



**CAIXABANK, S.A. BOARD OF DIRECTORS' REPORT ON THE
PROPOSAL FOR RATIFICATION AND APPOINTMENT OF DIRECTORS**

Board of Directors – 22 February 2018

I. PURPOSE OF THE REPORT

This report has been drawn up by the Board of Directors of CaixaBank, S.A. (hereinafter “**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 evaluating the skill, experience and merits of the person whose ratification and appointment are submitted for approval by the Company's Ordinary General Shareholders' Meeting, called for 5 April 2018 (on first call) and for the following day, 6 April 2018 (on second call), under Agenda item 4.

As established in the said Article, the ratification of the appointment by co-option and the appointment of Mr. Eduardo Javier Sanchiz Irazu as an independent Director are submitted to the General Shareholders' Meeting on proposal by the Appointment Committee.

The proposal for ratification of Mr. Tomás Muniesa Arantegui's appointment by co-option and his appointment as a Director is submitted to the General Shareholders' Meeting following a report by the Appointment Committee, as he is an executive Director.

Both the proposal and the Appointment Committee's report are annexed to this report.

In addition, for the purposes of Article 518 e) of the Spanish Corporation Law, this report contains information on the identity, professional experience and category of each of the Directors whose ratification and appointment is proposed, and it will be published on the Company's website (www.caixabank.com) together with the proposal and the Appointment Committee's report annexed hereto, as part of the General Meeting documentation.

II. RATIFICATION OF THE APPOINTMENT BY CO-OPTION AND APPOINTMENT OF MR. EDUARDO JAVIER SANCHIZ IRAZU (AGENDA ITEM 4.1)

Professional profile and biographical data

Eduardo Javier Sanchiz Irazu, born in Vitoria in 1956, has been a member of CaixaBank's Board of Directors since September 2017.

He has a degree in Economics and Business Studies from Deusto University (San Sebastián campus) and a Master's Degree in Business Administration from the Instituto Empresa in Madrid.

He was the Chief Executive Officer of Almirall from July 2011 to 30 September 2017. During this time, the company undertook a major strategic transformation with the ambition of becoming one of the world's leading companies in skin treatment.

Prior to this, since joining Almirall in May 2004, he had held the posts of Executive Director of Corporate Development and Finance and Chief Financial Officer. In both these posts Eduardo helped boost the company's international expansion process through various partnership transactions with other firms and external product licences, as well as five corporate acquisitions and product portfolios. He also coordinated the company's stock market flotation in 2007.

He has been a member of Almirall's Board of Directors since January 2005 and a member of the Dermatology Committee since it was created in 2015.

Before joining Almirall, he worked at the American pharmaceutical company Eli Lilly & Company, holding finance, marketing, sales and general management posts for 22 years, 17 of which he spent working outside Spain. He took the opportunity to live in six different countries and his most relevant positions include Managing Director in Belgium, Managing Director in Mexico and his latest post at this company, Executive Director for the business area covering the central, north, east and south European countries.

He has been a member of the Board of Directors of the American Chamber of Commerce in Mexico and that of the Association of Pharmaceutical Industries in several European and Latin American countries.

Directorship category

With regard to classification of his post on the CaixaBank Board of Directors, Mr. Eduardo Javier Sanchiz Irazu has the status of Independent Director as he meets the requirements established in section 4 of Article 529 *duodecies* of the Spanish Corporation Law.

Assessment of experience, skill and merit

The Appointment Committee has verified that Eduardo Javier Sanchiz Irazu meets the suitability requirements established in Article 24 of Law 10/2014 of 26 June on regulation, supervision and solvency of credit institutions and Articles 30, 31 and 32 of Royal Decree 84/2015 of 13 February implementing

Law 10/2014 of 26 June on regulation, supervision and solvency of credit institutions, i.e. good business and professional repute, suitable knowledge and experience and aptitude for carrying out good corporate governance, and that he is not subject to any incompatibility, prohibition or conflict of interests.

Mr. Sanchiz's incorporation to the CaixaBank Board of Directors brings the total percentage of independent Directors on the Board to 50%, which is higher than the percentage recommended in the Code of Good Governance for listed companies with a single shareholder owning more than 30% of the share capital (a third of the total number of Directors) and in line with the international proxy advisors' voting recommendation policies.

Eduardo Javier Sanchiz Irazu has a proven track record of professional success leading a company in a highly regulated sector (the pharmaceutical sector), with a large number of employees and a significant international presence.

Consequently, the Board of Directors considers that Eduardo Javier Sanchiz Irazu has sufficient experience, skill and merit to hold a directorship, as proposed by the Appointment Committee.

Proposal

Ratification of the appointment of Mr. Eduardo Javier Sanchiz Irazu as a member of the Board of Directors, by co-option, as approved by the Board of Directors at its meeting of 21 September 2017, and his appointment as a member of the Board of Directors on proposal by the Appointment Committee, for the statutory period of 4 years, to fill the vacancy arising from the death of the Director Salvador Gabarró Serra on 17 March 2017. Mr. Eduardo Javier Sanchiz Irazu is considered an independent Director.

III. RATIFICATION OF THE APPOINTMENT BY CO-OPTION AND APPOINTMENT OF MR. TOMÁS MUNIESA ARANTEGUI (AGENDA ITEM 4.2)

Professional profile and biographical data

Tomás Muniesa, born in Barcelona in 1952, has been a member of the CaixaBank Board of Directors since January 2018.

He has a degree in Business Studies and a Master's Degree in Business Management from the ESADE Business School.

He joined "la Caixa" in 1976 and was appointed an Assistant Managing Director in 1992 and a Managing Director of CaixaBank in 2011. He is also the Executive Vice-Chairman and Chief Executive Officer of VidaCaixa de Seguros y Reaseguros, the Vice-Chairman of SegurCaixa Adeslas de Seguros y Reaseguros, the Vice-Chairman of UNESPA, a Director and Chairman of the Audit Committee of the Spanish Insurance Compensation Consortium, a Director of Allianz Portugal and VITHAS Sanidad, S.L. and a member of the Board of Trustees of the ESADE Foundation.

He was formerly the Chairman of MEFF Sociedad Rectora de Productos Derivados, the Vice-Chairman of BME (Bolsas y Mercados Españoles) and an Alternate Director of Grupo Financiero Inbursa in Mexico.

Directorship category

With regard to classification of his post on the CaixaBank Board of Directors, Mr. Tomás Muniesa Arantegui's appointment was proposed to the Board of Directors by the indirect shareholder Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona, "la Caixa". Mr. Muniesa also carries out senior management duties at the Company, and he is therefore considered an Executive Director.

Assessment of experience, skill and merit

The Appointment Committee has verified that Mr. Tomás Muniesa Arantegui meets the suitability requirements established in Article 24 of Law 10/2014 of 26 June on regulation, supervision and solvency of credit institutions and Articles 30, 31 and 32 of Royal Decree 84/2015 of 13 February implementing Law 10/2014 of 26 June on regulation, supervision and solvency of credit institutions, i.e. good business and professional repute, suitable knowledge and experience and aptitude for carrying out good corporate governance, and that he is not subject to any incompatibility, prohibition or conflict of interests.

The Board of Directors ratifies the report issued by the Appointment Committee and considers Mr. Muniesa to have sufficient experience, skill and merit to hold a directorship. In particular, it highlights his in-depth knowledge of the banking and insurance business.

Proposal

Ratification of the appointment of Mr. Tomás Muniesa Arantegui as a member of the Board of Directors, by co-option, as approved by the Board of Directors at its meeting of 21 December 2017 and with effect from 1 January 2018, and his appointment as a member of the Board of Directors on proposal by Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona, "la Caixa" (an indirect shareholder of the Company), for the statutory period of 4 years, to fill the vacancy arising from the resignation of Mr. Antonio Massanell Lavilla, a favourable report having been issued by the Appointment Committee, all subject to verification of his suitability by the European Central Bank. Mr. Tomás Muniesa Arantegui will be considered an executive Director as he performs senior management functions at the Company.

Annex 1

Proposal to appoint Mr. Eduardo Javier Sanchiz Irazu as an independent Director of CaixaBank, S.A., submitted by the Appointment Committee of CaixaBank, S.A., in accordance with Article 529 *decies* of the Spanish Corporation Law.

Section 4 of Article 529 *decies* of the Spanish Corporation Law sets forth that proposals to appoint or re-appoint independent Directors are to be made by the Appointment Committee.

In compliance with this requirement, the Appointment Committee has drawn up this proposal to ratify the appointment by co-option and appointment of Mr. Eduardo Javier Sanchiz Irazu as a member of the Board of Directors of CaixaBank, S.A. (hereinafter, “**CaixaBank**” or the “**Company**”), with the category of independent Director.

For this purpose, the Appointment Committee has studied the current composition of the Board of Directors and has determined that the Board in general has the sufficient knowledge, skill and experience in the governance of credit institutions to adequately understand the activities of CaixaBank with regard to which decisions must be made and its main risks, and to ensure the capacity for autonomous, independent decision-making in the interests of the Company.

Specifically, the Committee very positively values Mr. Sanchiz’s previous experience and the fact that CaixaBank has increased its number of independent Directors.

Within the framework of this assessment, and in accordance with Law 10/2014 of 26 June on regulation, supervision and solvency of credit institutions (hereinafter “**Law 10/2014**”), Royal Decree 84/2014 of 13 February implementing Law 10/2014 of 26 June on regulation, supervision and solvency of credit institutions (hereinafter, “**RD 84/2015**”) and CaixaBank’s Protocol for Post Selection and Suitability Evaluation Procedures, the Appointment Committee has also assessed Mr. Sanchiz’s suitability for the post of Director.

Training and professional experience

Eduardo Javier Sanchiz Irazu, born in Vitoria in 1956, has been a member of CaixaBank’s Board of Directors since September 2017.

He has a degree in Economics and Business Studies from Deusto University (San Sebastián campus) and a Master’s Degree in Business Administration from the Instituto Empresa in Madrid.

He was the Chief Executive Officer of Almirall from July 2011 to 30 September 2017. During this time, the company undertook a major strategic transformation with the ambition of becoming one of the world’s leading companies in skin treatment.

Prior to this, since joining Almirall in May 2004, he held the posts of Executive Director of Corporate Development and Finance and Chief Financial Officer. In both these posts Eduardo helped boost the company's international expansion process through various partnership transactions with other firms and external product licences, as well as five corporate acquisitions and product portfolios. He also coordinated the company's stock market flotation in 2007.

He has been a member of Almirall's Board of Directors since January 2005 and a member of the Dermatology Committee since it was created in 2015.

Before joining Almirall, he worked at the American pharmaceutical company Eli Lilly & Company, holding finance, marketing, sales and general management posts for 22 years, 17 of which he spent working outside Spain. He took the opportunity to live in six different countries and his most relevant positions include Managing Director in Belgium, Managing Director in Mexico and his latest post at this company, Executive Director for the business area covering the central, north, east and south European countries.

He has been a member of the Board of Directors of the American Chamber of Commerce in Mexico and that of the Association of Pharmaceutical Industries in several European and Latin American countries.

Suitability assessment

The Appointment Committee has assessed the content and validity of Mr. Sanchiz's responses to CaixaBank's Repute and Good Governance Questionnaire, which he filled in on his appointment as Director on 21 September 2017. This questionnaire is used to gather information on the three areas taken into account on evaluating Board members' suitability: business and professional repute, suitable knowledge and experience and aptitude for carrying out good corporate governance.

The Appointment Committee also took into account the Suitability Assessment Report issued in accordance with Law 10/2014 and RD 84/2015 and has verified the content and validity of Mr. Sanchiz's declarations.

It has concluded that Mr. Eduardo Javier Sanchiz Irazu met and continues to meet the suitability requirements for membership of the Board of Directors of CaixaBank.

Mr. Sanchiz also complies with the maximum number of posts that may be held, as set forth in Article 26 of Law 10/2014, no potential conflicts of interest have been observed that could generate undue third-party influences and he has sufficient time available to perform the duties of the post of member of the Board of Directors of CaixaBank.

Directorship category

With regard to classification of his post on the CaixaBank Board of Directors, this Committee considers that Mr. Eduardo Javier Sanchiz Irazu's personal and

professional characteristics will enable him to carry out his duties without constraint due to any relationship with the Company or its Group, its significant shareholders or its managers, and in accordance with section 4 of Article 529 *duodecies* of the Spanish Corporation Law the category to which Mr. Sanchiz should belong is that of independent Director.

Proposal

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

Ratification of the appointment of Mr. Eduardo Javier Sanchiz Irazu as a member of the Board of Directors, by co-option, as approved by the Board of Directors at its meeting of 21 September 2017, and his appointment as a member of the Board of Directors on proposal by the Appointment Committee, for the statutory period of 4 years, to fill the vacancy arising from the death of the Director Salvador Gabarró Serra on 17 March 2017. Mr. Eduardo Javier Sanchiz Irazu is considered an independent Director.

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Annex 2

Report submitted by the Appointment Committee of CaixaBank, S.A. to the Board of Directors, in accordance with Article 529 *decies* of the Spanish Corporation Law, with regard to the proposal for ratification of the appointment by co-option and appointment of Mr. Tomás Muniesa Arantegui as executive Director of CaixaBank, S.A.

Article 529 *decies* of the Spanish Corporation Law sets forth that proposals to appoint or re-appoint members of the Board of Directors must be accompanied by an explanatory report drawn up by the Board assessing the proposed candidate's skill, experience and merit. In the case of non-independent Directors, such proposals are also subject to an additional report by the Appointment Committee.

In compliance with this requirement, the Appointment Committee has agreed to the submission to the Board of Directors of this report on the ratification of the appointment by co-option and appointment of Mr. Tomás Muniesa Arantegui as a member of the Board of Directors of CaixaBank, S.A. (hereinafter, "**CaixaBank**" or the "**Company**"), with the category of executive Director.

For this purpose, the Appointment Committee has studied the current composition of the Board of Directors and has determined that the Board in general has the sufficient knowledge, skill and experience in the governance of credit institutions to adequately understand the activities of CaixaBank with regard to which decisions must be made and its main risks, and to ensure the capacity for autonomous, independent decision-making in the interests of the Company.

Specifically, the Committee has very positively valued Mr. Muniesa's work as a Managing Director of CaixaBank, which has provided him with an in-depth knowledge of its business (in both its current configuration and that of the different stages of the Entity in the past), its organisation and that of its Group and its rules of internal governance.

Within the framework of this assessment, and in accordance with Law 10/2014 of 26 June on regulation, supervision and solvency of credit institutions (hereinafter "Law 10/2014"), Royal Decree 84/2014 of 13 February implementing Law 10/2014 of 26 June on regulation, supervision and solvency of credit institutions (hereinafter, "**RD 84/2015**") and CaixaBank's Protocol for Post Selection and Suitability Evaluation Procedures, the Appointment Committee also assessed Mr. Muniesa's suitability for the post of Director.

Training and professional experience

Tomás Muniesa, born in Barcelona in 1952, has been a member of the CaixaBank Board of Directors since January 2018.

He has a degree in Business Studies and a Master's Degree in Business Management from the ESADE Business School.

He joined "la Caixa" in 1976 and was appointed an Assistant Managing Director in 1992 and a Managing Director of CaixaBank in 2011. He is also the Executive Vice-Chairman and Chief Executive Officer of VidaCaixa de Seguros y Reaseguros, the Vice-Chairman of SegurCaixa Adeslas de Seguros y Reaseguros, the Vice-Chairman of UNESPA, a Director and Chairman of the Audit Committee of the Spanish Insurance Compensation Consortium, a Director of Allianz Portugal and VITHAS Sanidad, S.L. and a member of the Board of Trustees of the ESADE Foundation.

He was formerly the Chairman of MEFF Sociedad Rectora de Productos Derivados, the Vice-Chairman of BME (Bolsas y Mercados Españoles) and an Alternate Director of Grupo Financiero Inbursa in Mexico.

Suitability assessment

The Appointment Committee has assessed the content and validity of Mr. Muniesa's responses to CaixaBank's Repute and Good Governance Questionnaire, which he filled in on his appointment as Director on 21 December 2017. The questionnaire is used to gather information on the three areas taken into account on evaluating Board members' suitability: business and professional repute, suitable knowledge and experience and aptitude for carrying out good corporate governance.

The Appointment Committee also took into account the Suitability Assessment Report issued in accordance with Law 10/2014 and RD 84/2015 and has verified the content and validity of Mr. Muniesa's declarations.

It has concluded that Mr. Muniesa met and continues to meet the suitability requirements for membership of the Board of Directors of CaixaBank.

Mr. Muniesa also complies with the maximum number of posts that may be held, as set forth in Article 26 of Law 10/2014, no potential conflicts of interest have been observed that could generate undue third-party influences and he has sufficient time available to perform the duties of the post of member of the Board of Directors of CaixaBank.

Directorship category

With regard to classification of his post on the CaixaBank Board of Directors, the indirect shareholder Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona, "la Caixa" proposed that Mr. Tomás Muniesa Arantegui should be the person representing it on the CaixaBank Board of Directors. Mr. Muniesa also carries out senior management duties at the Company, and this Committee therefore considers that in accordance with section 1 of Article 529 *duodecies* of the Spanish Corporation Law the category to which Mr. Muniesa should belong is that of executive Director.

Conclusion

Consequently, the Appointment Committee considers that Mr. Tomás Muniesa Arantegui has the sufficient knowledge, experience and merit to hold a post on the Board of Directors and meets the suitability requirements for this post, and it has therefore agreed to the submission of a favourable report to the Board of Directors with regard to the proposal to the CaixaBank General Shareholders' Meeting for ratification of his appointment by co-option and his new appointment as a Director for the statutory four-year period, with the category of executive Director.

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