



**RESOLUTIONS ADOPTED AT THE ORDINARY GENERAL SHAREHOLDERS MEETING OF 23 MAY  
2012**

**III. ITEMS ON THE ISSUE OF CONVERTIBLE BONDS TO BE SWAPPED FOR PARTICIPATING PREFERENCE SHARES AND THE POWERS AWARDED TO THE BOARD FOR SPECIFIC ISSUES OF FINANCIAL INSTRUMENTS AND AUTHORISED CAPITAL**

- 9. Issue of Bonds necessarily convertible into and/or swappable for shares of Banca Cívica, S.A. for the amount of €904,031,000 to be subscribed by the holders of participating preference shares to whom the buyback offer is being made, with an anticipated incomplete subscription and with exclusion of the pre-emptive right of subscription. Specification of the conversion bases and modalities. Increase in the Company's share capital by the amount required to attend the applications for conversion in the event of the issue of new shares. Award of powers to the Board of Directors for the execution thereof.**

The General Shareholders Meeting agrees to adopt the resolution for the issue of necessarily convertible and/or swappable bonds for the buyback of participating preference shares issued by the Company, all in accordance with the following terms and conditions:

**1. ISSUE OF NECESSARILY CONVERTIBLE AND/OR SWAPPABLE BONDS**

To issue three (3) series of bonds that are necessarily convertible into and/or swappable for shares of Banca Cívica, in accordance with the terms and conditions and subject to the conversion and/or swap bases and modalities indicated hereunder (hereinafter referred to as the "**Bonds**" and, individually, as a "**Bond**"), awarding the Board of Directors the powers that are necessary for the execution thereof (where it is understood that when powers are awarded by virtue of this agreement, they imply the express award of power for the substitution thereof, in accordance with current legislation to the Executive Committee, the Chairman, the Managing Director or one or more directors, the Secretary and the Vice-Secretary, as well as any of the General Directors, including Roberto Rey Perales holder of national identity document number 13141338-N, David Cova Alonso holder of national identity document number 42066973-L, Juan Odériz San Martín holder of national identity document number 18202993-B and M<sup>a</sup> Patrocinio Álvarez Padilla holder of national identity document number 33968662-P, all of Spanish nationality and of abode for these intents and purposes at Paseo de Recoletos No. 37, (28004) Madrid).

It is hereby recorded that, unless expressly provided otherwise, the terms and conditions, subject to the conversion and/or swap bases and modalities provided hereunder, will apply to all the series of necessarily convertible and/or swappable bonds that are issued by virtue of this agreement.

### **1.1 Purpose of the issue of Bonds**

To propose an investment alternative for the holders of participating preference shares, simultaneously optimising the Company's equity structure and that of its group.

### **1.2 Maximum amount of the issue and number of Bonds**

The nominal cash amount of the Bond issue is equal to €904,031,000 through the issue of 9,040,310 Bonds, recorded as book entries. The issue is carried out over three (3) series, each of which will have its own ISIN code. The series may not replace each other, but the Bonds in each series will be replaceable.

- Series I has a maximum nominal cash amount of €287,000,000 through the issue of 2,870,000 Bonds whose subscription is expected to be incomplete.
- Series II has a maximum nominal cash amount of €317,031,000 through the issue of 3,170,310 Bonds whose subscription is expected to be incomplete.
- Series III has a maximum nominal cash amount of €300,000,000 through the issue of 3,000,000 Bonds whose subscription is expected to be incomplete.

### **1.3 Issue type and nominal value**

The issue type is Bonds at par, i.e. 100% of the nominal value.

The nominal value of the Bonds will be €100 per Bond, which is consequently higher than the nominal value of the Company's shares.

### **1.4 Representation of the Bonds**

The Bonds will be recorded as book entries. As the entity responsible for recording the Bonds as book entries, the Board of Directors will appoint Sociedad de Gestión de los sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal (Iberclear) and its shareholders.

### **1.5 Addressees of the issue Exclusion of the pre-emptive right of subscription**

Each series of the issue will be exclusively for the holders of the following participating preference shares:

- Series I will be entirely for the holders of the following participating preference shares, with the consequent exclusion of the shareholder's pre-emptive right of subscription (hereinafter referred to as "Series I").

<i>Name</i>	<i>ISIN</i>	<i>Issue date</i>	<i>Amount issued (€thousands)</i>	<i>Coupon</i>
P. Pref. Series A El Monte Capital Sau .....	KYG3014M1024	04/08/2000	130,000	EUR 12 months + 0.40%

P. Pref. July 2001 San Fernando Preference Limited.....	KYG1755U1195	15/07/2001	120,000	EUR 6 months + 0.25%
P. Pref. Series B El Monte P. Pref. S.A. ....	ES0128469006	15/06/2006	37,000	EUR 12 months + 0.55%

The holders of these participating preference shares may acquire Series I Bonds by subscription on account of the cash received in the buyback of their participating preference shares.

- Series II will be entirely for the holders of the following participating preference shares, with the consequent exclusion of the shareholder's pre-emptive right of subscription (hereinafter referred to as "**Series II**").

<i>Name</i>	<i>ISIN</i>	<i>Issue date</i>	<i>Amount issued (€thousands)</i>	<i>Coupon</i>
P. Pref. Series I - Caja Canarias .....	ES0115009005	05/08/2009	67,031	EUR 3 months + 5.85%, with a minimum of 6%
P. Pref. Series D El Monte P. Pref. S.A. ....	ES0128469022	02/10/2009	250,000	EUR 3 months + 6.10%, with a minimum of 7%

The holders of these participating preference shares may acquire Series II Bonds by subscription on account of the cash received in the buyback of their participating preference shares.

- Series III will be entirely for the holders of the following participating preference shares, with the consequent exclusion of the shareholder's pre-emptive right of subscription (hereinafter referred to as "**Series III**").

<i>Name</i>	<i>ISIN</i>	<i>Issue date</i>	<i>Amount issued (€thousands)</i>	<i>Coupon</i>
1st Issue Participating Preference Shares Caja Navarra .....	ES0114965009	16/12/2009	100,000	8% until 24/12/2014. After said date, EUR 3 months + 5.00%, with a minimum of 6.50%
1st Issue Participating Preference Shares Banca Cívica	ES0848873008	18/02/2011	200,000	8.65% until 18/2/2015. After said date, EUR 3 months + 6.74%

The holders of these participating preference shares may acquire Series III Bonds by subscription on account of the cash received in the buyback of their participating preference shares.

As provided in section 1.7 hereunder, the acceptance of the buyback offer will be subject to the simultaneous irrevocable application for the subscription of Bonds.

By virtue of the foregoing and in accordance with the requirements of social interest and the reasons given in the corresponding directors' report as placed at the shareholders' disposal, the pre-emptive right that corresponds to the Company's shareholders over the Bonds issued by virtue of this agreement is fully excluded.

## **1.6 Remuneration**

### *a) Interest rate. Remuneration*

The General Shareholders Meeting resolves that the annual nominal rate of interest on the nominal value of the Bonds will be the following for each series (hereinafter referred to as the "**Remuneration**"):

- Series I will have a remuneration of an annual nominal rate of between 6% and 7% on the nominal value of the Bonds, where the Board of Directors has been expressly awarded with the power to specify the interest rate of the Bonds within the foregoing limits.
- Series II will have a remuneration of an annual nominal rate of between 7% and 8% on the nominal value of the Bonds, where the Board of Directors has been expressly awarded with the power to specify the interest rate of the Bonds within the foregoing limits.
- Series III will have a remuneration of an annual nominal rate of between 8.5% and 9.5% on the nominal value of the Bonds, where the Board of Directors has been expressly awarded with the power to specify the interest rate of the Bonds within the foregoing limits.

### *b) Accrual periods. Payment of the Remuneration*

The interest will accrue during each interest period, taken as the period that starts on the date on which the Bonds are recorded as book entries at Iberclear and its shareholders (hereinafter referred to as the "**Issue Date**"), inclusive, or on any anniversary of the Issue Date (inclusive) and that ends on the following anniversary of the Issue Date (exclusive), except for the last interest period, which will start on the last anniversary of the Issue Date (inclusive) and end on the Maturity Date (exclusive) (hereinafter referred to as the "**Interest Period**").

The Board of Directors is expressly awarded the power to establish the payment frequency of the coupon in each Interest Period, which will be subject to the provisions of section c) hereinunder in all cases. Therefore, the Remuneration of the Bonds will be paid to the bondholders and distributed in as many payments as determined by the Board of Directors, with a minimum of one annual payment (hereinafter referred to as the "**Payment Date**" and each one of said dates as a "**Payment Date**").

The financial service for the payment of the Remuneration will be provided by Banca Cívica by payment of the corresponding Remuneration into accounts through Iberclear's Shareholders, net of whatsoever applicable retention.

*c) Limitations to the right to Remuneration*

For the intents and purposes of the Bonds issued by virtue of this agreement counting as the Company's equity and that of the consolidated bank group, taken in accordance with the provisions of the Bank of Spain Circular 3/2008, dated 22 May, as sent to banks, and the determination and control of minimum equity in accordance with current legislation, in order to receive the Remuneration, the following four conditions must be met simultaneously:

- (i) obtaining sufficient Distributable Profits to attend the payment of the Remuneration and other issues of convertible and/or swappable securities similar to the Bonds, after deducting the remuneration of the participating preference shares, preference shares and similar securities issued by Banca Cívica or guaranteed by Banca Cívica;
- (ii) no limitations applied by Spanish or European legislation to current or future equity must be applicable;
- (iii) the Board of Directors of Banca Cívica must not have decided, at its sole discretion, to pay the Remuneration in accordance with the Company's liquidity and solvency or that of its consolidated group of banks, understood in accordance with the provisions of Bank of Spain Circular 3/2008 of 22 May, as sent to banks, on the determination and control of minimum equity; and
- (iv) the Bank of Spain must not have required the cancellation of the payment of the Remuneration based on the financial situation and solvency of Banca Cívica or that of its consolidated group of banks, understood in accordance with the provisions of Bank of Spain Circular 3/2008 of 22 May, as sent to banks, on the determination and control of minimum equity, in accordance with applicable legislation.

Should the payment of the Remuneration not be possible for any of the reasons provided in sections (i) to (iv) above, the Bondholder will not have the right to claim the payment of said Remuneration or convert and/or swap his Bonds. In said case, Banca Cívica will notify it as a relevant event as soon as possible after said event becomes known.

Notwithstanding the foregoing, when as a result of any of the cases provided in sections (i) to (iv) above the Remuneration is not paid partially or in full, Banca Cívica may pay dividends on its ordinary shares or perform whatsoever other share-out of cash amounts or amounts in kind on its ordinary shares.

*d) Cases of partial payment*

In the case where the limitations provided in epigraphs (i), (ii), (iii) and (iv) of section c) above are partially applicable, the Board of Directors may opt to declare a partial payment of the Remuneration.

The amount of Remuneration that will be received by the Bondholders or the holders of securities that are similar thereto will be set, in this case, in accordance with the total nominal amount of the Bonds or similar securities of the Company or the subsidiaries of the consolidated group of banks, understood in accordance with the provisions of the Bank of Spain Circular 3/2008 of 22 May, as sent to banks, on the determination and control of minimum equity, guaranteed by the Company and in circulation at the time of the payment and the remuneration provided for each specific case.

### **1.7 Subscription period. Irrevocable nature of the subscription orders**

The Board of Directors is awarded express powers of substitution to determine the date on which the subscription period will begin, after obtaining the necessary authorisations, where applicable, and it will also be awarded powers to determine, jointly and severally, the duration of the Bond subscription period (hereinafter referred to as the "**Subscription Period**").

The orders for accepting the buyback offer, which will also imply the simultaneous and irrevocable subscription of Bonds, will be irrevocable, except when, for whatsoever reason, the buyback offer is not made, in which case, all the orders processed until then will be automatically revoked. Therefore, the acceptance of the buyback offer will be subject to the simultaneous irrevocable application for the subscription for each of the bought-back participating preference shares, with the consequent obligation for the addressees to accept the offer of reinvesting all the price paid in cash on the aforementioned Bonds.

The Board of Directors is awarded express powers of substitution to define the procedure for the preparation, reception and processing of the subscription orders.

### **1.8 Incomplete subscription**

As indicated previously, the proposed resolution expressly provides the possibility of the incomplete subscription of the issue. Consequently, the issue will be limited to the amount corresponding to the nominal value of the Bonds effectively subscribed and paid out, where the rest will be rendered ineffective.

### **1.9 Maturity Date**

It is agreed to expressly award the Board of Directors the power to set the maturity date of the Bonds, which will not be later than 30 December 2018 (hereinafter referred to as the "**Maturity Date**").

On the Maturity Date, the Bonds that have not been converted into or swapped for shares in accordance with the provisions of section 2 hereunder will be converted or swapped mandatorily.

### **1.10 Order of priority. Covers**

The Bonds are positioned in order of priority:

- a) After all the common and subordinated creditors of Banca Cívica;
- b) After the participating preference shares, preference shares or similar securities Banca Cívica has issued (or guaranteed), may issue (or guarantee) or to which it has subrogated (or may subrogate);
- c) *Pari passu* with the other issues of debentures, bonds and other convertible and/or swappable securities similar to the Bonds that are issued or that maybe issued by Banca Cívica or an entity in its consolidated group of banks, understood in accordance with the provisions of Bank of Spain Circular 3/2008 of 28 May, as sent to banks, on the determination and control of minimum equity, with the Company's guarantee, or to which it has subrogated (or may subrogate); and
- d) Before the Company's ordinary shares.

The Bonds will have the Company's unlimited personal liability guarantee in all cases and in accordance with the aforementioned priority, but they will not have any additional guarantees.

## **2. CONVERSION AND/OR SWAP BASES AND MODALITIES**

### **2.1 Conversion and/or Swap Price and Ratio**

The conversion and/or swap ratio of the Bonds into ordinary shares of Banca Cívica will be as results from the quotient between the unit nominal value of the Bonds or, in the case of partial conversion, the nominal amount that is being converted and the value awarded to the ordinary shares of Banca Cívica for the intents and purposes of the conversion and/or swap (hereinafter referred to as the "**Conversion and/or Swap Ratio**"). Therefore, the number of Shares that will correspond to each Bondholder as a result of the conversion and/or swap will be the result of multiplying the Conversion and/or Swap Ratio by the number of Bonds owned by the investor.

For the intents and purposes of the Conversion and/or Swap Ratio, the conversion and/or swap price will be the value given to Banca Cívica's shares as determined in accordance with the weighted average of the weighted average changes of Banca Cívica's share corresponding to the 15 trading days prior to a Case of Conversion and/or Swap (rounded up or down, where applicable, to 3 decimal points), with the minimum and maximum limits specified hereunder for all the series (hereinafter referred to as the "**Conversion and/or Swap Price**").

Should said Price be equal to or less than €1.2, the Conversion and/or Swap Price will be €1.2. Furthermore, should said average price be more than €20, the Conversion and/or Swap Price will be €20.

The Board of Directors is expressly awarded the power to adjust the minimum and maximum limits provided in the foregoing paragraph at the time of the issue in accordance with market circumstances.

Therefore, the maximum number of shares to be awarded in the conversion and/or swap of all the Bonds will be 753,359,166 shares and a maximum total nominal value of €753,359,166, all without prejudice to (i) the Board of Directors using the power awarded to adapt the maximum and minimum limits in accordance with market circumstances at the time of the issue; and (ii) the application of the anti-dilution clauses.

Should this transaction give rise to fractions of a share, the Company will pay said fractions in cash.

### **2.2 Cases of Conversion and/or Swap**

The Bonds will be necessarily converted into and/or swapped for shares in the following cases (hereinafter referred to as the "**Cases of Conversion and/or Swap**"):

#### **1. Total Necessary Conversion and/or Swap**

In the following cases, all the Bonds in circulation at the time will necessarily be converted into and/or swap for Shares:

- (i) On the Maturity Date.
- (ii) If Banca Cívica adopts whatsoever corporate measure (other than merger, split and global assignment of assets and liabilities) for its voluntary or compulsory dissolution and liquidation.
- (iii) If Banca Cívica adopts whatsoever measure whose consequence is the approval of a reduction of its share capital in accordance with the provisions of article 320 and following or 343 by remission to article 418.3 of the Capital Companies Act;
- (iv) If Banca Cívica is declared bankrupt or if its intervention or the total and complete substitution of its bodies of administration or directors is agreed by the Bank of Spain.
- (v) If the consolidated group of banks, understood in accordance with the provisions of Bank of Spain Circular 3/2008 of 28 May, as sent to banks, on the determination and control of minimum equity, of which Banca Cívica is the parent company, enters into breach of the minimum equity coefficient at any time in accordance with current legislation.
- (vi) If, where applicable to Banca Cívica, the consolidated group of banks, understood in accordance with the provisions of Bank of Spain Circular 3/2008 of 28 May, as sent to banks, and the determination and control of minimum equity, of which Banca Cívica is the parent company presents a core tier 1 ratio of less than 7% calculated in accordance with the definition used in the EBA stress test of 2011, Banca Cívica may adopt the conversion and/or swap of the Bonds based on an evaluation of the financial situation and the solvency of Banca Cívica, after consultation with the Bank of Spain, even though said ratio has not been breached and when said breach is considered probable in the short term.

This case of necessary conversion and/or swap will remain valid until the EBA's recommendation (EBA/REC/2011/) is reversed or cancelled. In said case, Banca Cívica will issue a supplement to the Prospectus notifying the suitability of maintaining the application of this case of conversion and/or swap or, where applicable, issue the new terms and conditions that correspond to the application thereof.

- (vii) If Banca Cívica or the consolidated group of banks, understood in accordance with the provisions of Bank of Spain Circular 3/2008 of 28 May, as sent to banks, on the determination and control of minimum equity, of which Banca Cívica is the parent company, submits a core capital ratio of less than 5.125%, calculated in accordance with Circular 3/2008 or whatsoever other regulation on equity applicable at any given time.

If a minimum ratio other than the foregoing is approved (or, in accordance with the provisions of section (viii) hereunder, the concept of common equity Tier 1 ratio that is finally approved by the Community Regulation that is currently at consultation stage and scheduled to come into effect in 2013 differs from the core capital ratio), Banca Cívica will publish said circumstances by means of a relevant event sent to the National Securities Market Commission and, where applicable, by virtue of a supplement to the Prospectus, reporting on the new ratio that will give rise, where applicable, to the case of total necessary conversion and/or swap of the Bonds.

- (viii) If, with a Tier 1 capital ratio of less than 6%, calculated in accordance with Circular 3/2008, or any other Spanish regulation on equity applicable at any given time, Banca Cívica or its consolidated group of banks, understood in accordance with the provisions



of Bank of Spain Circular 3/2008 of 28 May, as sent to banks, on the determination and control of minimum equity, or consolidated subgroup present significant book losses. It will be understood that there are "significant book losses" when the accumulated losses over the last four closed quarters have reduced the prior reserves and capital of Banca Cívica or its consolidated group of banks, understood in accordance with the provisions of Bank of Spain Circular 3/2008 of 28 May, as sent to banks, on the determination and control of minimum equity, of which Banca Cívica is the parent company, or consolidated subgroup by one third.

- (ix) If, at any given time, the Bond issue is no longer counted as basic equity and/or core capital and/or, after the coming-into-effect of the aforementioned Community Regulation and subject to the following paragraph, as additional Tier 1.

In the case where, after the coming-into-effect of the aforementioned Community Regulation, the Bonds are no longer counted as additional Tier 1, Banca Cívica reserves the right to convert and/or swap the securities into shares or, alternatively and as long as it is not in detriment to the holders of the securities, to amend the terms and conditions of the issue to adapt it to the new requirements.

- (x) If there is an emergency situation in Banca Cívica or the consolidated group of banks, understood in accordance with the provisions of Bank of Spain Circular 3/2008 of 28 May, as sent to banks, on the determination and control of minimum equity, of which Banca Cívica is the parent company, as considered in banking regulations.
- (xi) If, in accordance with current banking regulations, there is a restructuring of the bank or its consolidated group of banks, understood in accordance with the provisions of Bank of Spain Circular 3/2008 of 28 May, as sent to banks, on the determination and control of minimum equity, of which Banca Cívica is the parent company.
- (xii) If the Bank of Spain or the competent authority determines at any time that: (i) the conversion of the Bonds is necessary to improve the financial situation and solvency of Banca Cívica or that of its consolidated group of banks, understood in accordance with the provisions of Bank of Spain Circular 3/2008 of 28 May, as sent to banks, on the determination and control of minimum equity, of which Banca Cívica is the parent company; and/or (ii) the conversion of the Bonds is necessary to avoid a situation of unviability, insolvency, bankruptcy or the incapacity of dealing with significant debt levels of Banca Cívica or that of its consolidated group of banks, understood in accordance with the provisions of Bank of Spain Circular 3/2008 of 22 May, as sent to banks, on the determination and control of minimum equity, of which Banca Cívica is the parent company; and/or (iii) Banca Cívica requires an injection of public capital or other means of public support to avoid a situation of unviability, insolvency, bankruptcy or the incapacity of dealing with significant debt levels of Banca Cívica or that of its consolidated group of banks, understood in accordance with the provisions of Bank of Spain Circular 3/2008 of 22 May, as sent to banks, on the determination and control of minimum equity, of which Banca Cívica is the parent company; or (iv) other similar circumstances.

Each of the aforementioned cases will be referred to as a "**Case of Total Necessary Conversion**".

In the Case of Conversion and/or Swap provided in paragraph (i) above, the Bondholders will have the right to receive the Remuneration accrued and not paid on the Maturity Date, as long

as they comply with the limitations for the payment of Remuneration. In the other cases, the Bondholders will not have the right to receive Remuneration on the conversion date and will receive only shares.

## *2. Total or Partial Necessary Conversion and/or Swap at the option of Banca Cívica*

On whatsoever Payment Date, Banca Cívica, at its sole discretion, may decide to necessarily convert and/or swap all or part of the Bonds, where the conversion and/or swap will be mandatory for all the Bondholders (hereinafter referred to as the "**Case of Conversion and/or Swap at the Option of Banca Cívica**").

If the conversion and/or swap is partial, it will be made by reducing the nominal value of all the Bonds in circulation by the percentage set by Banca Cívica for the partial conversion and/or swap.

In the Case of Conversion and/or Swap at the Option of Banca Cívica, the Bondholders will have the right to receive the Remuneration accrued and not paid on the Payment Date on which the Bonds are converted and/or swapped, including that which corresponds to the part of the nominal value of the Bonds that are not converted, as long as they comply with the limitations for the payment of Remuneration.

## *3. Adaptation of the Cases of Conversion and/or Swap*

The Board of Directors is expressly authorised to determine new cases of voluntary and necessary conversion and/or swap in the issue agreement and to amend those provided above as it considers appropriate.

In particular, the Board of Directors may adapt the foregoing cases or bring in new cases of voluntary or necessary conversion in response to the indications that may be made by the supervision authorities, especially the National Securities Market Commission and the Bank of Spain.

Furthermore, if, as the result of the approval of a new financial regulation, by whatsoever other amendment to legislation or changes to the interpretation thereof, it is necessary to adapt any of the Cases of Conversion and/or Swap, the Board of Directors will have the power to adapt the Cases of Conversion and/or Swap.

### **2.3 Conversion and/or Swap Procedure**

The Bonds will be converted into new-issue shares or circulating shares or a combination of both as decided by Banca Cívica.

The Board of Directors is awarded express powers of substitution to determine at any given time whether the applications for conversion are attended with new-issue shares or circulating shares or a combination of both, and so that, if the applications for conversion are attended partially or in full with new-issue shares, it may execute the capital increase agreements to the issue of the shares that are necessary for the conversion of the corresponding Bonds, carry out all the procedures that are necessary with Iberclear in order to register the shares that are issued and apply for the trading thereof on the Stock Exchanges of Madrid, Barcelona, Bilbao and Valencia via the Continuous Market and submit the required documents.

With regard to the Case of Conversion and/or Swap at the Option of Banca Cívica, when said case is partial, Banca Cívica will sign and submit for registration with the Companies Registry certificate of partial cancellation of the issue through the reduction of the nominal value of each Bond series.

#### **2.4 Anti-dilution clause**

In relation to the provisions of article 418.2 of the Capital Companies Act, anti-dilution mechanisms will be put in place on the Conversion and/Swap Price in accordance with usual practice in this type of transaction.

In whatsoever case, said anti-dilution mechanisms must take into consideration the conversion and/or swap bases and modalities provided above.

#### **2.5 Merger transaction with CaixaBank, S.A.**

On 26 March 2012, it was publicly announced by notification of a relevant event that the Boards of Directors of the Company and CaixaBank, S.A. had signed an agreement to start an integration process through merger by takeover of the Company by CaixaBank, S.A. (hereinafter referred to as the "**Merger**"). The aforementioned agreement was also signed by the savings banks that are the controlling shareholders of both banks, i.e. Caja de Ahorros y Pensiones de Barcelona ("la Caixa") in respect of CaixaBank, S.A. and Caja de Ahorros y Monte de Piedad de Navarra (Caja Navarra), Monte de Piedad y Caja de Ahorros San Fernando de Guadalajara, Huelva, Jerez y Sevilla (Cajasol), Caja General de Ahorros de Canarias (Caja Canarias) and Caja de Ahorros Municipal de Burgos (Caja de Burgos) in respect of the Company. On 18 April 2012, the Boards of Directors of CaixaBank, S.A. and the Company have drawn up and signed the corresponding merger project.

The execution of the Merger is subject to approval by the General Assemblies of the respective savings banks, the General Shareholders Meetings of the Company and CaixaBank, S.A. and the corresponding administrative authorities.

The Company intends to make the offer to buy back the participating preference shares and the consequent issue of the Bonds provided in this agreement before the execution of the Merger, where applicable. Therefore, if the Merger is executed, the Bonds will be converted into and/or swapped for shares in CaixaBank, S.A. as the bank taking over the Company, which it will succeed in its universal rights and obligations.

The Merger will not alter the terms and conditions of the Bonds (coupons, conversion and/or swap price, etc.), except for the minimum and maximum conversion and/or swap prices, which will be adapted, where applicable, when the merger is registered (and will be set at said time), in accordance with the Merger swap equation finally agreed by the General Shareholders Meetings of the Company and CaixaBank, S.A.

Furthermore, the terms and conditions that refer to specific parameters or ratios of the Company, will be understood as necessarily referring to CaixaBank, S.A. and/or its consolidated group of banks, understood in accordance with the provisions of Bank of Spain Circular 3/2008 of 22 May, as sent to banks, on the determination and control of minimum equity, of which Caja de Ahorros y Pensiones de Barcelona ("la Caixa") is the parent company.

The Company's Board of Directors is expressly awarded power to make all the references that are necessary in the final terms and conditions of the Bond issue provided in this agreement to appropriately show the amendments that would be made to the terms and conditions of the Bonds if the Merger is executed.

### **3. BONDHOLDERS' RIGHTS**

#### ***3.1 Political rights***

The legitimate holders of the current Bonds at any time will be part of the Bondholders Syndicate that will remain in effect until all the Bonds issued have been converted and/or swapped. The purpose of the Bondholders Syndicate is to unify and protect the rights and actions that correspond to the bondholders. The operation and regulation of the Bondholders Syndicate will correspond to the provisions of current legislation at all times.

The government of the Bondholders Syndicate will correspond to the General Assembly of Bondholders and the Commissioner.

The Board of Directors is awarded express powers to resolve on the fundamental rules that are to govern the relations between the company and the Syndicate. The Regulations of the Bondholders Syndicate may be consulted at any given time at the Company's offices and on its website.

#### ***3.2 Economic rights***

The bondholders will have the right to payment of the Remuneration and the conversion and/or swap of the Bonds into shares in accordance with the provisions of this agreement.

The bondholders will also be awarded anti-dilution protection in the circumstances and in accordance with the provisions of the Capital Companies Act and in whatsoever other that may be specified by the Board of Directors, where applicable, in accordance with usual practices in this type of transaction, in order to guarantee that said circumstances affect the Company's shareholders and Bondholders in the same way or, where applicable, to compensate the bondholders for the loss of expectations regarding the conversion and/or swap of the bonds into shares owing to unforeseen circumstances that may affect the Company.

The shares that are awarded to the Bondholders in exercise of the right of conversion and/or swap of the Bonds will award holders the right to participate in the share-out of company profits and the equity resulting from the liquidation under the same conditions as the other shares in circulation. The shares that are awarded will have the right to receive the dividends whose distribution is agreed after the shares have been awarded.

### **4. INCREASE OF CAPITAL**

In accordance with the provisions of article 414 of the Capital Companies Act and in order to attend all the applications for conversion through the issue of new shares, an increase in share capital is approved for the maximum amount required to attend the conversion of the Bonds that are issued. Regardless of whether the Conversion and/or Swap Price is variable, by establishing a minimum conversion and/or swap price, without prejudice to the award of powers to the Board of Directors to adjust the minimum limit of the Conversion and/or Swap

Price at the time of the issue in accordance with market circumstances and the application of anti-dilution clauses, the number of shares to be issued as a result of the conversion of all the Bonds will be 753,359,166 shares.

The General Shareholders Meeting awards the Board of Directors the power to execute, partially or in full and on each occasion, the increase in capital that is necessary to attend the application for conversion and/or swap of the Bonds through the issue of new ordinary shares of the same nominal value and the same rights as the shares in circulation on the date or dates of execution of the corresponding agreement for the increase. Each time the Board of Directors executes this agreement, the Company Bylaw on capital will be rewritten.

In accordance with the provisions of article 304 of the Capital Companies Act, the pre-emptive right in the increase or increases of capital resulting from the conversion of the Bonds will be excluded.

#### **5. BONDHOLDERS SYNDICATE**

In accordance with article 401 and following of the Capital Companies Act and the concordant articles of the Companies Registry Regulations, a Bondholders Syndicate will be incorporated.

#### **6. APPLICATION FOR TRADING OF THE BONDS ON THE FIXED INCOME AND REGISTERED DEBT ELECTRONIC MARKET OF THE STOCK EXCHANGE**

It is agreed to apply for trading of the Bonds on the Fixed Income and Registered Debt Electronic Market of the Stock Exchange.

It is also unanimously agreed to apply for trading of the shares that may be issued by the Company for the conversion of said Bonds on the Stock Exchanges of Madrid, Barcelona, Bilbao and Valencia, as well as any other markets on which the Company's shares have been accepted for trading.

It is expressly recorded that, if the exclusion of the listing of the securities that are issued is subsequently applied for, said exclusion will be adopted in accordance with the same formalities as those required by law and, in said case, the interests of the shareholders or bondholders who oppose or do not vote on the agreement will be guaranteed, in accordance with the requirements of the Capital Companies Act and concordant provisions, all in accordance with the provisions of the Stock Exchange Regulations, the Securities Market Act and consolidating provisions.

It is also expressly declared that the Company submits to the current or future regulations on Stock Exchanges and, in particular, on the contracting, permanence and exclusion of trading.

#### **7. AWARD OF POWERS TO THE BOARD OF DIRECTORS.**

Without prejudice to the awards of specific powers provided in the foregoing sections, it is agreed to authorise the Board of Directors, as broadly as required in law and with express power of substitution of Powers awarded to the Executive Committee, the Chairman, the Managing Director or one or more directors, the Secretary and the Vice-Secretary, as well as any of the General Directors, including Roberto Rey Perales holder of national identity document number 13141338-N, David Cova Alonso holder of national identity document number 42066973-L, Juan Odériz San Martín holder of national identity document number

18202993-B and M<sup>a</sup> Patrocinio Álvarez Padilla holder of national identity document number 33968662-P, all of Spanish nationality and of abode for these intents and purposes at Paseo de Recoletos No. 37, (28004) Madrid, to execute this agreement in the term of one year after the date of the General Shareholders Meeting, after which, if it has not been carried out, it will be rendered null and void, with particular powers for the following, by way of example but not limited thereto:

- (i) To extend and develop this agreement, setting the terms and conditions for the issue, together with the offer for the buyback of participating preference shares, for whatsoever circumstance not provided in this agreement. In particular but not limited thereto, to set the Issue Date for the Bonds, the term and procedure of the subscription, including the possibility of extending or reducing said term, and payout, the Remuneration, the coupon payment frequency, additional limitations to the right of Remuneration that are necessary in accordance with applicable legislation, the Maturity Date, the adaptation of the minimum and maximum conversion and/or swap price in accordance with market circumstances, additional Cases of Conversion and/or Swap, amendments to or adaptations of the cases of Conversion and/or Swap, anti-dilution mechanisms, including the mentions that are necessary to give an appropriate view of the amendments that would be made to the terms and conditions of the Bonds if the Merger referred to in epigraph 2.5 of this agreement is carried out, the fundamental rules and bylaws governing the Bondholders Syndicate and the appointment of the provisional Commissioner (and, where applicable, a substitute provisional Commissioner) and, in general, whatsoever other circumstances that are necessary for the issue of the Bonds and the offer for the buyback of participating preference shares.
- (ii) To draw up, sign and submit, where applicable, to the National Securities Market Commission or whatsoever other regulatory authority, as corresponds, in relation to the admission to trading of the Bonds, the Prospectus and the necessary supplements thereto, assuming responsibility accordingly, together with the other documents and information that are required in accordance with the Securities Market Act (Law 24/1988 of 28 July) and Royal Decree 1310/2005 of 4 November on the admission for trading of securities on official secondary markets, public offers of sale or subscription and the prospectus that may be required for said intents and purposes, as applicable. To make, on the Company's behalf, whatsoever action, declaration or procedure required with regard to the National Securities Market Commission, the Bank of Spain, Iberclear, the Governing Bodies of the Stock Exchanges and whatsoever other public or private, Spanish or foreign body, entity or registry in relation to the issue of Bonds and the offer for the buyback of participating preference shares as provided in this agreement.
- (iii) To publish the announcements of the issue, to appear before a Notary Public and sign and execute the corresponding public deed of issue of the Bonds provided under this agreement, together with the notarial certificate of subscription and the closure of the issue if said subscription is recorded separately and to apply for the registration of the aforementioned public deed and notarial certificate with the Companies Registry, where applicable.
- (iv) To specify at all times whether the applications for conversion are attended with new-issue shares or circulating shares or a combination of both, and, if the decision is taken to attend the applications for conversion partially or fully with new-issue shares, to increase the Company's capital, issuing and placing in circulation, one or more times, the

shares that represent said increase as necessary for the conversion of the Bonds, and to rewrite the Company Bylaw on capital, rendering null and void the part of said increase in capital that would not have been necessary for the conversion into shares and to apply for admission for trading on the Spanish Stock Exchanges and inclusion of the shares in issue on the Spanish Automated Quotation System (Spanish acronym: SIBE).

- (v) To correct, clarify, interpret, explain or complement the resolutions adopted by the General Shareholders Meeting or those that appear in the deeds or documents signed for the execution thereof and, in particular, the defects, omissions or errors of content or form that prevent the resolutions and their consequences from being registered with the Companies Registry, the Official Registries of the National Securities Market Commission or whatsoever other registry.
- (vi) To sign and execute on the Company's behalf the public or private documents that are necessary or appropriate for the buyback of participating preference shares and their subsequent amortisation, together with the issue of the Bonds provided in this agreement and, in general, to complete the procedures that are necessary for the best performance of this agreement and the effective buyback of the participating preference shares and the circulation of the Bonds.

