS DIRECTOR	1
EQUITY DIRECTOR	1
FX DERIVATIVES DIRECTOR	1
FIXED INCOME DIRECTOR	1
RATES & FIXED INCOME DIRECTOR	1
FOREIGN EXCHANGE DIRECTOR	1
CVA – FVA MANAGEMENT AND PRICING DIRECTOR	1
ALM, TREASURY & FUNDING DIRECTOR	1
STRUCTURED LIABILITIES & COMMODITIES DIRECTOR	1
INCOME MANAGEMENT DIRECTOR	1
ALM DIRECTOR	1
INTEREST RATES DERIVATIVES DIRECTOR	1
FUNDING DIRECTOR	1
TREASURY DIRECTOR	1
LIQUIDITY MANAGEMENT DIRECTOR	1

Heading I      Total number of positions in the Identified Staff who receive variable remuneration components

POST	NO. OF PERSONS
CHAIRMAN	1
CHIEF EXECUTIVE OFFICER	1
BUSINESS DIRECTOR	1
RISK DIRECTOR	1
INTERNAL AUDIT DIRECTOR	1
FINANCE DIRECTOR	1
RESOURCES DIRECTOR	1
CORPORATE & INVESTMENT BANKING DIRECTOR	1
COMMUNICATION AND INSTITUTIONAL RELATIONS DIRECTOR	1
ACCOUNTING, MANAGEMENT CONTROL AND CAPITAL DIRECTOR	1
INSURANCE DIRECTOR	1
PUBLIC AFFAIRS, COMPLIANCE AND CONTROL DIRECTOR	1
SUSTAINABILITY DIRECTOR	1
PEOPLE DIRECTOR	1
GENERAL SECRETARY	1
DIGITAL TRANSFORM. & ADVANCED ANALYTICS DIRECTOR	1
PAYMENTS & CONSUMER DIRECTOR	1
CORPORATE RISK MANAGEMENT FUNCTION & PLANNING DIRECTOR	1
COMPLIANCE DIRECTOR	1
RETAIL DIRECTOR	1
BUSINESS BANKING DIRECTOR	1
REGIONAL MANAGER BARCELONA	1
TERRITORIAL DIRECTOR OF MADRID	1
TERRITORIAL DIRECTOR OF VALENCIA AND MURCIA	1
TERRITORIAL DIRECTOR OF ANDALUSIA	1
TERRITORIAL DIRECTOR OF NORTHERN SPAIN	1
TERRITORIAL DIRECTOR OF BALEARIC ISLANDS	1
TERRITORIAL DIRECTOR OF CATALONIA	1
TERRITORIAL DIRECTOR INTOUCH	1
INTERNATIONAL BRANCH DIRECTOR	1
INVESTEE AND COMPLIANCE AUDIT DIRECTOR	1
ACCOUNTING, SOLVENCY AND HR AUDIT DIRECTOR	1
NETWORK AND BUSINESS AUDIT DIRECTOR	1
GOVERNANCE, STRATEGY AND AUDIT REPORTING DIRECTOR	1
RISKS, MARKETS AND CIB AUDIT DIRECTOR	1
IT AND DIGITAL BANKING AUDIT DIRECTOR	1
SUSTAINABILITY AND PRIVATE BANKING AUDIT DIRECTOR	1
STRUCTURAL AND MARKET RISKS DIRECTOR	1
REGULATED CREDIT RISK MODELS DIRECTOR	1
ENTERPRISE RISK MANAGEMENT & PLANNING DIRECTOR	1
POLICIES AND CREDIT RISK INFO. DIRECTOR	1
PLANNING, IMPAIRMENT AND REGULATORY CAPITAL DIRECTOR	1
SECTORAL AND MAJOR RISK ACCOUNTING MONITORING AND ANALYSIS DIRECTOR	1

(continued)

POST	NO. OF PERSONS
REGULATORY COMPLIANCE DIRECTOR	1
COMPLIANCE ANALYTICS DIRECTOR	1
COMPLIANCE CONTROL AND REPORTING DIRECTOR	1
AML/CTF DIRECTOR	1
REGULATORY AND GROUP RISK DIRECTOR	1
CONDUCT AND MARKET RISKS DIRECTOR	1
REAL ESTATE BUSINESS AND DEVELOPMENT DIRECTOR	1
GLOBAL CORPORATE FINANCING SOLUTIONS DIRECTOR	1
CORPORATE TRANSACTIONAL BANKING DIRECTOR	1
HOTELS & TOURISM DIRECTOR	1
BUSINESS DEVELOPMENT, ENTREPRENEURS, MICRO-ENTERPRISES & SMES DIRECTOR	1
BUSINESS BANKING COMMERCIAL DIRECTOR	1
SME BUSINESS BANKING DIRECTOR	1
BUSINESS BANKING DIRECTOR	1
BUSINESS BANKING FINANCE DIRECTOR	1
SENIOR DIRECTOR	1
“DORMIR TRANQUILO” DIRECTOR	1
PREMIER DIRECTOR	1
MORTGAGES & HOLABANK DIRECTOR	1
RETAIL AND COMMERCIAL PROGRAMMES DIRECTOR	1
BUSINESSES DIRECTOR	1
RETAIL BANKING AND OMNI-CHANNEL COMMERCIALISATION DIRECTOR	1
“DISFRUTAR DE LA VIDA” AND BUSINESS COMMERCIAL DIRECTOR	1
STRATEGIC ALLIANCES AND P&C ECOSYSTEMS DIRECTOR	1
VALUE PROPOSITION POINT-OF-SALE ECOSYSTEM DIRECTOR	1
CORPORATE & INVESTMENT BANKING SOLUTIONS DIRECTOR	1
STRUCTURED FINANCE DIRECTOR	1
ASSET & STRUCTURED TRADE FINANCE DIRECTOR	1
INTERNATIONAL BANKING DIRECTOR	1
INSTITUTIONAL BANKING DIRECTOR	1
DEBT CAPITAL MARKETS & FICC SALES DIRECTOR	1
EQUITIES & CORPORATE FINANCE DIRECTOR	1
CORPORATE BANKING DIRECTOR	1
CIB TRANSACTIONAL BANKING DIRECTOR	1
CONSTRUCTION & INFRAST. & REAL ESTATE DIRECTOR	1
INDUSTRIAL & CONSUMER GOODS DIRECTOR	1
HEALTHCARE & CHEMICALS / FOOD & BEVERAGE DIRECTOR	1
TMT & SERVICES DIRECTOR	1
FIG & IFI DIRECTOR	1
ENERGY DIRECTOR	1
COMMERCIAL DIRECTOR – SOUTH MADRID – MADRID TERRITORIAL UNIT	1
COMMERCIAL PRIVATE BANKING DIRECTOR – MADRID TERRITORIAL UNIT	1
COMMERCIAL BUSINESS BANKING DIRECTOR – MADRID TERRITORIAL UNIT	1
COMMERCIAL RETAIL BANKING DIRECTOR – MADRID TERRITORIAL UNIT	1
COMMERCIAL DIRECTOR – CENTRAL MADRID NETWORK – MADRID TERRITORIAL UNIT	1
COMMERCIAL DIRECTOR – MADRID NORTH-EAST NETWORK – MADRID TERRITORIAL UNIT	1
COMMERCIAL DIRECTOR – MADRID METROPOLITAN NETWORK – MADRID TERRITORIAL UNIT	1





(continued)

POST	NO. OF PERSONS
COMMERCIAL DIRECTOR – BARCELONA CENTRAL NETWORK – BARCELONA TERRITORIAL UNIT	1
COMMERCIAL DIRECTOR – NORTH BARCELONA NETWORK – BARCELONA TERRITORIAL UNIT	1
COMMERCIAL DIRECTOR – SOUTH BARCELONA NETWORK – BARCELONA TERRITORIAL UNIT	1
COMMERCIAL BUSINESS BANKING DIRECTOR – BARCELONA TERRITORIAL UNIT	1
COMMERCIAL PRIVATE BANKING DIRECTOR – BARCELONA TERRITORIAL UNIT	1
COMMERCIAL RETAIL BANKING DIRECTOR – BARCELONA TERRITORIAL UNIT	1
COMMERCIAL DIRECTOR – NORTH VALENCIA NETWORK OF VALENCIA AND MURCIA TERRITORIAL UNIT	1
COMMERCIAL DIRECTOR – SOUTH VALENCIA NETWORK OF VALENCIA AND MURCIA TERRITORIAL UNIT	1
COMMERCIAL PRIVATE BANKING DIRECTOR – VALENCIA AND MURCIA TERRITORIAL UNIT	1
COMMERCIAL RETAIL BANKING DIRECTOR – VALENCIA AND MURCIA TERRITORIAL UNIT	1
COMMERCIAL – BUSINESS BANKING DIRECTOR – VALENCIA AND MURCIA TERRITORIAL UNIT	1
COMMERCIAL DIRECTOR – MURCIA NETWORK OF VALENCIANA AND MURCIA TERRITORIAL NETWORK	1
DIRECTOR – REGION OF MURCIA	1
COMMERCIAL PRIVATE BANKING DIRECTOR – NORTHERN SPAIN TERRITORIAL UNIT	1
COMMERCIAL BUSINESS BANKING DIRECTOR – NORTHERN SPAIN TERRITORIAL UNIT	1
COMMERCIAL RETAIL BANKING DIRECTOR – NORTHERN SPAIN TERRITORIAL UNIT	1
COMMERCIAL DEPARTMENT – ASTURIAS AND CANTABRIA NETWORK OF NORTHERN SPAIN TERRITORIAL UNIT	1
COMMERCIAL DIRECTOR – GALICIA NETWORK OF NORTHERN SPAIN TERRITORIAL UNIT	1
COMMERCIAL DIRECTOR – BASQUE COUNTRY NETWORK OF NORTHERN SPAIN TERRITORIAL UNIT	1
COMMERCIAL DIRECTOR – MALAGA-CORDOBA-ALMERIA NETWORK OF ANDALUSIA TERRITORIAL UNIT	1
COMMERCIAL DIRECTOR – GRANADA-JAEN NETWORK – ANDALUSIA TERRITORIAL UNIT	1
COMMERCIAL DIRECTOR – SEVILLE NETWORK OF ANDALUSIA TERRITORIAL UNIT	1
COMMERCIAL DIRECTOR – CADIZ-HUELVA NETWORK OF ANDALUCIA TERRITORIAL UNIT	1
COMMERCIAL BUSINESS BANKING DIRECTOR – ANDALUSIA TERRITORIAL UNIT	1
COMMERCIAL RETAIL BANKING DIRECTOR - ANDALUSIA TERRITORIAL UNIT	1
COMMERCIAL PRIVATE BANKING DIRECTOR – ANDALUSIA TERRITORIAL UNIT	1
COMMERCIAL BUSINESS BANKING DIRECTOR – ANDALUSIA TERRITORIAL UNIT	1
COMMERCIAL BUSINESS BANKING DIRECTOR – BALEARIC ISLANDS TERRITORIAL UNIT	1
COMMERCIAL RETAIL BANKING DIRECTOR – BALEARIC ISLANDS TERRITORIAL UNIT	1
COMMERCIAL DIRECTOR – BALEARIC ISLANDS NETWORK OF BALEARIC ISLANDS TERRITORIAL UNIT	1
COMMERCIAL PRIVATE BANKING DIRECTOR – BALEARIC ISLANDS TERRITORIAL UNIT	1
COMMERCIAL DIRECTOR – SOUTH-WEST CATALONIA NETWORK OF CATALONIA TERRITORIAL UNIT	1
COMMERCIAL RETAIL BANKING DIRECTOR – CATALONIA TERRITORIAL UNIT	1
COMMERCIAL DIRECTOR – NORTH-WEST CATALONIA NETWORK OF CATALONIA TERRITORIAL UNIT	1
COMMERCIAL BUSINESS BANKING DIRECTOR – CATALONIA TERRITORIAL UNIT	1
COMMERCIAL PRIVATE BANKING DIRECTOR – CATALONIA TERRITORIAL UNIT	1
COMMERCIAL DIRECTOR – SOUTHERN INTOUCH NETWORK OF INTOUCH TERRITORIAL UNIT	1
COMMERCIAL RETAIL BANKING DIRECTOR – INTOUCH TERRITORIAL UNIT	1
COMMERCIAL DIRECTOR – NORTHERN INTOUCH NETWORK OF INTOUCH TERRITORIAL UNIT	1



LEGAL ADVISORY DIRECTOR	1
CORPORATE M&A LEGAL DIRECTOR	1
INTEGRATED ACCOUNTING AND LEGAL REPORTING DIRECTOR	1
CORPORATE PLANNING DIRECTOR	1
STRATEGIC PLANNING AND STUDIES DIRECTOR	1
PEOPLE MANAGEMENT AND COMPENSATION DIRECTOR	1
CHIEF INFORMATION OFFICER	1
CHIEF TECHNOLOGY OFFICER	1
PURCHASING AND GOBEX DIRECTOR	1
CREDIT RISK POLICY DIRECTOR	1
LARGE COMPANIES RESTRUCTURING AND AD-HOC PORTFOLIOS DIRECTOR	1
RETAIL DEFAULTS AND RECOVERIES DIRECTOR	1
NON-FINANCIAL RISK CONTROL DIRECTOR	1
INTERNAL CONTROL AND VALIDATION DIRECTOR	1
GOVERNANCE AND CONTROL OF OPERATIONS DIRECTOR	1
GOVERNANCE AND CONTROL OF RESOURCES DIRECTOR	1
BUSINESS CONTROL DIRECTOR	1
PERMANENT LENDING COMMITTEE DIRECTOR	1
DIRECTOR-CHIEF LENDING OFFICER FOR COMPANIES	1
CIB CREDIT MANAGER & INTERNATIONAL BANKING DIRECTOR	1
BUSINESSES CREDIT MANAGER DIRECTOR	1
PORTFOLIO MANAGER – CIB & COMPANIES	1
RETAIL ADMISSION DIRECTOR	1
MARKETS DIRECTOR	1
EQUITY DIRECTOR	1
FX DERIVATIVES DIRECTOR	1
FIXED INCOME DIRECTOR	1
RATES & FIXED INCOME DIRECTOR	1
FOREIGN EXCHANGE DIRECTOR	1
MANAGEMENT AND PRICING CVA-FVA	1
ALM, TREASURY & FUNDING DIRECTOR	1
STRUCTURED LIABILITIES & COMMODITIES DIRECTOR	1
INCOME MANAGEMENT DIRECTOR	1
ALM DIRECTOR	1
INTEREST RATES DERIVATIVES DIRECTOR	1
FUNDING DIRECTOR	1
TREASURY DIRECTOR	1
LIQUIDITY MANAGEMENT DIRECTOR	1
EQUITY DERIVATIVES DIRECTOR	1
DIRECTOR – CASTILE AND LEON TERRITORIAL UNIT	1
DIRECTOR – CASTILE-LA MANCHA-EXTREM TERRITORIAL UNIT	1
DIRECTOR – EBRO TERRITORIAL UNIT	1
DIRECTOR – CANARY ISLANDS TERRITORIAL UNIT	1
RISK ANALYSTS DIRECTOR I	1
RISK ANALYSTS DIRECTOR II	1
RISK APPROVAL DIRECTOR – ANDALUSIA TERRITORIAL UNIT	1
RISK APPROVAL DIRECTOR – BARCELONA TERRITORIAL UNIT	1
RISK APPROVAL DIRECTOR – VALENCIA AND MURCIA TERRITORIAL UNIT	1
RISK APPROVAL DIRECTOR – MADRID TERRITORIAL UNIT	1
RISK APPROVAL DIRECTOR – NORTHERN SPAIN TERRITORIAL UNIT	1
RISK APPROVAL DIRECTOR – CATALONIA TERRITORIAL UNIT	1



DIGITAL AND RETAIL REG., TRANSPARENCY, RIM DIRECTOR	1
OPERATIONS DIRECTOR	1
PROCESS ENGINEERING DIRECTOR	1
CORPORATE MANAGEMENT AND GOVERNANCE DIRECTOR	1
DIGITAL CHANNELS & SOLUTIONS DIRECTOR	1
PRIVATE BANKING & THINKING ABOUT THE FUTURE DIRECTOR	1
INSURANCE GROUP DIRECTOR	1
CORPORATE INF. AND INVESTEE CONTROL DIRECTOR	1
INDEPENDENT ADVICE DEVELOPMENT DIRECTOR	1
PLANNING, CONTROL AND BUSINESS MODELS DIRECTOR	1
DEPUTY BUSINESS DIRECTOR	1
DEFAULTS AND RECOVERIES DIRECTOR	1
CORPORATE DEVELOPMENT DIRECTOR	1
FORECLOSURE REAL ESTATE ASSETS DIRECTOR	1
DIRECTOR-CHIEF RETAIL LENDING OFFICER	1
AGROBANK DIRECTOR	1
COMMERCIAL BUSINESS BANKING DIRECTOR – CAST. LA MANCHA-EXTREM. TERRITORIAL UNIT	1
SENIOR RELATIONSHIP MANAGER NEW YORK	1
IMAGIN DIGITAL BUSINESS DIRECTOR	1



**REPORT OF THE BOARD OF DIRECTORS OF CAIXABANK, S.A.  
ON THE AMENDMENT TO THE REGULATIONS OF THE BOARD  
OF DIRECTORS OF CAIXABANK, S.A.**

**Board of Directors - 15 February 2024**

## I. PURPOSE OF THE REPORT

In compliance with the provisions of article 518.d) of the restated text of the Corporate Enterprises Act approved by Royal Legislative Decree 1/2010, of 2 July ("**Corporate Enterprises Act**" or "**LSC**"), which requires from the moment the call notice is published and until the Annual General Meeting is held that companies must continuously post on their websites the reports of the competent bodies relating to items of a merely informative nature, in addition to article 528 of the LSC, which requires the Board of Directors to inform the Annual General Meeting of any amendments to Regulations of the Board of Directors, this report has been prepared by the Board of Directors of CaixaBank, S.A. ("**CaixaBank**" or the "**Company**") to explain the reasons for the amendment to the Regulations of the Board of Directors approved at the meeting of 31 March 2023, which will be notified to the Company's Annual General Meeting to be held on 21 March 2024, at first call, and on the following day, 22 March 2024, at second call, under item 8.1<sup>º</sup> of the agenda.

## II. JUSTIFICATION FOR THE PROPOSED AMENDMENT

The Board of Directors **has an Innovation, Technology and Digital Transformation Committee** whose purpose is to advise CaixaBank's Board of Directors on all matters relating to technological innovation, cybersecurity and digital transformation, assisting it in monitoring and analysing trends and innovations that may affect CaixaBank's strategy and business model in the medium and long term.

**This Committee was created by resolution of the Board of Directors on 23 May 2019**, and its composition and basic operating rules and powers are set out in article 15.bis of the Regulations of the Board of Directors.

Without prejudice to the foregoing, given the growing importance that this Committee has been gaining within the Board as well as the advisory duties the Committee performs, in line with the **increasing relevance of issues related to technology and cybersecurity**, taking into account the growing importance of technological advances in all areas, especially in that of financial digital innovation, as well as the new trends that are constantly emerging, with the aim of adapting to changing customer expectations, it was considered **advisable to strengthen the composition of the Committee and increase the maximum number of members of the Committee from six (6) to seven (7), in order to adequately address the workload and carry out the duties envisaged.**

In this sense, the Board of Directors approved at the meeting of 31 March 2023 to amend article 15.bis.1 in order to increase the maximum number of members of the Innovation, Technology and Digital Transformation Committee from six (6) to seven (7), previous proposal and report of the Appointments and Sustainability Committee.

### **III. APPENDIX**

The comparative text between the current Board of Directors' Regulations and the proposed amendment is attached as an Appendix to this Report.

## APPENDIX I

### TEXT COMPARING THE REGULATIONS OF THE BOARD OF DIRECTORS APPROVED AT THE BOARD MEETING HELD ON 31 MARCH 2023 AND THE WORDING PRIOR TO THAT AMENDMENT

#### CHAPTER I

#### PRELIMINARY

#### ARTICLE 1.- ORIGIN AND DUTIES

1. These Regulations are hereby approved by the Board of Directors of CaixaBank, S.A. (hereafter, the **Company**), in fulfilment of the Law. The Regulations aim to set out the guiding principles of the Board as well as the basic rules governing its organization and functioning and the rules of conduct that apply to its members, being also applicable to its delegated corporate bodies and its internal Committees, as well as to the members that comprise them.
2. The rules of conduct set out therein for the Company Directors (hereinafter, the **Directors**) will also apply to the members of the management committee and to any other person who reports to the Board of Directors (hereinafter, the **Senior Executives**) of the Company, to the extent that said rules are compatible with the specific characteristics of the Senior Executives and with the activities that they carry out. For the purposes of these Regulations, Senior Executives will be understood to mean general directors and executives who report directly to the Board of Directors of the Company or to the Chief Executive Officer, or, if applicable, to the Executive Committee and, in all events, the Company's internal auditor.

#### ARTICLE 2.- INTERPRETATION

These Regulations develop and complete the regulatory rules that govern the Board of Directors and that are set forth in prevailing legislation and the Company's by-laws. They will be interpreted in accordance with the applicable laws and by-laws and with the principles and recommendations relative to corporate governance of listed companies.

#### ARTICLE 3.- DISSEMINATION

1. Directors and Senior Executives are required to be familiar with, comply with and enforce these Regulations. Consequently, the Secretary of the Board of Directors will provide each of them with a copy of the Regulations.
2. The Board of Directors will take the steps necessary to distribute these Regulations among the shareholders and the investing public at large. In doing so, it will use the most efficient means available to ensure that these Regulations reach the intended recipients immediately and smoothly.

## **CHAPTER II**

### **DUTIES OF THE BOARD OF DIRECTORS**

#### **ARTICLE 4.- DUTIES OF THE BOARD OF DIRECTORS**

1. Apart from those issues reserved by Law or the By-Laws to the General Shareholders' Meetings, the Board of Directors is the Company's highest decision-making body, that shall be the competent body for passing resolutions with regard to any matter and shall be empowered with the broadest powers and faculties to manage and represent the Company.

The Board of Directors shall also approve and supervise the strategic and management guidelines that are provided in the interest of each and every one of the Group companies of which the Company is the dominant entity, in order to establish the basis for an adequate and efficient coordination between the Company and the other companies belonging to the Group. The governing bodies of each company shall be responsible for the ordinary, effective and day-to-day management and administrative duties related to their respective businesses or activities, pursuant to each company's corporate interest and the applicable regulations to each case.

2. The Board should ensure that the Company abides by current law in its dealings with stakeholders; fulfils its explicit and implicit contracts and obligations in good faith; respects the customs and good practices of the sectors and territories where it does business; and upholds any additional sustainability principles the Company has subscribed to voluntarily.
3. The Board of Directors should define a corporate governance system to guarantee healthy and prudential management of the Company, and that will include an adequate distribution of duties in the organization and prevent conflicts of interests, assuring the application of the mentioned system and periodically controlling and evaluating its efficiency, taking if applicable adequate measures to resolve any possible differences.
4. In particular, and notwithstanding the powers that are reserved to the full Board of Directors by Law, the By-laws or these Regulations, the following duties of the Board of Directors will be non-delegable, their approval corresponding to the complete Board of Directors, notwithstanding the effect of the conferred delegations and powers before third parties:
  - (i) Its own organization and operation and particularly the approval and modification of its own Regulations.
  - (ii) Supervision of the effective operation of the Committees it has formed and of the action of delegated bodies.
  - (iii) Effective supervision of senior management and of the executives appointed.
  - (iv) Preparation of the annual accounts and their presentation to the General Meeting.
  - (v) Preparation of any type of report required by Law from the Board of Directors if the operation referred to in the report cannot be delegated.



- (vi) The appointment and separation of the Director or executive Director of the Company, as well as establishing their contract conditions.
- (vii) The appointment and separation of the Directors that directly dependant on the Board of Directors or any of its members, as well as establishing the basic conditions for their contracts, including the remuneration.
- (viii) The decisions related to the remuneration of the Directors, within the framework of the By-laws and of the remuneration policy approved by the General Meeting.
- (ix) The authorization or exemption of the obligations derived from the due loyalty of the Directors according to that established in Law
- (x) The call for the General Shareholders Meeting and the preparation of the agenda and proposal of agreements.
- (xi) The powers that the General Meeting has delegated on the Board of Directors, except if being expressly authorized by the General Meeting to sub-delegate them.
- (xii) The determination of the general policies and strategies of the Company and, particularly, of the risk management and control policy, including tax risks, the corporate governance policy, the policy related to its own shares, the investment and financing policy, the sustainability/corporate responsibility policy and the dividends policy. Considering its duties to define strategic and management guidelines for the companies within CaixaBank's Group, as well as to supervise and monitor the implementation of such guidelines, the Board will establish systems for communicating and exchanging necessary information, while safeguarding the scope of each company's ordinary management and administration, pursuant to their corporate interest.
- (xiii) Monitoring, control and periodical evaluation of the corporate governance system efficiency and the adoption of adequate measures to resolve, if applicable, its deficiencies
- (xiv) The responsibility of the Company administration and management, the approval and monitoring of the strategic or business plan, as well as the application of strategic and management objectives, and its risks strategy and internal governance.
- (xv) Guarantee the integrity of the accounting and financial information systems, including the financial and operational control and compliance with applicable legislation.
- (xvi) Supervise the information distribution process and the communications derived from its condition as a credit entity.
- (xvii) Supervision of internal information and control systems.
- (xviii) Monitoring the process of preparing and submitting financial information and the management report, including any required non-financial information.

- (xix) Approval, with the previous report from the Audit and Control Committee, of the financial information that, due to its condition as listed company, the Company should periodically make public.
  - (xx) Approval of the annual budget
  - (xxi) Definition of the structure of the Group of companies of which the Company is the dominant company.
  - (xxii) Approval of all types of investments or operations that due to their elevated amounts or special characteristics are strategic or have special tax risk, except when their approval corresponds to the General Meeting.
  - (xxiii) Determination of the Company tax strategy, the approval, with the previous report from the Audit and Control Committee, of the incorporation or acquisition of shares of special purpose entities or those resident in countries or territories considered tax havens, as well as the approval of any other analogue transactions or operations that, due to their complexity, could undermine the Company and Group transparency.
  - (xxiv) Approval of operations which by Law are Related Party Transactions in accordance with Article 38 of these Regulations, except in those cases in which such competence is legally attributed to the General Shareholders' Meeting.
5. The Board of Directors cannot delegate the powers and duties contained in the previous section 4, or any other powers or duties that may be considered as non delegable by the applicable regulations. Nevertheless, when circumstances of duly justified urgencies concur, the decisions corresponding to the subjects previously mentioned as non-delegable may be adopted by delegated persons or bodies, with the exception of those indicated in sections (ii) to (xvi), both included, of the previous section 4, which could not be delegated under any circumstance.
- The decisions that under urgent circumstances may be adopted by delegated persons or bodies in relation to any of the matters considered as non-delegable should be ratified in the first Board of Directors held after the adoption of the decision.
6. The Board of Directors will ensure that the Company fulfils its ethical duties and its obligation to act in good faith.
7. The Board of Directors will also ensure that no shareholder receives privileged treatment vis-à-vis the others.

### **CHAPTER III**

#### **COMPOSITION OF THE BOARD**

##### **ARTICLE 5.- QUALITATIVE COMPOSITION**

1. When exercising its powers to propose appointments to the General Shareholders' Meeting and co-opt directors to cover vacancies, the Board shall endeavour to ensure that

external Directors or non-executive Directors represent a broad majority over executive Directors and that the latter should be the minimum.

For these purposes, “executives” will be understood to mean the Chairman, if executive duties have been delegated to him; the Chief Executive Officers; and those persons who by virtue of any other title fulfil management responsibilities within the Company or its Group, whatever is the legal link between them.

2. The Board will also strive to ensure that the majority group of non-executive Directors includes stable significant shareholders of the Company or those shareholders that have been proposed as Directors, even when their shareholding is not significant (stakeholder Directors) and persons of recognized experience who can fulfil their duties without being conditioned by relationships with the Company or its Group, its directors or its significant shareholders (independent Directors). The above definitions of Directors’ profiles will be interpreted in line with the definitions established by Law and in the recommendations of good corporate governance that are applicable at any given time.
3. It will also strive to ensure that its external Directors include stakeholder and independent directors who reflect the existing proportion of the Company’s share capital represented by stakeholder Directors and the rest of its capital and that at least one third of the Company’s Directors are independent Directors.

No shareholder may be represented in the Board of Directors by a number of proprietary directors that exceeds forty percent of the total number of members of the Board of Directors, notwithstanding the proportional representation right to which the shareholders are entitled to in the terms set forth in the Law.

4. The general composition of the Board of Directors as a collective should meet sufficient knowledge, powers and experience in the governance of credit entities to adequately understand the Company’s activities, including its main risks and assure the effective capability of the Board of Directors to take decisions independently and autonomously for the benefit of the Company, fulfilling the suitability requirements demanded by the applicable regulations.
5. Likewise, the Board of Directors will strive to ensure the compliance with the regulation of incompatibilities established in the applicable regulation, as well as that the selection procedures of its members favour the diversity of gender, of experiences, age and knowledge and not suffering from implicit bias that can imply any discrimination and particularly facilitating the selection of female directors.

For this purpose, the Board of Directors will approve the Policy for the selection, diversity and evaluation of the suitability of directors and senior management members and other holders of key functions holders of CaixaBank and its Group, ensuring that the procedures governing the appointment or re-election of the members of the Board of Directors are based on a prior analysis of the competencies required by the Board and favour appropriate diversity within the Board.

#### **ARTICLE 6.- QUANTITATIVE COMPOSITION**

1. The Board of Directors will be composed of the number of Directors determined by the General Shareholders’ Meeting, within the limits set in the Company’s corporate by-laws.

2. The Board will propose to the General Shareholders' Meeting the number of Directors that, in accordance with the Company's changing circumstances, is most appropriate to ensure the due representativeness and proper functioning of the Board.

## **CHAPTER IV**

### **STRUCTURE OF THE BOARD OF DIRECTORS**

#### **ARTICLE 7.- CHAIRMAN OF THE BOARD OF DIRECTORS**

1. The Chairman of the Board of Directors shall be elected from among its members, with the previous report from the Appointments and Sustainability Committee and shall have the powers and authorities provided by Law, the Company's By-laws, these Regulations and any others entrusted to him/her by the Board.
2. The Chairman, who has the maximum responsibility for the effective functioning of the Board of Directors, will be responsible for providing support to the Board in the performance of its powers and for promoting the coordination of the Board with its Committees in order to guarantee the best performance of the Board's functions, and, amongst others, will carry out the following powers, notwithstanding those of the Chief Executive Officer and any powers of attorney or representations by proxy that have been established:
  - (i) Represent institutionally the Company and any entities dependent on the Company, without prejudice to the functions attributed in this area to the Board of Directors.
  - (ii) Chair and direct General Shareholders' Meetings, establishing limits on remarks for and against all proposals and also establishing their duration.
  - (iii) Call, fix the agenda and chair meetings of the Board of Directors, directing the discussions and deliberations, with the same powers as stipulated in the preceding paragraph. He may also enact any resolutions by this body, with no need for any special delegation format.
  - (iv) Ensure that the Directors receive in advance sufficient information to deliberate about the points of the agenda and stimulate the debate and active participation of the Directors during the sessions, safeguarding their free taking of position.
  - (v) Act on behalf of the Company vis-à-vis corporate bodies and other bodies in the sector, pursuant to the provisions of these By-laws.
  - (vi) Authorize the minutes, certifications and other documents concerning resolutions by the General Meeting, the Board of Directors and, where applicable, any Committees he chairs, and act on behalf of the Company to implement such resolutions vis-à-vis regulatory bodies, notwithstanding attributions to other bodies.
  - (vii) Be responsible for the official signature of the Company, and thus sign on behalf of the Company, following any agreements that are necessary for legal or

statutory reasons, contracts, accords or other legal instruments with public bodies and other entities.

- (viii) Ensure compliance with current legal stipulations, the precepts of these By-laws and of the Regulations and resolutions by the collegiate bodies over which he presides.
  - (ix) Official representation of the Company vis-à-vis authorities, entities and third-party Spanish or foreign bodies. He may delegate this representative function to other members of the Board, to the Chief Executive Officer, or to a member of the Company's management staff.
3. In view of the special relevance of its mandate, the Board of Directors may appoint as Chairmen of Honour any persons who have held the post of Chairman of the Board, granting them the honorary representation of the Company for any functions expressly entrusted to them by the Chairman of the Board. By way of exception, Chairmen of Honour may attend Board meetings when invited by the Chairman and, apart from their duties of honorary representation, may provide advice to the Board and its Chairman and collaborate towards enhancing the relationship of the shareholders with the Company's governing bodies and of the shareholders among themselves. The Board of Directors shall place at the Chairmen of Honour's disposal all the technical, material and human resources it deems appropriate so that that they may adequately and relevantly perform their duties.

#### **ARTICLE 8.- VICE-CHAIRMAN**

1. The Board of Directors, with the previous report from the Appointments and Sustainability Committee must, without exception, appoint a Vice-Chairman to replace the Chairman in his/her absence, as occurs in the event of vacancy, incapacity or leave.
2. The Board may also appoint, with the previous report from the Appointments and Sustainability Committee additional Vice-Chairmen, in which case the duties of the Chairman will fall, in his/her absence, as occurs in the event of vacancy, leave or incapacity to the First Vice-Chairman, who in turn will be replaced, if necessary, by the Second Vice-Chairman in the same cases, and so on, successively, and in the absence of these, by the Coordinating Director and, in the event of vacancies, leave or impossibility of the Coordinating Director by the oldest member of the Board of Directors.

#### **ARTICLE 9.- THE COORDINATING DIRECTOR**

1. Upon receipt of the relevant report from the Appointments and Sustainability Committee and with the abstention of the executive Directors, the Board of Directors will appoint a Coordinating Director, from amongst the independent Directors.

The position of Coordinating Director will be compatible with that of member of the Board's Committees.

2. Without prejudice to any other powers that may be delegated to the Coordinating Director by the Board of Directors, or those powers legally assigned to the Coordinating Director in the event of the Chairman of the Board being an executive Director, the Coordinating Director shall be empowered to:

- a) Chair the Board of Directors in the absence of the Chairman and Vice-Chairmen.
  - b) Request the Chairman of the Board of Directors to call meetings of the Boards, as well as to include new items on the agenda when a Board meeting has already been called.
  - c) Coordinate, gather and give voice to the concerns of the non-executive Directors.
  - d) Lead the periodic evaluation of the Chairman of the Board by the Board of Directors. And also, coordinate the succession plan for the Chairman, in collaboration with the Chairman of the Board of Directors.
  - e) Maintain contact, where appropriate, with investors and shareholders to consider their positions and develop an opinion of their concerns, in particular, with regard to the Company's corporate governance, all within the framework of the Company's policy on information, communication and contact with shareholders, institutional investors and proxy advisers.
3. The term of office for the position of Coordinating Director shall be (3) years and may be re-elected for this post for an additional period of equal length, notwithstanding that the appointment of such position may also be done for the years remaining in the term for which the Coordinating Director was appointed Director. In addition to the expiration of the term for which the Coordinating Director was appointed, the Coordinating Director will be removed when: his term as Director expires, when the individual ceases to be an independent Director, or when the Board of Directors, with the previous report from the Appointments and Sustainability Committee, decides to remove him from the position.

#### **ARTICLE 10.- THE SECRETARY OF THE BOARD OF DIRECTORS**

1. The Board of Directors will elect a Secretary, and one of the members of the Board of Directors or a person unrelated to it who has the capacity to perform the duties inherent to said position may be appointed. If the Secretary of the Board of Directors is not a Director, he will have the right to speak but not to vote.
- If the Secretary simultaneously holds the post of legal advisor, a legal professional must be appointed.
2. The Secretary of the Board of Directors will assist the Chairman with his work and, particularly, will (i) process the convening of the Board, following the instruction of the Chairman; (ii) keep the documentation of the Board of Directors, record in the books of the minutes the development of the meetings and attest to its content and the resolutions passed; (iii) ensure that the actions of the Board of Directors adapt to the applicable regulations and comply with the By-laws and other internal regulations; and (iv) assist the Chairman in order for the Directors to receive the significant information to exercise their function sufficiently in advance and in the proper format.
3. The Secretary shall be appointed and, as the case may be, removed, by the Board acting as a plenary body, subject to a report, in both cases, of the Appointments and Sustainability Committee.

#### **ARTICLE 11.- THE VICE-SECRETARY OF THE BOARD OF DIRECTORS**

1. The Board of Directors may appoint a Vice-Secretary, who need not be a Director, to assist the Secretary of the Board of Directors or to replace the Secretary in his absence, as occurs in the event of vacancy, leave or incapacity to perform his duties for any reason.
2. Unless the Board decides otherwise, the Vice-Secretary may attend the meetings of the Board of Directors in order to assist the Secretary.
3. The Board can also appoint more than one Vice-Secretary, in which case the duties of the Secretary will fall, in absence of this latter, as occurs in the event of vacancy, leave or incapacity, on the First Vice-Secretary, who, in turn, will be replaced by the Second Vice-Secretary in the same cases, and successively, and in the absence of these latter, as occurs in the event of vacancy, leave or impossibility, by the youngest member of Board of Directors.
4. The Vice-Secretary or Vice-Secretaries will be appointed and, if applicable, separated by the full Board of Directors, with the previous report, in both cases, from the Appointments and Sustainability Committee.

#### **ARTICLE 12.- DELEGATION OF POWERS. COMMITTEES OF THE BOARD OF DIRECTORS**

1. Pursuant to the Company's By-laws, and without prejudice to the powers delegated individually to the Chairman or any other Director (Chief Executive Officers) and its power to establish Delegate Committees for specific spheres of activity, the Board of Directors may establish an Executive Committee with general decision-making powers but with the limitations for procedural purposes stemming from Article 4.

In all events, the Board of Directors will establish an Audit and Control Committee, an Appointments and Sustainability Committee, a Remuneration Committee and a Risks Committee with the powers granted by Law, the By-laws and these Regulations.

2. The Appointments and Sustainability Committee will evaluate the profile of the most suitable persons to sit on all Board Committees, based on their knowledge, aptitudes and experiences, and will forward their proposals for the appointment of the members of the Committees to the Board. In all cases it shall take into consideration the suggestions posed thereto by the Chairman, the Board members, the officers or the shareholders of the Company.
3. Except as set forth in law, in the By-laws and in these Regulations, the Committees may be self-governing. Matters not specifically defined will be governed by the rules of procedure stipulated in these Regulations regarding the Board, provided that said rules are consistent with the nature of duties of the corresponding Committee.
4. In addition, the Board may establish other Committees with consultative or advisory duties, and these Committees may, nevertheless, be exceptionally given decision-making powers.

#### **ARTICLE 13.- THE EXECUTIVE COMMITTEE**

1. The Board of Directors may appoint, from among its members, an Executive Committee, on which the Chairman and the Chief Executive Officer, if any, will sit.

2. If the Board of Directors creates an Executive Committee, it will establish the composition thereof, which must include at least two non-executive directors -one of them being an independent director-. The Board of Directors will also determine the rules of operation of the Executive Committee.
3. The powers of the Executive Committee will be those that, in each case, are delegated by the Board, with the limitations set forth in the Law, in the Company's By-laws and in these Regulations.
4. The Executive Committee will meet as often as it is called by its Chairman or whoever replaces him/her in his/her absence, as occurs in the event of vacancy, leave, or incapacity, and will be validly assembled when the majority of its members attend the meeting, either personally or by representation.
5. The appointment of members of the Executive Committee and the permanent delegation of powers from the Board on the same will require the favourable vote of at least two thirds of the members of the Board of Directors.
6. The Executive Committee will inform the Board of the main matters discussed and the decisions taken at its meetings, and a copy of the minutes of each meeting of the Executive Committee must be sent or delivered to each member of the Board.
7. The Chairman and Secretary of the Board of Directors will also be the Chairman and Secretary of the Executive Committee.
8. The resolutions of the Committee will be adopted by the majority of the members attending the meeting in person or represented by proxy and will be validated and binding without the need for later ratification by the full Board of Directors, notwithstanding that foreseen in article 4.5 of these Regulations.

#### **ARTICLE 14.- THE AUDIT AND CONTROL COMMITTEE AND THE RISKS COMMITTEE**

1. The Audit and Control Committee:
  - a) The Audit and Control Committee will be formed exclusively by non-executive Directors in the number that is determined by the Board of Directors, between a minimum of three (3) and a maximum of seven (7). The majority of the members of the Audit and Control Committee will be independent Directors, and one (1) of them will be appointed on the basis of knowledge and experience of accounting or auditing, or both.

Additionally, the Board of Directors will endeavour to ensure that the Audit and Control Committee members as a whole, and its Chairperson in particular, possess the necessary accounting, auditing and risk management knowledge, both financial and non-financial, as well as knowledge in any other fields that may be relevant for the Audit and Control Committee's performance of its functions.

As a whole, without prejudice to endeavouring to encourage diversity, the Audit and Control Committee members, who will be appointed taking into account their necessary dedication capacity with regard to performing the duties entrusted to them, must have the relevant technical knowledge in relation to the Company's business.



- b) Notwithstanding any other task, which may be assigned thereto from time to time by the Board of Directors, the Audit and Control Committee shall exercise the following basic functions:

*With regard to overseeing financial reporting:*

- (i) to report to the General Shareholders' Meeting about matters posed by shareholders that are competence of the Committee and, in particular, about the audit results, explaining the audit's contribution to the integrity of the financial reporting and the role undertaken by the Committee in this process;
- (ii) to oversee and evaluate the process of preparation and submission of financial and non-financial information relating to the Company and, where appropriate, the Group, reviewing the Company's accounts and management report, the compliance with the regulatory requirements in this regard, the suitable definition of the scope of consolidation and the correct application of accounting principles. And, in particular, to know, understand and oversee the effectiveness of the financial information internal control system (FIICS), drawing conclusions with regard to the system's level of confidence and reliability, and to inform of the proposals for modification of accounting principles and criteria suggested by the management, in order to guarantee the integrity of the accounting and financial information systems, including financial and operational control, and compliance with the applicable legislation in this regard. The Committee may submit recommendations or proposals to the Board of Directors with the aim of safeguarding the integrity of the mandatory financial reporting;
- (iii) to ensure that the Annual Accounts and the management report submitted by the Board of Directors to the General Shareholders' Meeting are drawn up in accordance with applicable accounting legislation and that, if the auditor has included a qualification in its audit report, the Committee Chairperson clearly explains the Committee's opinion on the content and scope of such qualification at the General Shareholders' Meeting. A summary of this opinion will also be made available to the shareholders at the time of publication of the notice of the meeting, along with the rest of the proposals and reports of the Board;
- (iv) to inform the Board of Directors in advance of the financial reporting and the related non-financial reporting that the Company must periodically publicly disclose to the markets and their supervisory bodies;

*With regard to overseeing internal control and internal auditing:*

- (v) to oversee the effectiveness of the internal control systems, ensuring that internal control policies and systems are effectively applied, and to discuss with auditors of accounts any significant weaknesses in the internal control system identified during the course of the audit, all without jeopardising their independence. For such purposes, where the case may be, they may submit recommendations or proposals to the Board of Directors, together with the corresponding follow-up periods;
- (vi) to oversee the effectiveness of the internal audit function, which must ensure the correct operation of the reporting and internal control systems, verifying their suitability and integrity; to ensure the independence and effectiveness of such

function, proposing the selection, appointment and cessation of the person responsible for it; to propose the budget for this service; to propose to the Board the guidelines and annual work plan of the internal audit department, ensuring that its activities are mainly focused on relevant risks (including reputational risks); to receive periodical reporting on its activity and to verify that the senior management is taking into account the conclusions and recommendations in its reports; and to conduct an annual assessment of the functioning of the internal audit unit and the performance of its duties by the person responsible, for which purpose it will gather any opinions the executive management may have, and this assessment must include an evaluation of the degree of compliance with the objectives and criteria established for setting the variable components of its remuneration, the Committee also being involved in determining such components.

The person responsible for the unit in charge of the internal audit function will submit its annual work plan to the Committee, report on its implementation, including any incidents and limitations on the scope of such implementation,, the results and the follow-up of its recommendations, and will further submit a report on its activities to such Committee at the end of each financial year.

The Internal Audit Department will be functionally dependent on the Chairperson of the Audit and Control Committee, without prejudice to the fact that it must report to the Chairperson of the Board of Directors so that the latter may suitably perform its functions;

- (vii) to establish and oversee a mechanism enabling the Company's employees, or those of the Group to which it belongs and other persons related to the Company such as directors, shareholders, suppliers, contractors or subcontractors, to confidentially (and anonymously, if deemed appropriate) notify of any potentially significant irregularities they may observe within the Company or its Group, including those of a financial and accounting nature and any other irregularity related to the Company, receiving periodical reporting on its functioning and being able to propose the relevant measures for improvement and reduction of the risk of irregularities in future;

*With regard to overseeing risk management and control:*

The Audit and Control Committee will carry out the functions established in this section in coordination with the Risk Committee to the necessary extent.

- (viii) to oversee and evaluate the effectiveness of the financial and non-financial risk management systems related to the Company and the Group, including operational, technological, legal, social, environmental, political and reputational risks or risks related to corruption;
- (ix) to hold a meeting at least once a year with the leading persons responsible for the business units at which the latter will explain the trends of the business and the associated risks;

With regard to the accounts auditor:

- (x) to submit to the Board of Directors, for submission to the General Shareholders' Meeting, the proposals for selection, appointment, re-election and replacement of the accounts auditor, being responsible for the selection process, in accordance with regulations applicable to the Company, as well as the contracting conditions thereof and the scope of his/her professional mandate, and for this purpose, it must define the auditor selection procedure and issue a reasoned proposal containing at least two alternatives for the selection of an auditor, except in cases of the auditor's re-election;
- (xi) regularly recompile from the external auditor information on the auditing plan and its execution as well as preserving its independence in the exercise of its duties;
- (xii) to serve as a channel of communication between the Board of Directors and the auditors, to evaluate the results of each audit and the responses of the management team to its recommendations and to mediate in cases of discrepancies between the former and the latter in relation to the principles and criteria applicable to the preparation of the financial statements, as well as to examine the circumstances which, as the case may be, motivated the resignation of the auditor and to ensure that the Company reports through the Securities Market Commission (CNMV) the change of auditor, accompanied by a statement regarding any possible disagreements with the outgoing auditor and, if there have been any such disagreements, of their content;
- (xiii) to establish appropriate relationships with the external auditor in order to receive information, for examination by the Audit and Control Committee, on matters which may threaten the independence of said auditor and any other matters relating to the audit process, particularly any discrepancies that may arise between the auditor and the Company management, and, where the case may be, the authorisation of any services other than those that are prohibited, under the terms set forth in the applicable legislation in relation to their independence and any other communications provided for in audit legislation and audit regulations.

In all events, on an annual basis, the Audit and Control Committee must receive from the external auditors a declaration of their independence with regard to the Company or entities related to it directly or indirectly, in addition to detailed, personalised information on additional services of any kind rendered to these entities and the corresponding fees received by the aforementioned auditors or persons or entities related to them as stipulated by the regulations governing auditing activity, ensuring that the external audit firm's remuneration for its work does not jeopardise its quality or independence and ensuring that the Company and the auditor observe the applicable legislation with regard to provision of services other than auditing services, the limitations on the auditor's business concentration and, in general, all other regulations regarding auditor independence.

- (xiv) to issue annually, prior to the issuance of the audit report, a report containing an opinion regarding whether the independence of the auditor has been compromised, which will be posted on the Company's website sufficiently in advance of the Ordinary General Meeting This report must address, in all cases, the

reasoned evaluation of the provision of each and all of the additional services referred to in the preceding section, individually and collectively considered, different from the legal audit and related to the degree of independence or to the regulations governing auditing activity;

- (xv) to supervise the compliance with the auditing contract, striving to ensure that the opinion of the Annual Financial Statements and the principal contents of the auditor's report are drafted clearly and precisely;
- (xvi) to ensure that the external auditor holds an annual meeting with the Board of Directors as a plenary body, to inform it of the work carried out and the evolution of the Company's situation as regards auditing and risks;
- (xvii) to conduct a final assessment with regard to the auditor's work and how it has contributed to the quality of the audit and the integrity of the financial reporting;

Other functions:

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

Reports on Related Party Transactions that may be issued by the Audit and Control Committee will be made public on the terms and with the content required by current legislation;

- (xix) to supervise compliance with the internal codes of conduct, particularly the Internal Rules of Conduct on Matters Related to the Securities Market and, in general, the corporate governance rules and policies, ensuring that the corporate culture is aligned with the Company's purpose and values. In particular, the Audit and Control Committee will supervise the application of the general policy regarding the disclosure of economic-financial, non-financial and corporate information;
- (xx) to provide the Board of Directors with advance notice of any transactions regarding structural and corporate modifications that the Company may plan to carry out, their financial terms and their accounting impact and, in particular, where the case may be, of the proposed equation of exchange;
- (xxi) to, previously, report to the Board of Directors on the creation or acquisition of stakes in special purpose entities domiciled in countries or territories considered to be tax havens, as well as any other transactions or operations of an analogous nature which, due to their complexity, may deteriorate the transparency of the Company or of the group to which it belongs;
- (xxii) to consider the suggestions submitted to it by the Chairman of the Board of Directors, Board members, executives and shareholders of the Company;

- (xxiii) to receive information and, as the case may be, issue a report on the disciplinary measures intended to be imposed upon members of the Company's senior management team;
  - (xxiv) to supervise compliance with any relations protocols which the Company may sign with shareholders or which the Company may sign with companies from its Group, and the carrying out of any other action established in the actual protocols for the best compliance with the aforementioned supervisory duty; and
  - (xxv) any others attributed thereto in the Law, the By-laws, these Regulations and other regulations applicable to the Company.
- c) The provisions contained in sections (iii), (v), (x), (xi), (xii), (xiii) and (xiv) above shall be understood without prejudice to the regulatory audit regulation.
  - d) The Audit and Control Committee shall meet, ordinarily on a quarterly basis, in order to review the required financial information to be submitted to the authorities, as well as the information which the Board of Directors must approve and include within its annual public documentation, with the presence of the internal auditor in such cases, and, if it issues any type of review report, the presence of the financial auditor. At least some of these meetings must be held without the presence of the management team, so that the specific matters arising from the reviews performed can be discussed.
  - e) The Audit and Control Committee shall appoint a Chairman from among its independent members. The Chairman must be replaced every four (4) years and may be re-elected once a period of one (1) year from his departure has transpired. The Committee Chairman will act as spokesperson at the meetings of the Board of Directors and, where the case may be, those of the Company's General Shareholders' Meeting;
  - f) It shall also appoint a Secretary and may appoint a Vice Secretary, both of whom need not be members thereof. In the event that such appointments are not made, the Secretary of the Board shall act as Secretary. The Secretary must help the Committee Chairman to plan its meetings and to gather and distribute the necessary information sufficiently in advance, taking the minutes of the meetings.
  - g) The Audit and Control Committee will establish an annual work plan contemplating the Committee's main activities during the financial year.
  - h) The members of the Company's management team or personnel shall be required to attend the meeting of the Audit and Control Committee and to provide it with their collaboration and access to the information available to them when the Committee so requests, and the Committee may decide that they attend without the presence of any other managers. The Committee may also request the attendance at its meetings of the Company's auditors, or that of any other persons, although they may only attend on invitation by the Committee Chairman and only for discussion of the specific agenda items for which they are called to attend.

The Audit and Control Committee must establish an effective, regular communication channel with its main contact persons, for which the Committee Chairman will normally be responsible, and, among others, with the Company management, particularly the financial management; the Internal Audit Department Manager; and the main auditor responsible

for the audit of accounts. In particular, the communication between the Audit and Control Committee and the external auditor must be smooth and continuous, in accordance with the regulatory guidelines for audit activity, and must not jeopardise the auditor's independence or the effectiveness with which it carries out the audit or with which the audit procedures are developed.

- i) The Audit and Control Committee must have adequate, relevant and sufficient access to any information or documentation held by the Company and may receive advice from external experts when it deems this necessary for correctly fulfilling its functions.
- j) The Company must provide the Audit and Control Committee with sufficient resources to fulfil its functions.

2. The Risks Committee:

- a) The Risks Committee shall comprise exclusively non-executive Directors and who, as a whole, have the appropriate knowledge, skills and experience to fully understand and manage the risk strategy, both financial and non-financial, and risk propensity of the Company, in the number determined by the Board of Directors, with a minimum of three (3) and a maximum of six (6) members, the majority of whom must be independent Directors.
- b) Notwithstanding any other task which may be assigned thereto from time to time by the Board of Directors, the Risks Committee shall exercise the following basic functions:
  - (i) To advise the Board of Directors on the overall susceptibility to risk, current and future, of the Company and its strategy in this area, reporting on the risk appetite framework, assisting in the monitoring of the implementation of this strategy, ensuring that the Group's actions are consistent with the level of risk tolerance previously decided and implementing the monitoring of the appropriateness of the risks assumed and the profile established.
  - (ii) To propose to the Board the Group's risk policy, which shall identify or determine, in particular:
    - (a) The different types of risk (operational, technological – including those related to cybersecurity -, financial, legal and reputational, including *inter alia* those related to corruption) which the Company faces, including among the financial or economic risks the contingent liabilities and others off-balance sheet.
    - (b) A risk control and management model based on different levels and involving the Risk Committee.
    - (c) The information and internal control systems that will be used to monitor and manage these risks.
    - (d) The level of risk that the Company considers acceptable.
    - (e) The planned measures to mitigate the impact of the identified risks in the event that they materialise.

- (iii) Ensure that the pricing policy of the assets and liabilities offered to the clients fully consider the business model and risk strategy of the entity. Otherwise, the Risks Committee will submit to the Board of Directors a plan to amend it.
- (iv) Determine with the Board of Directors, the nature, quantity, format and frequency of the information concerning risks that the Board of Directors should receive and establish what the Committee should receive.
- (v) Regularly review exposures with its main customers, economic business sectors, geographic areas and types of risk.
- (vi) Examine the information and control processes of the Group's risk as well as the information systems and indicators, which should enable:
  - (a) The adequacy of the structure and the functionality of risk management throughout the Group.
  - (b) To know the risk exposure of the Group in order to assess whether it conforms to the profile determined by the institution.
  - (c) The availability of sufficient information to enable accurate knowledge of the risk exposure for decision-making purposes.
  - (d) The proper functioning of policies and procedures that mitigate the operational risks.
- (vii) Supervise the efficacy of the risk management and control function, particularly:
  - (a) Report on the proposals of the Appointments and Sustainability Committee on the designation of the head of the Risk Management Function.
  - (b) Analyse and establish the objectives of the head of the Risk Management Function and carry out an annual performance assessment, to be submitted to the Remuneration Committee to establish his or her variable remuneration.
  - (c) Ensure the independence and efficacy of the Risk Management and Control Function, and that it has the necessary human and material resources to properly carry out its role.
  - (d) Receive periodic information on its activities, and an annual summary of its work.
- (viii) Evaluation of the regulatory compliance risk in its scope of action and determination, understood as the risk management of legal or regulatory sanctions, financial loss, material or reputational that the Company could suffer as a result of non-compliance with laws, rules, regulation standards and codes of conduct, detecting any risk of non-compliance and carrying out monitoring and examining possible deficiencies in the principles of professional conduct.
- (ix) Supervise the efficacy of the regulatory compliance function, particularly:

- (a) Report on the proposals of the Appointments and Sustainability Committee on the designation of the head of the regulatory compliance function.
- (b) Analyse and establish the objectives of the head of the Regulatory Compliance Function and carry out an annual performance assessment, to be submitted to the Remuneration Committee to establish his or her variable remuneration.
- (c) Ensure the independence and efficacy of the Regulatory Compliance Function, and that it has the necessary human and material resources to properly carry out its role.
- (d) Receive periodic information on its activities, and an annual summary of its main work.

The Risks Committee will carry out the function set out in section (ix) in coordination, where necessary, with the Audit and Control Committee.

- (x) Report on new products and services or significant changes to existing ones, in order to determine:
  - (a) The risks facing the Company from their issue and their commercialisation on the market, as well as from significant changes in existing ones.
  - (b) Information and internal control systems for the management and control of these risks.
  - (c) The corrective measures to limit the impact of the identified risks in the event that they materialise;
  - (d) The means and the appropriate channels for their commercialisation in order to minimise any reputational risks and mis-marketing.
- (xi) Cooperate with the Remuneration Committee in the establishment of rational policies and practices of remunerations. For these purposes, the Risks Committee will examine notwithstanding the functions of the Remuneration Committee, if the incentives policy anticipated in the remuneration systems take into account the risk, capital, liquidity and the probability and timing of the benefits.
- (xii) Assist the Board of Directors, particularly, regarding the (i) establishment of efficient channels of information to the Board about the risk management policies of the Company and all the important risks it faces, (ii) ensure that adequate resources will be assigned for managing risks, and, particularly, intervening in the evaluation of the assets, in the use of external credit classifications and the internal models related to these risks and (iii) the approval and periodical review of the strategies and policies for assuming, managing, supervising and reducing the risks to which the Company is or can be exposed, including those presented by the macro-economic situation in which it operates in relation to the economic cycle.
- (xiii) Any others attributed thereto by the Law, the By-laws, these Regulations and other regulations applicable to the Company.



- c) For the proper performance of its functions, the Company shall ensure that the Risks Committee can access without difficulty the information concerning the risk situation of the Company and, if necessary, specialised outside expertise, including external auditors and regulators.

The Risks Committee may request the attendance at meetings of the people that, within the organisation, have roles related to its functions, and shall have the advice that may be necessary to form criteria on matters within its competence, which shall be processed through the Council Secretariat.

- d) The Risks Committee shall appoint a Chairperson from among its members, who shall be an independent Director and may appoint a Secretary. In the absence of this latter appointment, that of the Board shall act as Secretary, or one of the Deputy Secretaries.

### 3. Common Regulations:

Both the Audit and Control Committee and the Risks Committee:

- a) Shall meet, without prejudice of the provisions of section 14.1.d) above, as often as necessary to fulfil their duties and shall be convened by the Chair of the Committee in question, either on his/her own initiative or at the request of the Chair of the Board of Directors or of two (2) members of the Committee itself. The meeting notice shall be given by letter, telegram, fax, e-mail, or any other means which allows keeping a record of its receipt.
- b) The Secretary of each of the Committees will be responsible for convening the same and for filing the minutes and documents submitted to the Committee.
- c) They shall be validly assembled when the majority of its members attend in person or by proxy. Resolutions shall be adopted by a majority of the members attending in person or by proxy and minutes of the resolutions adopted at each meeting shall be drawn up and such resolutions shall be reported to the Board as a plenary body, submitting or delivering a copy of the minutes to all Board members.
- d) The Committees will inform the Board of its activities and work performed via its Chairperson in the meetings scheduled for this purpose, or immediately afterwards when the Chair deems necessary.
- e) They shall prepare an annual report on their operation, highlighting the principal incidents arising, if any, in relation to the functions characteristic thereof that will serve as a base, among others, and if applicable, for the evaluation that the Board of Directors will make of the Committees functions. Furthermore, if the Committee in question considers it appropriate it will include in that report suggestions for improvement.

In particular, the Audit and Control Committee's report will include, among other content, the significant activities carried out during the period, and it will inform of those carried out in collaboration with external experts, posting them on the Company's website sufficiently in advance of the Ordinary General Meeting.

## **ARTICLE 15.- THE APPOINTMENTS AND SUSTAINABILITY COMMITTEE AND THE REMUNERATION COMMITTEE**

1. The Appointments and Sustainability Committee and the Remuneration Committee will each be made up of the number of non-executive Directors determined by the Board of Directors, from a minimum of three (3) to a maximum of five (5) members, the majority of whom must be independent Directors. The Chairman of the Appointments and Sustainability Committee and the Chairman of the Remuneration Committee will be respectively appointed from among the independent Directors forming part of such Committees.

2. The Appointments and Sustainability Committee:

Notwithstanding other duties which may be assigned thereto by the Board of Directors, the Appointments and Sustainability Committee shall have the following basic responsibilities:

- (i) Evaluate and propose to the Board of Directors the evaluation of skills, knowledge and experience necessary for the members of the Board of Directors and for the key personnel of the Company.
- (ii) Submit to the Board of Directors the proposals for the nomination of the independent Directors to be appointed by co-option or for submission to the decision of the General Meeting, as well as the proposals for the reappointment or removal of such Directors by the General Shareholders Meeting.
- (iii) Report on the proposed appointment of the remaining Directors to be appointed by co-option or for submission to the decision of the General Meeting, as well as the proposals for their reappointment or removal by the General Shareholders Meeting.
- (iv) Report the appointment and, if necessary, removal of the Coordinating Director, and of the Secretary and the Vice-Secretaries of the Board for submission for approval of the Board.
- (v) Evaluate the profile of the most suitable persons to sit on all Board Committees, based on their knowledge, aptitudes and experience, and forward to the Board the corresponding proposals for the appointment of the members of the Committees.
- (vi) Report on proposals for appointment or removal of senior executives, being able to effect such proposals directly in the case of senior managers which due to their roles of either control or support of the Board or its Committees, it is considered by the Committee that it should take the initiative. Propose, if deemed appropriate, basic conditions in senior executives' contracts, outside the remuneration aspects and reporting on them when they have been established.
- (vii) Examine and organize, where appropriate, under the coordination of the Coordinating Director, and in collaboration with the Chairman of the Board of Directors, the succession of the Chairman, as well as examine and organize, in collaboration with the Chairman of the Board, the chief executive officer of the

Company and, if appropriate, make proposals to the Board of Directors so that this succession takes place in an orderly and planned manner.

- (viii) Report to the Board on gender diversity issues, and establish a representation target for the less represented sex on the Board of Directors as well as preparing guidelines for how this should be achieved, in any case endeavouring to ensure compliance with the diversity policy applied to the Board of Directors, which will be informed of in the Annual Corporate Governance Report.
- (ix) Evaluate periodically, and at least once a year, the structure, size, composition and actions of the Board and its Committees, its Chairperson, CEO and Secretary, making recommendations regarding possible changes to these, led by the Coordinating Director, when applicable, with regard to the evaluation of the Chairman. Evaluate the composition of the Steering Committee as well as its replacement tables for adequate provision for transitions.
- (x) Evaluate, with the frequency required by the regulations, the suitability of the diverse members of the Board of Directors and of the Board as a collective, and consequently inform the Board of Directors.
- (xi) Periodically review the Board of Directors selection and appointment policy in relation to senior executives and make recommendations.
- (xii) Consider the suggestions posed thereto by the Chairman, the Board members, officers or shareholders of the Company.
- (xiii) Supervise and control the smooth operation of the corporate governance system of the Company, carrying out an evaluation and periodic review thereof in order to ensure that such system actually promotes the corporate interest and takes into account, as appropriate, the legitimate interests of other shareholders, and submit, if applicable, the proposals it deems necessary to improve such system.
- (xiv) Monitor the independence of the independent Directors.
- (xv) Propose to the Board the Annual Corporate Governance Report.
- (xvi) Supervise compliance with the policies and rules of the Company regarding environmental and social matters, evaluating and reviewing such policies and rules periodically so that they may fulfill their mission of promoting the corporate interest and take into account, as appropriate, the legitimate interests of other stakeholders, and to submit to the Board those proposals it deems appropriate in this matter, and submit the sustainability/corporate responsibility policy for its approval. The Committee will also supervise that the Company's environmental and social practices are in line with the strategy and policies established by the Board.
- (xvii) Notify, prior to their submission to the Board of Directors, the reports that the Company makes public in the area of sustainability, including the review of the non-financial information contained in its annual management report; the socio-economic impact report and the socially responsible banking master plan,

ensuring the integrity of its content and compliance with applicable legislation and international benchmarks.

- (xviii) Receive and assess the regular reports on sustainability issues submitted by the different areas, keeping up to date with the main news and advances in this field.
- (xix) Supervise the application of the policy regarding communication with shareholders and investors, proxy advisors and other stakeholders, monitoring the way in which the Company communicates and relates with small and medium-sized shareholders, and supervising and evaluating the processes of relationship with the different stakeholders.
- (xx) Evaluate the balance of knowledge, skills, diversity and experience of the Board of Directors and prepare a description of the duties and aptitudes which may be necessary for any specific appointment, evaluating the expected dedication of time for fulfilling the position.
- (xxi) Ensure that no potential conflicts of interest impair the independence of any external advice provided to the Committee in relation to the exercise of its functions.

The Appointments and Sustainability Committee can use the resources it considers appropriate to develop its duties, including external assessment and can have adequate funds for these purposes.

### 3. The Remuneration Committee:

Notwithstanding other duties which may be assigned thereto by the Board of Directors, the Remuneration Committee shall have the following basic responsibilities:

- (i) Draft the resolutions related to remunerations, including those impacting on the risk and the management of such risk by the Company, to be passed by the Board of Directors and, in particular, report and propose to the Board of Directors the remuneration policy for the Directors and Senior Management, the system and amount of annual remuneration for Directors and Senior Managers, as well as the individual remuneration of the Executive Directors and Senior Managers, and the other conditions of their contracts, particularly financial, and without prejudice to the competences of the Appointments and Sustainability Committee in relation to any conditions that it has proposed and unconnected with the retributive aspect.
- (ii) Ensure compliance with the remuneration policy for Directors and Senior Managers as well as report the basic conditions established in the contracts of these and compliance of the contracts.
- (iii) Report and prepare the general remuneration policy of the Company and in particular the policies relating to the categories of staff whose professional activities have a significant impact on the risk profile of the Company and those that are intended to prevent or manage conflicts of interest with the Company's customers.

- (iv) Analyse, formulate and periodically review the remuneration programs, weighing their adequacy and performance and ensuring compliance.
- (v) Propose to the Board the approval of the remuneration reports or policies that it has to submit to the General Shareholders Meeting as well as informing the Board concerning the proposals relating to remuneration that, where applicable, it will propose to the General Meeting.
- (vi) Ensure that no conflict of interest affect the independence of any external advice provided to the Committee in relation to the exercise of its functions.
- (vii) Consider the suggestions posed thereto by the Chairman, the Board members, officers or shareholders of the Company.

4. Common regulations:

Both the Appointments and Sustainability Committee and the Remuneration Committee;

- (i) May regulate their own operation, they shall elect their Chairperson among the independent Directors forming part of each of them and they may also appoint a Secretary and in the absence of a specific appointment by the Committee, the Secretary of the Board shall act as the same or, failing that, any of the Deputy Secretaries.
- (ii) Shall meet each time when considered appropriate for the good performance of their duties and the meetings will be called by their Chairperson, either by his/her own initiative, or when required by two (2) members of the Committee itself, and must do so whenever the Board or its Chair requests the issuance of a report or the adoption of a proposal.

The meeting notice shall be given by letter, telegram, fax, e-mail or any other means which allows keeping a record of its receipt.

- (iii) The Secretary of each of the Committees will be responsible for calling the meetings and of the filing of the minutes and documentation presented to the Committee.
- (iv) Minutes will be prepared of the resolutions adopted at each meeting, which shall be reported to the Board as a plenary body, submitting or delivering a copy of the minutes to all Board members.
- (v) The Committees shall be validly constituted with the attendance in person or represented by proxy of the majority of its members and resolutions shall be adopted by a majority of members who attend in person or by proxy.
- (vi) They will prepare an annual report on about their operation highlighting the main incidents occurred, if any, related to their duties, that will be the base, among others, and if applicable, for the evaluation made by the Board of Directors. In addition, when the relevant Committee deems it appropriate, it will include in that report suggestions for improvement.

#### ARTICLE 15 BIS - INNOVATION, TECHNOLOGY AND DIGITAL TRANSFORMATION COMMITTEE

1. The Innovation, Technology and Digital Transformation Committee will consist of a minimum of three (3) and a maximum of ~~six~~seven (67) members, with the number to be established by the Board of Directors, who will be appointed by the Board following a proposal submitted by the Appointments and Sustainability Committee, particularly taking into account their knowledge and experience in the Committee's area of competence, such as technology and innovation, information systems and cybersecurity. The Chairman of the Board of Directors and the Chief Executive Officer will sit on the Committee.
2. Notwithstanding other duties that may be assigned to it by the Board of Directors, the Innovation, Technology and Digital Transformation Committee shall have the following basic responsibilities:
  - (i) Advise the Board of Directors in the implementation of the strategic plan in processes related to digital transformation and technological innovation (the digital strategy), in particular, reporting the plans and projects designed by the Company in this area and the new business models, products, customer relations, etc. that are developed.
  - (ii) Promote a framework for reflection that enables the Board of Directors to identify new business opportunities deriving from technological developments, as well as any potential threats.
  - (iii) Support the Board of Directors in the identification, monitoring and analysis of new entrants and new business models, in addition to the advances, main trends and initiatives in the field of technological innovation, studying the factors that help make certain innovations successful and their transformation capacity.
  - (iv) Support the Board of Directors in its analysis of the impact of technological innovation on the market structure, the provision of financial services and customer behaviour. Among other aspects, the Committee will assess the disruptive potential of new technologies, the possible regulatory implications of their development, the impact in terms of cybersecurity and issues related to privacy protection and data use.
  - (v) Encourage reflection and debate on the ethical and social implications that may arise from the application of new technologies in the banking and insurance business.
  - (vi) Support, in the exercise of their advisory duties, the Risks Committee and the Board of Directors, when they consider it appropriate, in the performance of the functions that these bodies are assigned in relation to the supervision of technological risks and aspects related to cybersecurity.

3. The chair of the Innovation, Technology and Digital Transformation Committee will be held by the Chairman of the Board of Directors, and the Secretary of the Innovation, Technology and Digital Transformation Committee will be the Secretary of the Board of Directors.
4. The committee will meet as often as needed to ensure the full and timely performance of its duties and meetings will be called by its Chairman, either on their own initiative or when requested by two (2) members of the committee. The Chairman must call a meeting whenever the Board requests that a report be issued or a resolution carried. The meeting call will be made by letter, telegram, fax, e-mail, or any other means which provides acknowledgement of receipt.
5. The Secretary will be responsible for calling the meeting and for filing the minutes and documents submitted to the committee;
6. Committee meetings shall be quorate when the majority of the members attend in person or by proxy. Resolutions are carried by a majority of votes of the members present at the meeting in person or by proxy.
7. Minutes of the resolutions adopted at each meeting shall be drawn up, which shall be reported to the Board as a plenary body, submitting or delivering a copy of the minutes to all Board members. Further, the Chairman of the Innovation, Technology and Digital Transformation shall report to the Board of Directors on its activities and on the work performed at meetings specifically arranged for this purpose, or at the next meeting when the Chairman deems this to be necessary.
8. Members of senior management, as well as other CaixaBank personnel who have duties related to their areas of interest, may attend the committee meetings at the invitation of the Chairman. They must also provide support and access to the information available to them when requested by the committee.

The Innovation, Technology and Digital Transformation Committee may seek the advice of external experts when it deems this to be necessary to properly carry out its duties.

9. The Company shall provide the committee with sufficient resources for it to fulfil its duties.
10. The Innovation, Technology and Digital Transformation Committee may regulate its own operation in matters not provided for in these Regulations, and will prepare an annual report on its operations highlighting the main incidents that have arisen, if any, in relation to its duties, which will serve as the basis, if applicable, for the Board of Directors' evaluation. Furthermore, if the committee considers it appropriate, it may include suggestions for improvement in the report.

## **CHAPTER V**

### **FUNCTIONING OF THE BOARD OF DIRECTORS**

#### **ARTICLE 16.- MEETINGS OF THE BOARD OF DIRECTORS**

1. The Board of Directors shall meet whenever it considers it necessary for the smooth running of the Company, and at least eight (8) times a year, celebrating a meeting at least once every quarter. The Board of Directors must also meet when requested by at least two (2) of its members or one of the independent Directors, in writing addressed to the Chairman indicating the agenda, in which case, the meeting of the Board of Directors will be called by the Chairman, through any written means addressed personally to each Director, to be held within fifteen (15) days following the request at the registered office. Should one month elapse after the date of receipt of the request without the Chairman having called the Board of Directors meeting, without a justified reason, and provided that the request is supported by at least one third of the members of the Board of Directors, a meeting of the Board may be called by the Directors who requested the call as long as they constitute at least one third of the members of the Board. In all events, the Board of Directors shall meet within a maximum period of three (3) months from the end of the financial year, in order to draw up the Annual Accounts, the Management Report and the proposed distribution of profit.
2. Meetings will be notified to each Director by letter, fax, telegram or e-mail, or by any other means that allows acknowledgment of receipt, and will be authorised with the signature of the Chairman or that of the Secretary or Vice-Secretary by order of the Chairman. Notice will be sent at least forty-eight (48) hours in advance, unless an emergency situation exists and is accepted by the Board when it meets.
3. Except when the Board of Directors has been held or has been exceptionally convened due to urgency, the Directors should previously receive with sufficient advance all the necessary information for the deliberation and adoption of resolutions on the matters in question, the Chairman assisted by the secretary being responsible for the fulfilment of this disposition.
4. Meetings of the Board of Directors and its Committees will normally take place at the Company's registered office, but may also be held at another location determined by the Chairman of the Board or of the relevant Committee, who may authorize meetings to be held with simultaneous attendance at various locations connected by audiovisual or telephonic means, provided the recognition of those attending and real-time interactivity and intercommunication, and thus unity of action, can be guaranteed. Board members who are not physically present at the meeting place and who use remote means of communication such that the meeting can be transmitted simultaneously and reciprocally with all other members using such means of communication will, for all purposes, be considered to have attended and may issue their vote remotely, through the means of communication being used. In the case that any of the Directors are at the corporate address, the meeting will be understood to be held there. Otherwise, the meeting will be understood as being held where the Director chairing the meeting is located.



5. The meeting of the Board will be considered to be validly held without any need for a call if all of its members, present or represented by proxy, unanimously agree to the meeting and to the items of the agenda to be discussed.
6. The Board may also adopt resolutions in writing, with no meeting, in accordance with current regulations and the Company's by-laws, and votes may be cast in writing or by e-mail, or by any other means that allows acknowledgment of receipt, provided that the identity of the Director casting the vote has been verified.
7. At least once a year, and based on the proposal of the Appointments and Sustainability Committee, the Board, as a plenary body, shall evaluate:
  - (i) the quality and efficiency of the functioning of the Board;
  - (ii) the carrying out of their duties on the part of the Chairman of the Board, where appropriate, led by the Coordinating Director and the chief executive of the Company; and
  - (iii) the functioning and composition of the Committees; and
  - (iv) the performance and contribution of each Director,and shall propose, on the basis of the outcome, an action plan to correct the deficiencies identified. The result of the evaluations will be included in the minutes of the meeting or will be incorporated to these as an appendix.

#### **ARTICLE 17.- PROCEDURES FOR MEETINGS**

1. A meeting of the Board of Directors will be validly assembled when at least the majority of its members attend or are represented by proxy, except in the case of the absence of a meeting notice, in which case the attendance of all of its members in person or by proxy will be required.
2. Board members should attend Board meetings in person. Nevertheless, when they are unable to do so in person, they shall endeavour to grant their proxy in writing, on a special basis for each meeting, to another Board member, including the appropriate instructions therein. The non-executive Directors can only grant their proxy to another non-executive Director, although the independent Directors, are only entitled to grant their proxy in favour of other independent Director. The proxy may be granted by any postal, electronic means or by fax, provided that the identity of the Director is assured.
3. The Chairman will organize debates by seeking and promoting the participation of all Directors in the Board's deliberations, and will lead the voting.
4. Except in cases in which the Law or the by-laws specifically set forth another voting quorum, resolutions will be adopted by an absolute majority of the Directors attending the meeting in person or represented by proxy.

Particularly, the permanent delegation of all or any of the duties of the Board of Directors on the Executive Committee, on the Executive Director, the appointment of the Directors that have to hold such positions, the appointment of the Chairman when this falls on an executive Director and the approval of the contracts between the Directors with executive

functions and the Company, will require to be valid the favourable vote of two thirds (2/3) of the Board members.

5. Minutes of the meetings of the Board of Directors will be drawn up by the Secretary and will be signed, at a minimum, by the Chairman or, if applicable, the Vice-Chairman and the Secretary or Vice-Secretary. The minutes which will be transcribed or entered, pursuant to applicable requirements, into a special book of minutes of the Board of Directors.

The minutes will be approved by the Board of Directors at the end of the meeting or immediately afterwards, unless the immediate nature of the meetings does not permit this, in which case they will be approved at a subsequent meeting. The minutes may also be approved by the Chairman, the Secretary and two (2) Directors attending the Board meeting to which the minutes refer, who are designated by the Board itself at each meeting.

In order to facilitate the implementation of resolutions and, as the case may be, their recording in a public deed, the minutes may be partially approved, and each of the approved sections may contain one or more resolutions.

## **CHAPTER VI**

### **APPOINTMENT AND REPLACEMENT OF DIRECTORS**

#### **ARTICLE 18.- APPOINTMENT OF DIRECTORS**

1. Directors will be appointed by the General Shareholders' Meeting of the Board of Directors in accordance with the provisions of the Law and in the Company's By-laws.
2. Proposed appointments of Directors submitted by the Board of Directors for the General Shareholders' Meeting and resolutions regarding appointments which said body adopts by virtue of the powers of co-option legally attributed to it must be preceded by the pertinent proposal of the Appointments and Sustainability Committee, in the case of independent directors, and by a report, in the case of the remaining Directors.
3. The members of the Board of Directors must fulfil the required standards for the exercise of their duties. In particular, they should have recognised business and professional integrity, have the appropriate knowledge, skills and experience to perform their duties and be able to exercise good governance of the entity within the terms provided by the current legislation.
4. The proposals for appointment or re-election of Directors should be accompanied in any event by a supporting report from the Board of Directors evaluating the skills, knowledge and merits of the proposed candidate that will be attached to the minutes of General Meeting or that of the Board itself.

#### **ARTICLE 19.- CLASSIFICATION OF DIRECTORS**

1. The directors will be classified as executives or non-executives, distinguishing among these between stakeholder, independent or other external directors.

2. Executive directors are considered those that develop management functions in the Company or its group, whatever the legal link with the same. Nevertheless, the Directors that are Senior Executives or directors of companies belonging to the group of the dominant entity of the Company will be considered as stakeholders Directors.

When a director develops management functions and, at the same time is or represents a significant shareholder or that is represented in the Board of Directors, it is considered as executive.

3. Stakeholders directors are considered to be those that hold a stake in the share capital of the Company equal to or higher than what is legally considered as significant or that has been appointed due to its condition as shareholder, even if its shareholding does not reach the mentioned amount, as well as those who represent the previously mentioned shareholders.
4. Independent Directors will be considered to be those who are appointed in consideration of their personal and professional qualities and who may fulfil their duties without being constrained by their ties to the Company or its group, to its significant shareholders and to its Senior Officers.

In particular, the following persons may not be considered, under any circumstance as independent Directors in any of the following situations:

- (a) persons who have been employees or executive directors of group companies, unless three (3) or five (5) years, respectively, have elapsed since the termination of that relationship.
- (b) persons who receive from the Company, or from the same group, any amount or benefit other than remuneration as Directors, unless the amount in question is insignificant for the Director.

For the purposes of this section, dividends or pension complements received by a Director by virtue of his prior professional or work relationship will not be taken into account, provided that such complements are unconditional and, consequently, the company that pays them does not have the discretion, except in the case of non-fulfilment of obligations, to suspend, modify or revoke the payment thereof;

- (c) persons who are, or who have been in the last three (3) years, partners of the external auditor or who have been responsible for the audit report, whether regarding the audit of the Company during said period or of any other company in its group;
- (d) persons who are executive Directors or senior managers of a different company in which an executive Director or senior Director of the Company is an external Director;
- (e) persons who maintain, or who have maintained in the last year, a significant business relationship with the Company or with any company in its group, either in their own name or as significant shareholders, Directors or Senior Managers of an entity that maintains or has maintained said relationship.

Relationships of suppliers of goods or providers of services, including financial services, advisory services or consultant services shall be considered to business relationships.

- (f) persons who are significant shareholders, executive Directors or senior managers of an entity that receives, or has received in the last three (3) years, significant donations from the Company or its group.

Persons who are mere patrons of a foundation receiving donations will not be considered included in this item;

- (g) The spouses of the persons linked by an analogous affective relationship to, or the relatives removed by up to two steps from an executive Director or Senior Director of the Company;
- (h) Persons who have not been proposed, either for appointment or renewal, by the Appointments and Sustainability Committee;
- (i) persons who have been Directors for a continued period of more than twelve (12) years;
- (j) persons who, with regard to any significant shareholder or person represented by proxy on the Board, are covered by the cases referred to in items (a), (e), (f) or (g) above. In the case of the degree of kinship referred to in (g), the limitation will apply not only to the shareholder but also to the stakeholder Directors in the investee company.

Persons who cease to be stakeholder Directors because the shareholder whom they represented sold his stake may be re-elected as independent Directors only if the shareholder whom they represented until that time sold all of this shares in the Company.

A Director who holds a shareholding in the Company may be an independent Director, if he meets all of the conditions set forth above and, in addition, his shareholding is not significant.

- 5. Other external directors will be considered as non-executive directors that are not considered as stakeholder or independent directors.
- 6. The Board of Directors will detail the class of each director before the General Meeting that may appoint or ratify the appointment or agree its re-election and such classification will be maintained or, if applicable, modified it in the Annual Corporate Governance Report, with the previous report from the Appointments and Sustainability Committee.

#### **ARTICLE 20.- TERM IN OFFICE**

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

2. Directors designated by co-option shall hold their post until the date of the next General Shareholders' Meeting or until the legal deadline for holding the General Shareholders' Meeting that is to decide whether to approve the accounts for the previous financial year has passed, but if the vacancy was produced after having called the General Meeting and before it being held, the appointment of the director by co-option by the Board to cover such vacancy will be effective until the celebration of the next General Meeting.

#### **ARTICLE 21.- REMOVAL OF DIRECTORS**

1. Directors shall be removed from office when the period for which they were appointed has elapsed, when so decided by the General Shareholders' Meeting in use of the attributes granted thereto, legally or in the by-laws, and when they resign.
2. Directors must place their position at the disposal of the Board of Directors and formalize, if the latter deems appropriate, the pertinent resignation, in the following cases:
  - (a) when they depart the executive positions, posts or functions with which their appointment as Director was associated;
  - (b) when they are subject to any of the cases of incompatibility or prohibition provided by law or no longer meet the suitability requirements according to the applicable regulations.
  - (c) when they are indicted for an allegedly criminal act or are subject to a disciplinary proceeding for serious or very serious fault instructed by the supervisory authorities;
  - (d) when their remaining on the Board, they may place at risk the Company's interest, or when the reasons for which they were appointed cease to exist. In particular, in the case of stakeholder Directors, when the shareholder they represent transfers its stake holding in its entirety. They must also do so when the said shareholder lowers its stake holding to a level which requires the reduction of the number of stakeholder Directors;
  - (e) when significant changes in their professional status or in the conditions under which they were appointed Director take place; and
  - (f) when due to facts attributable to the Director, his remaining on the Board could cause serious damage to the corporate net worth or reputation in the judgement of the Board.
3. In the case of an individual representing a director who is a legal entity incurs in any of the situations foreseen in the previous section, the individual representative should offer its post to the legal entity appointing him. If this latter decides to maintain the representative to develop its position of director, the director who is a legal entity should offer its post of director to the Board of Directors,
4. When a Director leaves office prior to the end of his term, he must sufficiently explain the reasons for his resignation or, in the case of non-executive directors, his view on the reasons for the dismissal by the General Shareholders' Meeting, in a letter which he shall send to all members of the Board of Directors.

## **CHAPTER VII**

### **INFORMATION FROM DIRECTORS**

#### **ARTICLE 22.- INFORMATION AND INSPECTION POWERS**

1. In the development of their duties, the directors have the duty of demanding and the right to recompile from the Company the necessary information for fulfilling their obligations. For such purpose, the Director should request information on any aspect of the Company and examine its books, records, documents and further documentation. The right to information extends to investee companies provided that this is possible.
2. Requests for information must be directed to the Chairman of the Board of Directors, if he holds executive status, and, otherwise, to the Chief Executive Officer, who will forward the request to the appropriate party in the Company.
3. If the Chairman deems that the information is confidential, he will notify the Director who requests and receives the information of this as well as of the Director's duty of confidentiality under these Regulations.

#### **ARTICLE 23.- ASSISTANCE FROM EXPERTS**

1. To receive assistance in fulfilling their duties, the non-executive Directors may request that legal, accounting or financial advisers or other experts be contracted to the account of the Company. The tasks to be carried out must, without exception, be related to specific issues of a certain significance and complexity that arise when the Directors exercise their duties.
2. The decision to contract must be notified to the Chairman of the Company, if he holds executive status, and, otherwise, to the Chief Executive Officer, and may be vetoed by the Board of Directors, provided that it demonstrates that:
  - (a) it is not necessary for the proper performance of the duties entrusted to the non-executive directors;
  - (b) the cost thereof is not reasonable in view of the importance of the problem and of the assets and income of the Company;
  - (c) the technical assistance being obtained may be adequately dispensed by experts and technical staff of the Company; or
  - (d) it may entail a risk to the confidentiality of the information that must be handled.

## **CHAPTER VIII**

### **REMUNERATION OF DIRECTORS**

#### **ARTICLE 24.- REMUNERATION OF DIRECTORS**

1. The Board of Directors will determine the remuneration corresponding to each Director, in their condition as such, and, when applicable, for the development of executive functions, in accordance with the provisions of the by-laws and the remuneration policy approved by the General Meeting and in accordance, if applicable, with the indications of the Remuneration Committee. With the exception of the remuneration expressly approved by the General Shareholders Meeting.
2. The Board of Directors will strive to ensure that remuneration is moderate and commensurate with market conditions. In all cases, the remuneration of the directors should keep a reasonable proportion with the importance of the Company, the economic situation at any given time, and market standards of comparable companies. The established remuneration system should be aimed at promoting long-term profitability and sustainability of the Company and incorporate the necessary caution to avoid the excessive assumption of risks and the reward of favourable results.
3. In particular, the Board of Directors will adopt all measures within its means to ensure that remuneration of Directors, in their condition as such, including any remuneration they receive as members of the Committees, conforms to the following guidelines:
  - (a) Directors must be remunerated according to their effective dedication and of the functions and responsibilities attributed to them; and
  - (b) the remuneration amount of Directors, in their condition as such, must be calculated such that it offers incentives for dedication without undermining their independence.
4. The Board of Directors will determine the remuneration of the Directors developing executive functions as well as the terms and conditions of their contracts according to the current regulation and remunerations policy.
5. The Company General Meeting will approve, at least every three (3) years and as a separate point of the agenda, the remuneration policy of the directors, that will adapt, as appropriate, to the remuneration policy included in the By-laws, in the legally foreseen terms. The proposal of the mentioned remuneration policy should be accompanied by a report from the Remuneration Committee.

Additionally, the remuneration policy will be annually subject to an internal, central and independent evaluation in order to verify if it complies with the guidelines and remuneration procedures approved by the Board of Directors.

The Board of Directors of the Company will periodically adopt and review the general principles of the remunerations policy and will be responsible for supervising its application.

6. The Board of Directors must prepare and annually publish a report on the remunerations of the Directors including what they perceive or should perceive in their condition as such,

and if applicable, for the development of executive functions, under the terms provided for in law. This report will be made available to the shareholders when the General Shareholders' Meeting is called and will be brought to an advisory vote of the Meeting, as a separate item on the agenda, in addition to the proposal for the remuneration policy proposed, when appropriate, to the General Shareholders Meeting for approval.

If the annual report on the Directors' remunerations is rejected during the advisory vote in the Ordinary General Meeting, the applicable remuneration policy for the following year should be submitted for the approval of the General Shareholders Meeting prior to its application, even when the mentioned period of three (3) years has not passed.

## **CHAPTER IX**

### **DIRECTORS' DUTIES**

#### **ARTICLE 25.- GENERAL DUTIES OF DIRECTORS**

In performing their duties, Directors will act with the diligence of respected businesspersons and the loyalty of a faithful representative. Their actions should be in good faith and will be guided solely by the interest of the Company, as they strive to better defend and protect the interests of the shareholders overall, from whom their mandate derives and to whom they are accountable.

#### **ARTICLE 26.- DUTY OF DILIGENCE**

Directors should develop their position and fulfil the duties imposed by Law and the By-law with the diligence of orderly businesspersons, taking into account the nature of their position and the duties attributed to each of them. In particular, Directors are required to:

- (a) have adequate dedication and adopt the necessary measures for the good management and control of the Company;
- (b) demand and recompile adequate and necessary information for fulfilling their obligations and, specifically, prepare suitably for the Board meetings and, if applicable, of the delegate bodies and internal Committees to which they belong;
- (c) attend the meetings of the Board of Directors and take an active part in the deliberations in order for their opinions to effectively contribute to decision-making. If, for a justified reason, a Director is unable to attend meetings to which he has been called, he must instruct the Director who will represent him, as established in these Regulations;
- (d) contribute their strategic vision, as well as innovative measures, opinions and concepts for the optimal functioning and evolution of the Company's business;
- (e) carry out any specific task entrusted to them by the Board of Directors or any of its delegated and/or advisory bodies that is reasonably within the purview of their dedication pledge;
- (f) investigate any irregularity in the management of the Company of which they have learned and to watch over any situation of risk;



- (g) urge persons with meeting-calling capacity to call an extraordinary meeting of the Board or to include the points they deem appropriate in the agenda of the first meeting to be held; and
- (h) oppose resolutions that are contrary to the Law, to the By-laws, to the General Meeting Regulations, to these Regulations or to the Company's interest, and to request that their position be entered into the minutes when they deem that such action is more appropriate to safeguard the Company's interest.

#### **ARTICLE 27.- DUTY OF LOYALTY**

Directors should develop the position with the loyalty of a faithful representative, in good faith and in the best interests of the Company. Particularly the Director, in compliance with the duty of loyalty should:

- (a) refrain from attending and intervening in the deliberations and voting affecting matters in which the Director or Persons Related to the Director directly or indirectly have conflicting interests, in which case the votes of the Directors affected by the conflict and that have to abstain, will be deducted for the calculation of the majority of votes that are necessary;
- (b) safeguard secrets about the information, data, reports, or background to which it may have access in the development of their position, even when they have been separated from the same, except for the cases where the Law allows or requires it, in the terms established under article 28 of these Regulations;
- (c) not exercise their powers for other aims than those for which they have been granted: and
- (d) develop their duties under the principle of personal responsibility with freedom of judgement or judgment and independence regarding the instructions and links with third parties; and
- (e) adopt the necessary measures to avoid incurring in situations in which their interests, either for their own account or for third parties, can enter into conflict with the Company's interest and with their duties for the Company.

#### **ARTICLE 28.- DIRECTOR'S DUTY OF CONFIDENTIALITY**

1. Directors will keep secret all deliberations of the Board of Directors and the delegate bodies to which the Directors belong and, in general, will abstain from disclosing the information to which they have been privy in performing their duties.
2. The duty of confidentiality will remain even when a Director has left his position, and he must keep secret all confidential information and all information, data, reports or antecedents of which he becomes aware as a result of performing his duties. He may not communicate said information to third parties or disseminate it when so doing might be detrimental to the Company's interest. Excepted from the duties referred to in this article are cases in which the law permits the communication of dissemination of information to third parties, as are, if applicable, cases in which Directors are summoned by or must refer

to the respective oversight authorities, in which case the relinquishment of information must conform to the laws.

#### **ARTICLE 29.- DUTY NOT TO COMPETE**

1. Directors should refrain from developing, for their own account or the account of others, activities the exercise of which entails effective competition with the Company, either current or potential, or which any other way, position them in permanent conflict with the Company interests, unless they have the express and separate consent of the Company through a resolution adopted at a General Shareholders' Meeting, for which purpose the Director must issue the communication set forth in item 3 of the following article. The obligation of not competing with the Company can only be subject to release in the case that no harm for the Company may be expected or that the harm which could be expected is compensated by the benefits that foreseeably are expected from the release. Excepted from the above are offices which may be held in subsidiaries or investee entities of the Company. The above prohibition is not applicable to those persons who hold executive or management offices at the parent company or at other entities of the Group.
2. The obligation to abide by the conditions and guarantees provided by the dispensation resolution and, in any case, the obligation to abstain from participating in the deliberations and voting in which he has a conflict of interest shall be applicable to the Director who has obtained the dispensation from the General Shareholders' Meeting, all of which in accordance with the provisions of current legislation.
3. A Director who terminates his mandate or for any other reason departs from his office may not provide services or be a director at another entity that is in a situation of effective competition with the Company for the term set forth, which in no event will be more than two (2) years.

#### **ARTICLE 30.- DUTY TO AVOID CONFLICTS OF INTEREST**

1. Directors shall avoid situations which may imply a conflict of interest between the Company and themselves or persons related thereto, taking for these purposes any measures that may be necessary. In any case, Directors must abstain from:
  - (a) directly or indirectly carry out transactions with the Company unless they are ordinary operations made in standard conditions for all clients and with little relevance, without prejudice to the rules on Related Party Transactions set forth in Article 38 in these Regulations;
  - (b) use the Company's name or invoke their status as Director in order to unduly influence the carrying out private transactions;
  - (c) use the Company's assets or avail themselves of their position at the Company to obtain an economic advantage or for any private aims;
  - (d) use for their own benefit a business opportunity of the Company, understanding as business opportunity any possibility to carry out an investment or commercial transaction that has arisen and has been discovered in connection with the Director's performance of his duties, or by using means and information of the Company, or

under any such circumstances that it is reasonable to believe that a third party offer was in fact intended for the Company;

- (e) obtain advantages or remunerations from third parties different from the Company and its Group, related to the development of its position, except when these are mere courtesy attentions; and from
  - (f) developing activities on its own account or for third parties that in any case position them in permanent conflict of interests with the Company,
2. The above provisions will also apply in the case that the beneficiary of the prohibited acts or activities are persons related to Directors in accordance with the definition of this concept in the Law (henceforth, **Related Persons**).
  3. In all cases, Directors should inform to the Board of Directors on the situations of direct or indirect conflict that they or the Persons Related to them may have with the interests of the Company.
  4. The Company can only release from the prohibitions contained in this article in singular cases according to the procedure and restrictions established by current legislation.
  5. The situations of conflict of interests in which the Directors are involved will be reported in the annual report.

#### **ARTICLE 31.- USE OF NON-PUBLIC INFORMATION**

1. Directors are subject, with regard to the use of any non-public information of the Company, to the duties of diligence, loyalty, confidentiality, and secrecy inherent to their position, and must abstain from using said information to their own benefit or to the benefit of third parties, in violation of the duties referred to above.
2. The provisions of this article are without prejudice to the obligations that correspond to the Directors regarding insider information and other relevant information about the Company, in accordance with the terms set forth in laws governing the securities market.

#### **ARTICLE 32.- DIRECTORS' INFORMATION DUTY**

1. Directors must inform the Company of the shares of the Company which they own directly or indirectly through Related Persons, in accordance, in all respects, with the Internal Rules of Conduct on Matters Relating to the Securities Market.
2. Directors must also inform the Company of the positions they hold and the activities they carry out in other companies and, in general, of facts, circumstances or situations that may prove significant for their performance as Company directors.
3. Directors must inform the Company of any situation of which they are aware whose importance of which seriously damage the Company's reputation.
4. Directors must abide by the limitations on belonging to Boards of Directors set forth in the current regulations of organization, supervision and solvency of credit entities.

5. Directors must inform the Company of any circumstances, whether or not they are related to their performance in the Company, that affect the relevant Director and that may damage the credit or reputation of the Company, especially of criminal investigations brought against them and the progress of any subsequent trial. The Board, having been so informed or having otherwise become aware of such circumstances, will examine the Director's situation as soon as possible and, taking into account the specific circumstances, will decide, following a report from the Appointments and Sustainability Committee, whether or not to adopt any measures, such as opening an internal investigation, requesting the resignation of the Director (a decision that shall be complied with by the relevant Director), or proposing that the relevant Director be removed from office.

#### **ARTICLE 33.- DISPENSATION FROM COMPLIANCE WITH DUTIES BY DIRECTORS**

In cases in which authorization of the Board of Directors is not expressly prohibited, the Company can release the Director from complying with certain obligations. When the release is not the competence of the Meeting, the Board of Directors may approve the release, previously and exceptionally and subject to a report by the Audit and Control Committee reflecting that no damage is caused to the Company and no legal or by-law regulations applicable in each case are breached.

### **CHAPTER X**

#### **RELATIONS OF THE BOARD**

##### **ARTICLE 34.- RELATIONS WITH SHAREHOLDERS**

1. The Board of Directors will provide suitable channels to familiarize itself with any proposals formulated by shareholders with regard to the management of the Company.
2. Through some of its Directors and with the collaboration of the members of senior management that the Board deems appropriate, the Board may organize informational meetings on the running of the Company, for shareholders residing in the most important financial markets, either in Spain or other countries.
3. Public requests for vote delegation made by the Board of Directors or by any of its members must express how the representative would vote in the event that the shareholder does not give instructions. A vote that has been delegated in response to such a public request may not be exercised relative to agenda items regarding which there is a conflict of interest, unless the person granting the proxy has given precise voting instructions for each of those items, all in accordance with the Law.
4. The Board of Directors will promote shareholders' informed participation in General Shareholders' Meetings and will adopt all timely measures required to allow the General Shareholders' Meeting to effectively exercise the duties that correspond to it in accordance with the law and the Company's by-laws.

In particular, the Board of Directors will adopt the following measures in accordance with the Law:

- (a) it will strive to make available to the shareholders, prior to the Meeting and in sufficient advance, all information that can legally be demanded, and all information that, even though not legally demandable, may be of interest and can be reasonably provided;
- (b) it will respond, with utmost diligence, to requests for information formulated by shareholders prior to the Meeting;
- (c) if meeting the requests for information is not possible in the same meeting, the requested information will be provided after the closing of the meeting in the legally established terms;
- (d) also with utmost diligence, it will answer questions posed by shareholders when the Meeting is held; and
- (e) it will ensure that the matters proposed to the Meeting are voted on in an orderly manner and separately, allowing the shareholders to intervene and express their opinion on each issue submitted to a vote.

#### **ARTICLE 35.- RELATIONS WITH INSTITUTIONAL SHAREHOLDERS**

1. The Board of Directors will also establish adequate mechanisms for the regular sharing of information with institutional investors who are among the Company's shareholders.
2. In no event may the relations between the Board of Directors and institutional shareholders translate into the delivery to the latter of any information that might give them a privilege or advantage over other shareholders.

#### **ARTICLE 36.- MARKET RELATIONS**

1. The Board of Directors will, by notice sent to the Spanish National Securities Market Commission and posted on the corporate web page, immediately provide the public with all significant information on the terms set forth in the current regulations.
2. The Board of Directors shall adopt the necessary measures to ensure that half-yearly, quarterly and any other financial information that the Law requires making available to the markets is prepared in accordance with the same principles, criteria and professional practices as the Annual Financial Statements and enjoys the same reliability as the latter. The Audit and Control Committee will report before to the Board of Directors about the financial information that the Company should periodically make public.
3. Information obligations will be fulfilled through any technical, information-technology or telematic means, without prejudice to the shareholder's right to request printed information.

#### **ARTICLE 37.- RELATIONS WITH AUDITORS**

1. The Board's relations with the Company's external auditors shall be channelled through the Audit and Control Committee.
2. The Board of Directors will publicly report the overall fees that the Company has paid for non-auditing services.

## CHAPTER XI

### RELATED PARTY TRANSACTIONS

#### ARTICLE 38. RULES ON RELATED PARTY TRANSACTIONS

1. Approval of transactions by the Company or its subsidiary companies with directors, with shareholders that hold 10% of the voting rights or more or are represented on the Company's Board of Directors, or with any other persons who are related parties as defined by the International Accounting Standards adopted by Regulation (EC) 1606/2002 of the European Parliament and of the Council of 19 July 2002 ("Related Party Transactions") will be issued by the Board of Directors subsequent to a report by the Audit and Control Committee, unless by law that decision lies with the General Shareholders Meeting.

Transactions will not be Related Party Transactions where they are not so defined by law, particularly: (i) transactions carried out directly or indirectly between the Company and its wholly owned subsidiary companies; (ii) transactions between the Company and its subsidiary or investee companies where no other party related to the Company has an interest in those subsidiary or investee companies; (iii) agreements between the Company and any executive director or member of upper management that specify the terms for the executive duties to be performed, including the specific sums or remuneration to be paid under those agreements, which are to be approved as stipulated in these Regulations; (iv) transactions performed pursuant to measures designed to safeguard the stability of the Company taken by the competent authority charged with prudential supervision.

In the case of transactions subject to approval by the Board of Directors, Company Directors who are affected by the Related Party Transaction or who represent or are related to shareholders affected by the Related Party Transaction will not take part in discussions and voting on the corresponding decisions, as provided by Law.

2. The Board of Directors may delegate approval of the following Related Party Transactions:
  - (a) transactions between the Company and other companies that belong to the Group carried out in market conditions in the ordinary course of business;
  - (b) transactions that are arranged under contracts with standard terms used *en masse* for large numbers of customers, are performed at general prices or rates set by the vendor of the goods or services in question, or are for sums that are not more than 0.5% of the Company's net turnover.

Approval of these transactions will not require a prior report by the Audit and Control Committee, but the Board of Directors will set up an internal procedure for regular monitoring and reporting with the participation of the Audit and Control Committee.

3. Credit facilities, loans, and other forms of financing and guarantees granted to Directors or persons related to them will comply both with this Article and with the regulations for management and oversight of credit institutions and the guidelines on that subject issued by the supervisory authority.

4. The Company will publicly announce Related Party Transactions carried out by the Company or other companies in its Group for sums greater than or equal to 5% of total book assets or 2.5% of the annual turnover in the terms stipulated by Law, no later than the day of its celebration. It will also furnish information on Related Party Transactions in the half-yearly financial report, the annual corporate governance report, and the annual financial statement in the cases and to the extent stipulated by Law.

#### **FINAL PROVISION**

No more than half of the executive Directors should be appointed from amongst the proprietary Directors representing a same shareholder, neither amongst Directors who are current or past members of the governing bodies or senior management of a shareholder holding, or having held, control of the Company, unless three (3) or five (5) years, respectively, have elapsed since the termination of such relationship.

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