



**REPORT OF THE ACTIVITIES OF THE APPOINTMENTS
COMMITTEE OF CAIXABANK, S.A. CORRESPONDING
TO THE FINANCIAL YEAR 2015**

February 2016

This activity report has been approved by the **Appointments Committee** (hereinafter also called the "**Committee**") on 24 February 2016. Its content has been notified in the meeting held on 25 February 2016 by the Board of Directors of CaixaBank, S.A. (the "**Company**").

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During 2015, the **Appointments Committee** has advanced and consolidated the performance of its functions, acting at all times within its powers by adopting such resolutions and issuing as many reports as correspond or that have been expressly requested.

1. REGULATION

The **Remunerations and Appointments Committee** was created on 20 September 2007, by unanimous agreement of the Board. On 25 September 2014, in order to conform to the regulations introduced by Law 10/2014, of 26 June on ordinance, supervision and solvency of credit institutions, the Board of Directors agreed to divide this Committee, by which the Remunerations and Appointments Committee became the **Appointments Committee** and a Remunerations Committee was created.

The competences and operation of the **Appointments Committee** are described in article 40.5 of the Articles of Association and in article 14 of the CaixaBank Board of Directors Regulations.

2. COMPOSITION

As at 31 December 2015, and without any variation having occurred in its composition during 2015, the members of the **Appointments Committee** were:

- Mr. Antonio Sáinz de Vicuña Barroso, Chairman
- Ms. María Teresa Bassons Boncompie
- Ms. María Amparo Moraleda Martínez
- Secretary and Deputy Secretaries: those corresponding to the Board of Directors.

In accordance with that established in article 40.5 of the Articles of Association and in article 14.1 of the Board Regulations, the Appointments Committee must consist of directors which do not perform executive duties, in the number determined by the Board of Directors, with a minimum of 3 and a maximum of 5 members, with at least a

third of its members or a minimum of 2 having to be independent directors. Furthermore, the Committee Chairperson must be an independent director.

All of the board members which are part of the Appointments Committee are external: Ms. María Amparo Moraleda Martínez and Mr. Antonio Sáinz de Vicuña Barroso are independent directors and Ms. María Teresa Bassons Boncompte is a shareholding director.

The Secretary and Vice-Secretaries of the Board of Directors act as such in the Appointments Committee.

3. MEETING ATTENDANCE

In compliance with that established under article 14.4 of the Board Regulations, the **Appointments Committee** meets whenever deemed advisable for the proper development of its duties and may be called on the initiative of the Committee Chairperson or of two of its members, or at the request of the Board or of its Chairperson, as long as they request the issue of reports of the implementation of proposals.

During 2015, the **Appointments Committee** met on 14 occasions.

The attendance of its members to the **Appointments Committee** meetings during 2015 was as follows:

Number of meetings	14
Mr. Antonio Sáinz de Vicuña Barroso	14/14
Ms. María Amparo Moraleda Martínez	14/14
Ms. María Teresa Bassons Boncompte	13/14

In addition, the Managing Director of Human Resources and Company Organisation (until December 2015, Assistant Managing Director of Human Resources and Organisation) attended the meetings which dealt with matters related to his Department.

4. FULFILMENT OF DUTIES

This section contains a summary of the activity of the Appointments Committee, grouping the activities by their main features for their presentation.

Suitability

FIRST: In its meeting held on 12 March 2015, the **Appointments Committee** approved the suitability evaluation reports proposed for the board members **Mr Salvador Gabarró Serra, Mr. Gonzalo Gortázar Rotaeché, Mr. Arthur K.C. Li, Mr. Antonio Massanell Lavilla and Mr. Francesc Xavier Vives Torrents**

SECOND.- In the meeting held on 29 July, the **Appointments Committee** agreed to present before the Board of Directors the suitability report for the position of director of **Fundación Cajasol**, as a shareholding director, by proposal of Fundación Privada Monte de Piedad y Caja de Ahorros de San Fernando de Huelva, Jerez y Sevilla (Fundación Cajasol), Fundación Bancaria Caja General de Ahorros de Canarias-Fundación CajaCanarias, Caja de Burgos, and Fundación Bancaria Caja Navarra. Furthermore, it agreed to present before the Board the suitability report of the natural person who, if appointed as director of Fundación Cajasol, would be its representative, **Mr Guillermo Sierra Molina**.

THIRD.- In the meeting on 3 September, the **Appointments Committee** invited **Ms. Maria Veronica Fisas Vergés** in order to interview her and become familiar with her professional career, knowledge and experience, and capacity of dedication for the fulfilment of duties as CaixaBank director. The Committee agreed to evaluate her suitability to be proposed as independent director of CaixaBank to cover the vacancy arising from the death of Mr Leopoldo Rodés Castañé in the event that the Fundación Bancaria "la Caixa" consented to the position held by Mr Leopoldo Rodés as shareholding director to be occupied by an independent director.

FOURTH.- In the meeting held on 17 September, the **Appointments Committee** approved the proposed suitability evaluation report on **Ms María Verónica Fisas Vergés** to be named director of CaixaBank with an independent nature and to cover the vacancy arising from the death of Mr Rodés, presenting before the Board the approval proposal for this report and her appointment by co-optation for when the Bank of Spain/European Central Bank approved her suitability.

Subsequently, on 5 November and 10 December, the Appointments Committee clarified and extended the information requested by the Bank of Spain in relation to the suitability process for Ms. Fisas.

FIFTH.- On 5 November, the Appointments Committee was informed that the letter received from the European Central Bank confirmed to not have any objection to the appointment of **Fundación Privada Monte de Piedad y Caja de Ahorros de San Fernando de Huelva, Jerez y Sevilla (Fundación Cajasol)** as non-executive member of the CaixaBank Board of Directors, nor to the appointment of its representative, **Mr. Guillermo Sierra Molina**.

SIXTH.- In its meeting held on 10 December 2015, the **Appointments Committee** approved the continuous evaluation reports for all the directors, evaluation which was put forth in the Board meeting on 28 January 2016.

Appointment and renewal of members of the Board, its Committees and of Advisory Councils

FIRST.- On 29 January the **Appointments Committee** agreed to give a favourable report on the appointment of members of the **Girona Territorial Advisory Council and its Chairperson**, an agreement which was implemented by the Board of Directors on the same date.

SECOND.- In its meeting held on 12 March 2015, the **Appointments Committee**, with the next meeting of the Ordinary General Shareholders' Meeting to be agreed by the Board of Directors, agreed to present before the Board, for its submission to the General Meeting, the ratification of the appointments by co-optation and new appointments of:

- Mr Antonio Massanell Lavilla, at the proposal of the majority shareholder (indirectly), Fundación Bancaria “la Caixa”, and as executive director given the exercise of executive duties of senior management in the Company.
- Mr. Gonzalo Gortázar Rotaeché, as executive director; and
- Mr. Arthur K.C. Li, as "other external directors".

As well as the re-election of the following directors:

- Mr. Salvador Gabarró Serra, as shareholding director of Fundación Bancaria “la Caixa”, and
- Mr. Francesc Xavier Vives Torrents, as independent director.

In this same meeting, the **Appointments Committee** agreed to give a favourable report on the appointment of **Mr Antonio Pulido**, **Mr Julio Molinario** and **Mr Pedro Manuel Villafañé**, as members of the **Monte de Piedad Advisory Council**, agreement which was adopted by the Board of Directors on that same date.

THIRD.- In the meeting held on 22 April 2015, the **Appointments Committee** agreed to propose the following to the Board of Directors:

- In the event that **Mr Antonio Massanell Lavilla** were to be newly appointed director in the Ordinary General Assembly to be held the next day, his re-election as Vice-Chairman and member of the Executive Committee.
- In the event that **Mr Gonzalo Gortázar Rotaeché** were to be newly appointed director in the Ordinary General Assembly to be held the next day, to issue a favourable report on his appointment as Chief Executive Officer.
- In the event that **Mr Salvador Gabarró Sierra** were to be re-elected as director, his re-election as member of the Remunerations Committee and of the Audit and Control Committee; and

- In the event that **Mr Francesc Xavier Vives Torrents** were to be re-elected as director, his re-election as member of the Audit and Control Committee.

Similarly, the **Appointments Committee**, in light of that established under article 40 of the Articles of Association and in article 13 of the Board Regulations, according to which the Chairperson of the **Audit and Control Committee** must be replaced in this position every 4 years, agreed to issue a favourable report to the Audit and Control Committee on the appointment of **Mr Alain Minc** to occupy the position of Committee Chairman, as in May the 4 year period of **Mr Francesc Xavier Vives Torrents** as Chairman would come to an end.

In the Ordinary General Assembly of the Company held on 23 April 2015, the director ratification, appointment and re-election proposals gathered under the "SEVENTH" item of the Meeting Agenda, were approved with the following percentages of votes:

<u>Director</u>	<u>In favour</u>	<u>Against</u>	<u>Abstentions</u>
Mr Antonio Massanell	3,793,206,983	240,123,106	3,788,194
Mr Gonzalo Gortázar	4,016,554,899	15,285,126	5,258,230
Mr Arthur K.C.Li	3,776,618,769	257,589,247	2,910,267
Mr Salvador Gabarró	3,742,072,842	292,206,256	2,839,185
Mr Francesc X. Vives	4,025,659,415	7,509,705	3,949,163

In the Board of Directors meeting held by the Company on 23 April 2015, once the Ordinary General assembly had finished, the following was agreed:

- To re-elect **Mr Antonio Massanell Lavilla** as Vice-Chairman and member of the Executive Committee;
- To re-elect **Mr Gonzalo Gortázar Rotaeché** as Chief Executive Officer and, consequently, member of the Executive Committee;
- To re-elect **Mr Salvador Gabarró Serra** as a member of the Audit and Control Committee and member of the Remunerations Committee; and
- To re-elect **Mr Francesc Xavier Vives Torrents** as member of the Audit and Control Committee.

The Audit and Control Committee meeting held by the Company on 21 May 2015 agreed the appointment of Mr **Alain Minc** as Committee Chairman.

FOURTH.- In the meeting on 17 September, the **Appointments Committee** agreed to propose to the Board, prior approval of the Suitability evaluation report, the appointment by co-optation of **Ms María Verónica Fisas Vergés** to cover the vacancy produced by the death of Mr Leopoldo Rodés Castañé, as long as the Bank of Spain/European Central Bank approved her suitability.

FIFTH.- In its meeting held on 19 November, the **Appointments Committee** issued a favourable report on the appointment by co-optation of **Fundación Cajasol** as shareholding director, by proposal of Fundación Privada Monte de Piedad y Caja de Ahorros de San Fernando de Huelva, Jerez y Sevilla (Fundación Cajasol), Fundación Bancaria Caja General de Ahorros de Canarias-Fundación CajaCanarias, Caja de Burgos, Fundación Bancaria and Fundación Bancaria Caja Navarra, prior receipt of the letter from the European Central Bank in which it confirmed not to have any objection to the appointment of Fundación Cajasol as a director, nor with the appointment of Mr Guillermo Sierra Molina as its representative.

In the meeting of the Board of Directors held on that same day, it was the appointment of Fundación Cajasol as director was agreed and a record was made of the favourable suitability evaluation of its natural person representative, Mr Guillermo Sierra Molina.

Annual verification of the nature of the directors

In accordance with recommendation 13 of the Unified Good Governance Code of listed companies, and in compliance with the provisions of article 5 of the Board Regulations, the **Appointments Committee** proceeded to verify the nature of each director in its meeting on 23 February 2015.

Based on article 5 of the Board Regulations, the **Appointments Committee** verified that, out of the 19 directors which comprised the Board of Directors at that date, **2 were executive and 17 were external. Out of the 17 external directors, 10 were shareholding directors, 6 independent directors and 1 was neither, in the opinion of the Board, neither a shareholding nor an independent director.**

However, and without prejudice to the executive nature of the Vice-Chairman, the **Appointments Committee** recognised his consideration as a shareholding director.

Cargo	Carácter	Accionista al cual representa
Presidente		
Isidro Fainé Casas	Dominical	Fundación Bancaria "la Caixa"
Vicepresidente		
Antonio Massanell Lavilla	Ejecutivo / Dominical	Fundación Bancaria "la Caixa"
Consejero Delegado		
Gonzalo Gortázar Rotaèche	Ejecutivo	
Consejeros		
Fundación Bancaria Caja Navarra representada por Juan Franco Pueyo	Dominical	Fundación Bancaria Caja Navarra, Fundación Monte San Fernando, Fundación Caja Canarias y Fundación Caja Burgos, Fundación Bancaria
Fundación Monte San Fernando representada por Guillermo Sierra Molina	Dominical	Fundación Bancaria Caja Navarra, Fundación Monte San Fernando, Fundación Caja Canarias y Fundación Caja Burgos, Fundación Bancaria
Eva Aurín Pardo	Dominical	Fundación Bancaria "la Caixa"
María Teresa Bassons Boncompte	Dominical	Fundación Bancaria "la Caixa"
Salvador Gabarró Serra	Dominical	Fundación Bancaria "la Caixa"
Arthur K. C. Li	Otros Externos	
Javier Ibarz Alegría	Dominical	Fundación Bancaria "la Caixa"
Juan-José López Burniol	Dominical	Fundación Bancaria "la Caixa"
María Dolors Llobet María	Dominical	Fundación Bancaria "la Caixa"
Alain Minc	Independiente	
María Amparo Moraleda Martínez	Independiente	
Antonio Sáinz de Vicuña y Barroso	Independiente	
John S. Reed	Independiente	
Leopoldo Rodés Castañé	Dominical	Fundación Bancaria "la Caixa"
Juan Rosell Lastortras	Independiente	
Xavier Vives Torrents	Independiente	

Suitability, appointments and cessations Senior Management and Managers of internal control duties and other key positions

FIRST.- On 29 January 2015, the **Appointments Committee** issued a favourable report and agreed to propose to the Board the appointment of **Ms. María Victoria Matía Agell** as Executive Director of International Banking and member of the Management Committee in the place of Mr Ignacio Álvarez Rendueles.

The Board of Directors, in its meeting held on the same day, 29th January, approved the Suitability report for Ms. Matía and her appointment as Executive Director of International Banking and member of the Management Committee.

SECOND.- As appears in the THIRD point of section "**Appointment and renewal of members of the Board and its Committees**", on 22 April 2015 the **Appointments Committee** issued a favourable report and agreed to propose to the Board the naming of Mr **Gonzalo Gortázar Rotaèche** as Chief executive Officer, in the event of his appointment as director ere to be approved, which was agreed in the Board meeting held after the assembly.

THIRD.- In the meeting on 11 June, 7 July and 08 October 2015, and in relation to the cessation of the previous Chief executive Officer, **Mr Juan María Nin Génova**, in 2014, the **Appointments Committee** negotiated, in accordance with that agreed, possible performance of duties for him in various companies.

FOURTH.- In the meetings held on 5 November and 19 November 2015 the **Appointments Committee** studied the profile required for the position of manager of the Department of Internal Control, Money Laundering and Regulatory Compliance, assessing various candidates and agreeing, in its meeting on 10 December, to take before the Board the proposal of a suitability evaluation and to suggest the appointment of **Mr Manuel Barrachina Picó** as Deputy Director of the new Internal Control and Regulatory Compliance centre.

The Board of Directors, in its meeting on 17 December 2015, approved the Suitability Evaluation Report on Mr Manuel Barrachina Picó for the position of Deputy Director of CaixaBank Internal Control and Regulatory Compliance, as did they approve his appointment as Deputy Director of CaixaBank Internal Control and Regulatory Compliance.

FIFTH.- At its meeting held on 19 November 2015, the Appointments Committee addressed the implementation of a model of 3 lines of defence to structure the management and control of the Entity's risks.

SIXTH.- In its meetings held on 10 and 17 December, the Committee discussed the suitability evaluation of the Assistant Managing Director, **Mr Francesc Xavier Coll Escursell**, for the position of Managing Director, agreeing to issue a favourable report and propose to the Board his appointment as Managing Director of human resources and Organisation of CaixaBank, with the same duties that he had been performing until then.

The Board of Directors, at its meeting on 17 December 2015, approved the Suitability Evaluation Report on Mr Francesc Xavier Coll for the position of Managing Director of Human Resources and Organisation, and his appointment as such.

SEVENTH.-The Appointments Committee, in its meeting on 10 December 2015, issued a favourable report and agreed to propose before the Executive Committee the appointment of **Mr Carlos López Agudo** as **Regulatory Compliance Director**.

The Executive Committee, at its meeting on 17 December 2015, approved the proposed Suitability Evaluation Report on Mr Carlos López Agudo for the position of Director of the Regulatory Compliance Department and his appointment as such.

EIGHTH.- At the meeting on 17 December 2015, the **Appointments Committee** analysed the maintenance of the suitability conditions for management positions, approving its continuous evaluation reports.

Gender diversity

FIRST.- On 29 July, the **Appointments Committee**, in light of the vacancies produced in the Board of Directors by Fundación Monte San Fernando and by the death of Mr Leopoldo Rodés Castañé, and of those which could arise as a result of possible cessations in the next General Assembly, analysed the composition that the Board should have in the next few years, valuing aspects in relation to both the number of members and the presence of independent directors and of the least represented gender. Specifically, the advisability was analysed of naming a person of the least represented gender in the Board to cover the vacancy produced by the death of Mr Leopoldo Rodés Castañé, which led to the proposed appointment of Ms. Verónica Fisas, agreed by the Committee on 17 September.

SECOND.- At the meeting on 19 November 2015, the Appointments Committee discussed the evolution and situation of the Policies on equal opportunities and conciliation, as well as some of the proposed measures, such as the incorporation of a gender perspective to the succession planning, contemplating a temporary quota until reaching the set goal; the inclusion of diversity in the members of the Talent Committee; the preparation of specific development programmes for a group of women in the itineraries within the succession planning; and the provision in the selection processes of a short-list with, at least, one candidate of the least represented gender.

Furthermore, the **Appointments Committee** agreed to include gender plurality in the senior management selection framework established in the document on *Policy on selection and appointment of members of senior management and other key positions*.

Protocol of procedures for the selection and evaluation of suitability of positions

In the **Appointments Committee** meeting held on 29 July it was agreed to put before the Board of Directors the approval of a new *Protocol of procedures for the selection and evaluation of suitability of positions*, with the aim to establish procedures for the selection and evaluation of suitability of members of the Board of Directors, Managing Directors and similar, the positions responsible for duties related to internal control and other key positions of CaixaBank, S.A., as these are defined under applicable legislation and in order to adapt it to that established under article 24 and 25 of Law 10/2014, dated 26 June, on ordinance, supervision and solvency of credit institutions, 29 to 33, inclusive, of Royal Decree 84/2015, dated 13 February, by which the LOSS and remaining applicable standards are developed.

This agreement was materialised in the meeting held by the Board of Directors on 30 July 2015.

Director selection policy

In the meeting on 19 November, the Appointments Committee issued a favourable report to the Board for its approval on the Policy on the selection of board members, the aim of which is to establish the criteria to be taken into account by the CaixaBank Board of Directors in the selection processes related to the appointment or re-election of the members of the Board of Directors, all this conforming with the applicable legislation and the best practices of good governance.

The Board of Directors approved this Policy at its meeting on 19 November 2015.

Policy for selection and appointment of members of the senior management group and other key posts

In the meeting on 19 November, the **Appointments Committee** issued a favourable report to the Board for its approval on the *Policy on the selection and appointment of members of senior management and other key positions*, the aim of which is to establish the criteria to be taken into account by the CaixaBank Board of Directors in the selection and appointment processes the members of the senior management, all this conforming with the applicable legislation and the best practices of good governance.

This agreement was materialised in the meeting held by the Board of Directors on 19 November 2015.

Corporate governance policy

At the meeting on 19 November, the **Appointments Committee** reported favourably to the Board, for its approval, on the *Corporate governance policy*, the aim of which is to establish the criteria and guidelines which should regulate the organisation and operation of the governing bodies of the Company, based on and in development of the applicable standard and the best corporate governance. The Policy is based on the corporate values of CaixaBank (quality, trust and social commitment) and on the best practices of good governance, both national and international, also taking into account the good governance guidelines and criteria which arise from the supervisory bodies of the markets and other operators and, especially, on the recommendations from the Good Governance Code of the listed companies.

This agreement was materialised in the meeting held by the Board of Directors on 19 November 2015.

Monitoring of the impact of Law 10/2014 in terms of incompatibilities

FIRST.- In relation to Law 10/2014, on ordinance, supervision and solvency of credit institutions, and specifically with regard to the limitations on the maximum number of positions that a single member of the Board of Directors may occupy simultaneously, the

Appointments Committee analysed at its meetings on 29 January, 23 February, 12 March, 11 June, 17 September, 8 October and 505 November 2015 the situations which affected the board members **Ms. María Amparo Moraleda, Mr Alain Minc, Mr Juan Rosell and Mr Arthur Li**, agreeing for each case to perform the pertinent actions.

SECOND.- In several meetings of the **Appointments Committee** an account was given of the letters received from the Bank of Spain in relation to the inscription of variations in the duties of the board members, communicating the provisional nature of the comments attending to the policy which was being developed by the European Central Bank in relation to the interpretation of the limitations on the maximum number of posts that one member of the Board of Directors can hold at a time.

Succession

At the meeting of the Appointments Committee on 17 September, the actions were addressed in relation to that established by article 14.2 (vii) of the Board Regulations.

Corporate governance

At its meeting on 23 February 2015, the **Appointments Committee**:

- Agreed to formulate a **Report on the performance of duties of the Chairman and Vice-Chairman and Chief Executive Officer** corresponding to the financial year 2014;
- Approved the Report on Activities of the Committee corresponding to financial year 2014;
- Examined the draft of the **Annual Corporate Governance Report**, analysing the qualifications of the directors and showing its conformity, without prejudice to mentioning that the Vice-Chairman, as well as executive, was also considered a shareholding director, as has been explained in the point related to "**Annual verification of the nature of the directors**"; and
- Debated the need to establish the most suitable procedure for performing the periodic evaluation, at least annually, of the structure, size composition and actions of the Board and its committees, of its Chairman, Executive Director and Secretary, it being agreed by the Committee to develop the self-evaluation questionnaires in order to seek collaboration from a third party when this process had concluded.

In relation to these issues, it is noted that the **Appointments Committee**, and previously in meetings held in January 2016, proceeded to perform the evaluation of the Board of Directors, concluding that the valuation in terms of its composition, balance of knowledge, capacities and experience was positive, but improvement had to be made in terms of the presence of the least represented

gender in the Board, and, in addition, progressively reduce the number of components to 15, which could be achieved in a period of less than 5 years. Similarly, new self-evaluation forms were reviewed and approved, and it was deemed appropriate for help to be sought the next year from an external consultant.

Directors Training Programme

During the first semester of 2015, the director Training sessions continued which were considered in the Programme approved mid 2014 and which began that same year, with specific training sessions aimed at members of the Appointments Committee during the months of May and June 2015.

5. ASSESSMENT OF THE COMMITTEE OPERATIONS

The members of the **Appointments Committee** have carried out their self-evaluation in the meeting held on 24 February 2016. A questionnaire had been sent to each of the members, requesting their opinion on the composition, organisation and development of the duties commended to the Committee under the Board Regulations.

In light of the responses received, the **Appointments Committee** gave a favourable evaluation of the quality and effectiveness of the activities carried out by the Committee during 2015.

Barcelona, 24 February 2016

The Appointments Committee of CaixaBank, S.A.