



SELECTION OF DIRECTORS POLICY

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SELECTION OF DIRECTORS POLICY

1. INTRODUCTION

- The Board of Directors of CaixaBank, S.A. ("**CaixaBank**" or the "**Company**"), has attributed to it by law as non-delegable power the definition of the policies and general strategies of the Company and the group of which it is the dominant entity ("**CaixaBank Group**" or "**Group**") and, in particular, the approval and supervision of the procedures for selection of its members.

In this respect, the Recommendations of the Code of Good Governance of listed companies (the "**Code of Good Governance**") state that the Board of Directors of listed companies should approve a selection of directors policy.

- Furthermore, in accordance with the **solvency regulations**, CaixaBank, in its capacity as a credit institution, should have "*units and appropriate internal procedures for carrying out selection and ongoing evaluation of the members of its Board of Directors*".
- For this purpose, the Board of Directors of the Company agreed at its meeting held on November 19, 2015 to approve this *CaixaBank, S.A. Selection of Directors Policy* (the "**Policy**"), which forms part of the Company's corporate governance system and contains the general aspects and commitments of the Company and its Group regarding appointment and selection of directors.

2. PURPOSE OF THE POLICY

- The **purpose** of this Policy is to establish the criteria that the CaixaBank Board of Directors will take into account in the processes of selection and appointment of the members of the Board of Directors of CaixaBank, all in accordance with the regulations that apply and best practices in corporate governance.
- The procedure for selecting members of the Board set forth in this Policy will be supplemented, in those aspects that apply, with the provisions of the *Protocol of Selection Procedures and Assessment of Suitability of Positions* (the "**Suitability Protocol**") or equivalent internal regulations existing at any time.

3. GENERAL PRINCIPLES

- In the selection procedures of the members of the Board of Directors, the bodies responsible should take account at all times of the principle of **diversity of gender, experience and knowledge**. In applying this principle, the Board of Directors will ensure that in the selection of directors the diversity and plurality of experience and knowledge is favoured, taking into account compliance with what is stated in the Suitability Protocol of the Company.
- Additionally, in the selection procedures of directors, there will be compliance with the principle of **non-discrimination and equal treatment**, ensuring that with respect to the candidates proposed for appointment or reappointment as members of the Board of Directors, the selection of candidates from the least represented gender is facilitated and any kind of discrimination in this regard is avoided.
- The agreements adopted under this Policy **will comply at all times with current legislation, the CaixaBank corporate governance system and regulations, as well as the recommendations and principles of good governance** assumed by it.

4. SUBJECTIVE SCOPE OF APPLICATION OF THE POLICY

- In line with the provisions of the Suitability Protocol, subject to this Policy will be all **members of the Board of Directors whose re-election is proposed and candidates to be appointed as directors, as well as the Secretary of the Board of Directors**.
- In the case of a legal entity director, the natural person appointed on its behalf must meet the legal requirements set out for directors, will be subject to the same duties and will be jointly and severally liable with the legal entity director, with the provisions of this Policy being applicable.

5. CANDIDATE REQUIREMENTS

5.1. Individual requirements for selection of directors

- Members of the Board of Directors should have the **skills, knowledge and experience** necessary for the performance of their duties, taking into account the needs of the Board of Directors and its overall composition.
- With regard to selection of members of the Board of Directors, CaixaBank will apply the **criteria and procedures contained in the Suitability Protocol** developed by the Company in compliance with the solvency rules and the recommendations contained in the Code of Good Governance.
- In line with the above, and complying with what is stated in the Corporate Governance Policy of the Company, candidates should (i) be persons of recognised commercial and

professional repute; (ii) have adequate knowledge, skills and experience to carry out their duties; and (iii) be able to exercise good governance of CaixaBank:

- ❖ **Commercial and professional repute:** directors must have **personal, commercial and professional conduct** that does not cast any doubt on their ability to carry out sound and prudent management of the Company.

In particular, to assess the repute of the candidate, all available information should be considered, as well as all circumstances set out in the CaixaBank Suitability Protocol, such as career with the regulatory and supervisory authorities, professional performance in previous positions of responsibility in credit institutions, any convictions of a legal or disciplinary nature and disqualifications in the exercise of office, amongst others.

- ❖ **Suitable knowledge and experience:** Board members will have an **adequate training level and profile**, aiming, without prejudice to knowledge in the financial field, for a variety of training and experience that will contribute to a broader view by the Board of Directors on the issues that are submitted to it and the guidelines and performance criteria that are to be established for the Company, as well as **practical experience** from the fields of their former occupations.

- ❖ **Ability to exercise good governance of the Company:** to assess this requirement, the **presence of potential conflicts of interest** that create improper influence of third parties will be taken into account, arising from: (i) positions held in the past or at present in the Company or other private or public organisations; (ii) a personal, professional or economic relationship with other members of the Board of Directors of the Company, its parent company or its subsidiaries; or (iii) a professional or economic relationship with the shareholders who have control of the Company or its subsidiaries.

Also taken into account will be the ability to dedicate sufficient time to carrying out the corresponding duties at CaixaBank, as well as those factors that the current regulations at any times consider to be assessed for the exercise of good governance of a credit institution.

- ❖ **Commitment to fulfilment of the duties and obligations of directors:** re-election of the current members of the Board of Directors will take into account also the commitment shown by them during their office in compliance with the **duty of diligence and duty of loyalty**. Furthermore, there will be assessment of whether his actions during his office have been in good faith and guided by the corporate interest, ensuring at all times the best defence and protection of the interests of all shareholders.

- ❖ **Independence requirements of independent directors:** additionally, in connection with the selection of independent directors, persons identified to be **selected as independent directors** must meet the independence requirements under applicable regulations
- In addition to the above requirements, the selection procedure of directors of CaixaBank should take into account any other conditions that the Appointments Committee of the Company and the relevant supervisory authorities determine, if necessary, to verify the suitability of directors and to authorise the appointment.

5.2. Requirements of members of the Board of Directors as a whole

- The selection of candidates proposed as members of the Board of Directors of CaixaBank will take account of the conditions that the current applications establish in relation to the composition of the Board of Directors as a whole.

In particular, the **composition of the Board of Directors as a whole** must have sufficient **knowledge, skills and experience** in the governance of credit institutions to possess an adequate understanding of the Company's activities, including its main risks, and ensure the effective capability of the Board of Directors to independently and autonomously make decisions in the interests of the Company.

5.3. Incompatibility and limitation system

- No persons may be considered as candidates who are affected by any incompatibility, legal prohibition or incapacity under the requirements of applicable law and the rules of corporate governance of CaixaBank.

In particular, the following **cannot be directors**: unemancipated minors, the legally incapacitated, persons banned under the Bankruptcy Act until the end of the disqualification period established by the judgement of qualification of the settlement and those convicted of crimes against freedom, against property or against the socio-economic order, citizen safety, the Justice Administration or of any kind of falsehood, as well as those who by reason of their office may not do business.

Nor may directors be serving government officials whose duties are related to the activities of the companies concerned, judges or magistrates and other persons affected by a legal incompatibility.

6. SELECTION PROCEDURE

6.1. Bodies responsible for selecting candidates

a) Board of Directors

- In accordance with the current regulations and the Regulations of the Board of Directors of CaixaBank, **the Board of Directors will be responsible** for the following **duties** related to the selection procedures of directors:
 - Approval and definition of this Policy.
 - Preparation of an explanatory report assessing the competence, experience and merits of the candidate proposed to be appointed or re-elected as a director, which in any case must accompany the appointment or re-election, and will be appended to the minutes of the General Shareholders' Meeting or the Board.
 - Proposal for the appointment or re-election of directors for submission to the General Shareholder's Meeting or appointment by co-opting by the Board of Directors, as applicable.
 - Checking for the incompatibilities established in the applicable regulations.
 - Ensuring that procedures for selecting members of the Board of Directors foster diversity of gender, experience and knowledge, and, in general, do not involve any implied bias entailing any kind of discrimination.

b) Appointments Committee

- Without prejudice to the powers of the Board in the selection of its members, **the Appointments Committee of CaixaBank, in addition to formulating proposals and reports, will be responsible for the supervision of the selection procedures of directors**, having attributed, amongst others, the following basic responsibilities:
 - To assess and propose to the Board of Directors the requirements and skills, knowledge and experience necessary for the members of the Board of Directors.
 - To submit to the Board of Directors the proposals for independent directors to be appointed by co-option or to be submitted for decision by the General Shareholders' Meeting, and the proposals for the General Shareholders' Meeting's re-election or severance of these Directors.
 - To inform of the proposals for the other directors to be appointed by co-option or to be submitted for decision by the General Shareholders' Meeting, and the proposals for the General Shareholders' Meeting's re-election or severance of these directors.

- Report to the Board on matters of gender diversity, ensuring that the selection procedures of its members foster diversity of experience and knowledge, and facilitate the selection of members of the gender least represented on the Board of Directors, as well as establishing guidelines on how this should be achieved.
 - Evaluate, with the frequency required by the regulations, the suitability of the members of the Board of Directors and the board as a whole, and inform the Board accordingly, in accordance with the provisions of the Suitability Protocol of CaixaBank.
- For the performance of its duties under this Policy, the Appointments Committee may use the appropriate resources to do so, including **external consultancies**.

6.2. Notification of appointments

- CaixaBank will notify the competent authorities of the appointment or re-election of new members of the Board of Directors within fifteen working days of the date of appointment.

7. SUPERVISION OF THE POLICY

- In accordance with the Regulations of the Board of Directors, the Appointments Committee will be the body responsible for the periodic review of this policy, providing the Board of Directors with comments or proposals for modifications and improvements thereon as appropriate.
- The Appointments Committee will also be the body responsible for verifying compliance with the Policy, providing the information in the Company's Annual Report on Corporate Governance.
