



General Principles of Corporate Policy on Criminal Compliance

April 2020

Important information about this document	
Identification of the Policy	Criminal <i>Compliance</i> Corporate Policy - CaixaBank Group
Global or national policy scope	National, branches and Representative Offices of CaixaBank Group overseas, where, in the event of local legislation including a supplementary or more restrictive system, said system will also apply.
Code of Business Conduct and Ethics Section it develops	Section 3.1. 'Compliance with Laws and Regulations'.
Section of other Policies it develops	None
Standards that it replaces	CaixaBank Crime Response Protocol
Standards it overrides	CaixaBank Crime Response Protocol and the Rules on the Prevention and Response to Crime at the CaixaBank Group, as well as any other equivalent standard that was previously implemented before this policy by companies that fall within the scope of this document.
Related regulations	CaixaBank's Code of Business Conduct and Ethics
Business unit or role it affects	All business units and roles at CaixaBank, S.A. and companies within the Scope set in the document.
Staff it affects	All staff of CaixaBank, S.A. and companies within the Scope set in the document.
Main body in charge of monitoring	Corporate Crime Management Committee at CaixaBank
Approval date	Board of Directors – 29 April 2020
Date of application	Board of Directors – 29 April 2020

DEFINITIONS

For the purposes of clarification, the following definitions are provided to enable the scope of these General Principles of the Policy's:

- i. **CaixaBank:** means CaixaBank, S.A. whose corporate purpose embraces all manner of activities, the provision of any services and being party to any transactions inherent in its financial business activities, whether directly or via subsidiary companies, as well as any other activities related to the foregoing, subject in all cases to the provisions of its by-laws and applicable law and regulations.
- ii. **Perimeter:** CaixaBank Group companies subject to these General Principles that meet the following conditions: majority holding, control and long-term commitment by CaixaBank, the existence of a structure at the company and activity related to CaixaBank's business. These companies are listed in **Appendix III** to this Policy.
- iii. **CaixaBank Group:** means CaixaBank, S.A., as well as to all CaixaBank investee companies over which it has control in accordance with article 42 of the Spanish Commercial Code.
- iv. **CaixaBank Staff:** means employees, executives and members of the governing body of CaixaBank, S.A., including temporary workers.
- v. **Perimeter Staff:** means employees, executives and members of the governing bodies of companies that fall within the Perimeter, including temporary workers.
- vi. **Related Parties:** physical or legal persons with which CaixaBank or any Perimeter company maintains any kind of business relationship. This includes those who provide services through temporary employment companies or academic agreements, intermediaries, agents, brokers, external consultants or physical or legal persons contracted to deliver goods or service provision. Related parties must meet the general principles set out in section 4 of these General Principles, even though this Policy may not specifically refer to them.
- vii. **General Principles of Criminal Compliance Corporate Policy:** this is the set of provisions contained in this text, which occasionally appear hereinafter as "the General Principles".
- viii. **Crime Prevention Model:** the model for the proper organisation and management of crime prevention, including all procedures, measures and controls at companies within the CaixaBank Perimeter, the main purpose of which is to provide a system for preventing and responding to possible criminal conduct through courses of action and controls to reduce the risk of any such crimes being perpetrated.
- ix. **Corporate Crime Management Committee:** a first-order Committee with independent powers of initiative and control and the capacity to make consultations, request information, propose measures, initiate investigation procedures and undertake any other process required in connection with crime prevention and management of the Crime Prevention Model. Although the Committee is a Body of CaixaBank, its entire authority is deemed to be not just with regard to all sections and departments at CaixaBank but also at Perimeter companies.
- x. **Delegates of the Corporate Crime Management Committee:** those responsible for the Crime Prevention Model designated at each company within the Perimeter. They are also responsible for relaying any substantiated suspicion or commission of possibly illegal activities at their organisation to the Corporate Crime Prevention Committee, and for implementing and regularly reporting on any crime prevention actions instructed by that committee.

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1. Introduction

On 23 June 2010, Organic Law 5/2010 was published in the Official State Bulletin (BOE), amending Organic Law 10/1995 on the Criminal Code, which came into force on 23 December 2010. This reform included the introduction of criminal jurisdiction for the liability of legal persons, marking a step forward in harmonising European regulations and regulating a situation that demanded the existence of specific criminal sanctions for crimes committed by certain physical persons operating within the scope of a company / business structure.

The Criminal Code underwent a further reform process through Organic Law 1/2015, which came into force on 1 July 2015. This new reform improved regulatory technique for criminal liability of legal persons, with the aim of properly framing the content of "*due control*", understood as serious non-compliance with the duty to supervise company employees and whose breach thereof enables criminal liability to be substantiated.

Nonetheless, if the company has a **crime prevention programme** that lowers the risk of criminal offences being perpetrated and a supervisory body for that prevention programme that meet certain requirements, it shall be exempt from criminal liability. Furthermore, the reform underscores possible criminally liable parties, the specific criminal offences that may activate criminal liability or the sentence system, establishing full regulation in the matter.

Subsequently, Organic Law 1/2019 took effect on 13 March 2019, amending the Criminal Code to transpose European Union Directives on matters relating to finance and terrorism, and to address matters of international importance.

In this context, it is essential to review the current systems for control, regulatory compliance and crime prevention so as to help ensure that CaixaBank and the companies under its Perimeter are not caught by this type of risk and ensure that the organisation and management model includes the following main principles: (i) the existence of a body with autonomous faculties, holding initiative and control, to supervise the operation and compliance with said prevention model; (ii) the identification of the company's activities in whose field crimes that should be prevented may be committed (risk map); (iii) the implementation of protocols or procedures that specify the shaping process of the will of the legal person to take decisions and put them into place with regard to the former; (iv) the introduction of management models with appropriate resources to stop crimes that should be prevented from being committed; (v) the obligation to report possible risks and non-compliance to the body responsible for the operation of and adherence to the prevention model; (vi) a disciplinary system that suitably punishes failure to comply with the measures set out by the model, and (vii) the periodic verification of the model and of its organization, in the control structure or activity undertaken.

2. Scope of application

These General Principles of the Policy on Criminal Compliance (hereinafter, the “General Principles”) applies to employees, executives and board members of CaixaBank.

Similarly, these General Principles are Group wide, which is why the Governing and Management Bodies of CaixaBank Group companies that fall within the Perimeter must make the appropriate decisions for the purpose of implementing the provisions of these General Principles and enforcing its rules and principles among employees, managers and members of the management body or equivalent structures, in view of the specific circumstances of each company and the law and/or regulations that apply in each case.

For the purposes of these General Principles, there are two basic types of companies at the CaixaBank Group:

- Those considered **Perimeter**, because they meet the following conditions: majority holding, control and long-term commitment by CaixaBank, the existence of a structure at the company and activity related to CaixaBank's business.

For **Perimeter companies**, the Corporate Crime Management Committee shall establish a special process for those considered **significant** because of their relative criticality within the Group and/or where they are subject to additional governance or regulation beyond Spanish and European banking regulations. For these **significant** and highly complex companies, the Corporate Crime Management Committee will establish additional reporting processes beyond those applicable the other companies that make up the Perimeter.

Companies that fall within the **Perimeter** are named in **Appendix III**, which also flags those considered **significant**. Appendix III will be regularly updated to include all companies that fall within the Perimeter, in accordance with the priority and criteria established by the Corporate Crime Management Committee.

- Companies that do not fall within the Perimeter because they do not meet any of the above requirements, making them **CaixaBank Group companies that are not listed in Appendix III**.

Group companies shall undergo a minimum annual review to determine whether the relevant requirements are met for their inclusion within the Perimeter.

These General Principles shall likewise apply to all Related Parties linked to CaixaBank or the companies within its Perimeter, especially intermediaries and agents who act for or on behalf of the Bank or Perimeter companies, specific circumstances permitting, so as to thus ensure compliance with the law and acting at all times with due diligence.

These General Principles does not modify the working relations between Group companies and their employees, and cannot be interpreted as an employment contract or a promise of employment for any period of time.

3. Objectives

The objectives of these General Principles are mainly as follows:

- I. Transmit to all employees, executives and board members at CaixaBank and the companies within the Perimeter, as well as all Related Parties linked to them, the importance of ensuring at all times that the activities of all such companies and individuals comply with prevailing law and regulations, while also promoting and defending CaixaBank's corporate values and business conduct as set out in its Code of Ethics, which enshrines CaixaBank's ethical values and underscores its firm pledge to behave in strict compliance on matters relating to crime prevention.
- II. Establish a general framework for the Crime Prevention Model, adapting it to new regulatory provisions. The Model comprises the set of measures aimed at preventing, detecting and responding to criminal behaviour and identifying the associated risks and controls in place.
- III. Assure shareholders, customers, suppliers, legal bodies and the company in general that CaixaBank Group complies with the duties of supervision and control of its activity, establishing suitable measures to prevent or reduce the risk of crimes being committed and, therefore, legally relevant due control being implemented for directors, executives, employees and other related parties.

Appendixes I and II to this Policy describe the different criminal offences for which legal persons in Spain may be found liable in accordance with the Spanish Criminal Code, describing first and foremost those crimes that are more likely to be committed at CaixaBank—due to its corporate purpose and its typical business activities as a financial institution engaged primarily in the provision of financing and investment services within the retail and corporate banking segments, and also in the trading, markets and insurance businesses—and also at Perimeter companies. The Appendixes then list the other types of conduct that could lead to criminal liability any such company under the laws of Spain.

4. General principles

The principles that govern these General Principles and, consequently, the Crime Prevention Model are as follows:

- i. Act in accordance with current legislation, the Code of Business Conduct and Ethics, and other internal rules and standards.
- ii. Champion a corporate culture of crime prevention and refusal to tolerate unlawful or fraudulent acts, while promoting ethical principles and responsible behaviour.
- iii. Guarantee the existence of efficient, permanent and up-to-date control systems at all times.
- iv. Ensure that all activities and all decisions made by CaixaBank and Perimeter companies are made subject to the internal rules, procedures, protocols and controls in place for that purpose. In the event of Related Parties, these activities and decisions will be those set out in the contract governing the service in question.
- v. Ensure the appropriate resources and means for the application of these General Principles in order to prevent or detect criminal offences possibly being committed.
- vi. Carry out training activities that are suitable and provided often enough to ensure knowledge in this matter remains up-to-date and the development of a culture of business ethics and legal compliance.

- vii. Transmit the accountability of all physical and legal persons under the scope of application of these General Principles with regard to monitoring potentially illegal behaviour in criminal terms. In particular, those who are in charge of employees or teams shall ensure that they prevent unlawful criminal behaviour and report as soon as possible and in due fashion to the established bodies and implement processes as soon as they detect any such behaviour.
- viii. Transmit the obligation of all persons subject to these General Principles to report any circumstance or event that comes to light and that might constitute a crime or fraudulent or irregular situation.
- ix. Foster a culture of compliance to help ensure that criminal risks and non-compliances are duly reported through the internal channels set up for this purpose to the body responsible for safeguarding the operation of and compliance with the prevention model, while also ensuring the anonymity of the whistle-blower.
- x. Investigate, as soon as possible, any events or situations presumed to be criminal, while protecting the rights of the people investigated and, as the case may be, the whistle-blower.
- xi. Ensure awareness of the disciplinary procedures and sanctions in place to respond to internal non-compliances that might constitute criminal offences in accordance with internal regulations and applicable law.

5. Crime Prevention Model

In this context, it is essential to ensure that there is a sound organisational and management model in place for the prevention of crime, including the appropriate control and regulatory compliance systems to help ensure that the companies do not incur any such liability.

The main aspects of the Model are:

- i. A body with autonomous faculties, holding initiative and control, to supervise the operation and compliance with the implemented prevention model. For the purposes of these General Principles at CaixaBank and the companies within its Perimeter, these duties are held by the Corporate Crime Management Committee, as set out in the next section of this Policy.
- ii. The specific naming of all activities at CaixaBank and Perimeter companies that could lead to the perpetration of criminal offences that should and must be prevented;
- iii. Implementation of organisational measures and procedures to steer the process of forming opinions, making decisions and acting on those decisions at the legal person;
- iv. Action guidelines in light of possible conflicts of interest.
- v. Appropriate resources to stop crimes that should be prevented from being committed.
- vi. The obligation to report possible risks and non-compliances to the body responsible for monitoring the proper functioning of the prevention model and enforcing compliance;
- vii. The existence of Whistle-blowing channels and/or other methods to detect and report possible criminal acts.
- viii. The existence of a disciplinary system that operates in response to internal non-compliances in accordance with internal regulations and applicable law;
- ix. Periodic verification of the model and its modification where appropriate or where changes occur in the organization, control structure or activity undertaken.

This Model features five (5) different phases:

1. Prevention: identification of possible criminal conduct that affects CaixaBank and the companies within its Perimeter, while also determining the existence of related controls.
2. Detection: detection of possible criminal acts through different existing channels and methods.
3. Response: action undertaken by the Corporate Crime Management Committee in response to any evidence or suspicion of a crime being committed at CaixaBank or any of the companies within its Perimeter and the reduction, insofar as possible, of any ensuing damage.
4. Report: periodic communication and information for CaixaBank governance and management bodies and, where applicable, at the companies within its Perimeter.
5. Monitoring: periodic assessment of the Model and tailoring it to the specific circumstances of CaixaBank and the companies within its Perimeter, as well as possible changes and developments in crime prevention at legal persons in accordance with applicable legislation, case law and academic opinion. To carry out this periodic assessment, the Model will undergo an audit at least once every three years, which may be internal or external.