



CAIXABANK, S.A. REMUNERATION COMMITTEE ACTIVITY REPORT 2020

December 2020

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This Activity Report was drawn up by the CaixaBank S.A. Remuneration Committee (hereinafter referred to as the “**Committee**”) via a written voting procedure on 15 December 2020, in accordance with the Company By-laws and the Rules of the Board of Directors, and will be submitted for approval by the Board of Directors of CaixaBank, S.A. (hereinafter referred to as “**CaixaBank**” or the “**Company**”) at its meeting to be held on 17 December 2020.

This Report will be available on CaixaBank’s corporate website (www.caixabank.com) together with all the other documentation made available by the Company to the shareholders for the 2021 Ordinary General Meeting.

During the financial year 2020, the Committee has furthered and consolidated the performance of its functions, acting within the scope of its responsibility at all times, adopting all the necessary resolutions and issuing all the relevant reports in accordance with current legislation or as expressly required.

1. REGULATION

The **Appointment and Remuneration Committee** was created on 20 September 2007 by unanimous resolution of the Board. On 25 September 2014 the Board of Directors agreed to amend the Rules of the Board of Directors to adapt them to the new provisions of Law 10/2014, of 26 June, regarding planning, supervision and solvency of credit institutions, and to consequently split the Appointment and Remuneration Committee into two Committees, i.e. an Appointment Committee and a Remuneration Committee, the Appointment and Remuneration Committee being renamed the Appointment Committee and a **Remuneration Committee** being created.

Its powers and functioning are described in Article 40.6 of the Company By-laws and Article 15 of the Rules of the Board of Directors of CaixaBank¹.

Until now, CaixaBank has not deemed it necessary for the Committee to have its own regulations governing its organisation and functioning, as the Committee’s functioning is governed in sufficient detail by the regulations included in Rules of the Board of Directors.

Also, the Committee’s composition and powers adhere to the criteria established in the *European Banking Authority Guidelines on sound remuneration policies (EBA/GL/2015/22)* and the recent *Guidelines on Internal Governance (EBA/GL/2017/11)*.

The functioning of the CaixaBank Remuneration Committee also adheres in general terms to the principles, criteria and best practice figuring in the *Technical Guide on Appointment and Remuneration Committees 1/2019 of the Spanish Securities Market Commission (CNMV)*.

¹ Both these documents are available on the Company’s website, www.caixabank.com.

2. COMPOSITION

A diverse committee, made up of non-executive Directors (the majority independent Directors, including its Chairwoman) with suitable knowledge and experience to perform its functions.

At the date on which this document was drawn up, the members of the Committee were as follows:

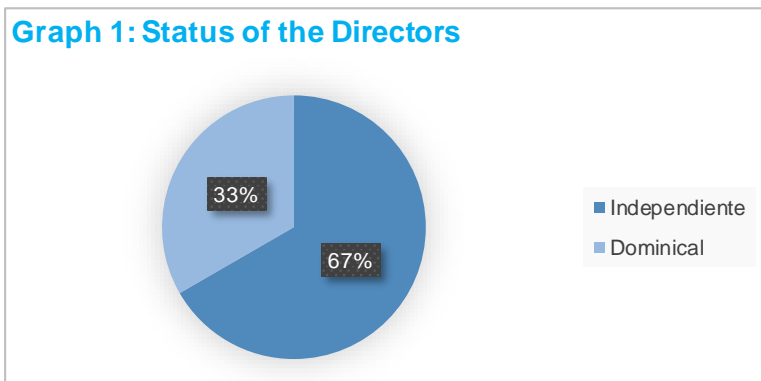
	Post	Status*	Committee member since**
María Amparo Moraleda Martínez	Chairwoman	Independent	25 September 2014
Alejandro García-Bragado Dalmau	Member	Proprietary	1 February 2018
Cristina Garmendia Mendizábal	Member	Independent	22 May 2020

Chart 1 Composition of the Remuneration Committee

*Graph 1

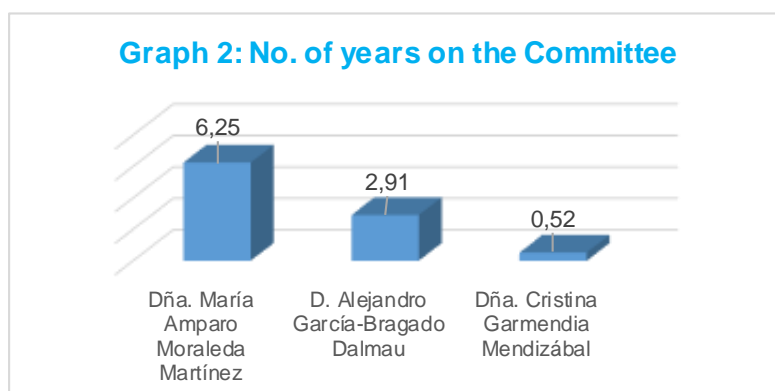
**Graph 2

The Committee consists exclusively of non-executive Directors. Two of its members (Amparo Moraleda and Cristina Garmendia) have the status of independent Directors. On 22 May 2020, the Board of Directors agreed to reorganise the composition of the committees, appointing Cristina Garmendia Mendizábal as a new member of the Remuneration Committee, replacing Verónica Fisas Vergés. The chart below shows the proportion of each type of Director.

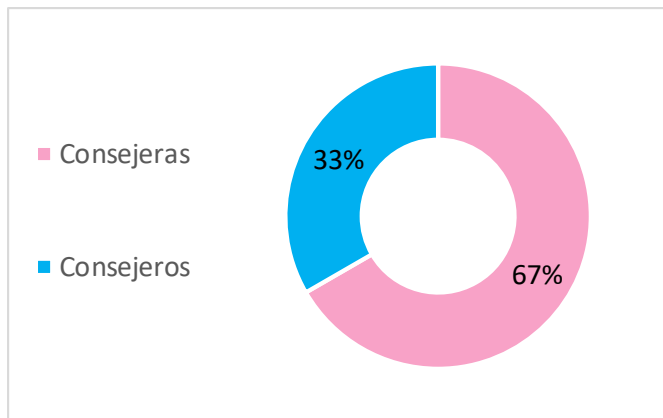


The Committee members were elected taking into consideration their knowledge and experience of the matters within the Committee's remit, and as a whole they have the relevant technical knowledge with regard to CaixaBank's business. The professional résumé of each of the Committee members is available for information purposes on the Company's website, www.caixabank.com.

The graph below shows the number of years each Director has been a member of the Committee.



With regard to gender diversity, the next graph shows the percentage of women on the Committee, which is currently 67%.



Graph 3. Gender Diversity. Remuneration Committee

As to cross-participation of the Committee members, the Committee Chairwoman is also a member of the Executive Committee and the Innovation, Technology and Digital Transformation Committee, and Ms. Garmendia is also a member of the Audit and Control Committee and the Innovation, Technology and Digital Transformation Committee.

The post of Secretary of the Committee, an advisory position, is held by the Secretary of the Board of Directors, who is also the Secretary General of CaixaBank, thus facilitating a smooth, efficient and dynamic relationship with the various Company Departments that collaborate with the Committee or provide it with information. The post of Deputy Secretary, also an advisory position, is held by the First Deputy Secretary of the Board of Directors.

3. THE COMMITTEE'S FUNCTIONING

3.1 Preparation

In order to prepare the Committee's meetings, its members are provided with the documentation for the meeting (draft agenda, presentations, reports, minutes of the previous meetings and any other supporting documentation) sufficiently in advance of each meeting, using specially designed computer tools to ensure the confidentiality of the information.

3.2 Attendance

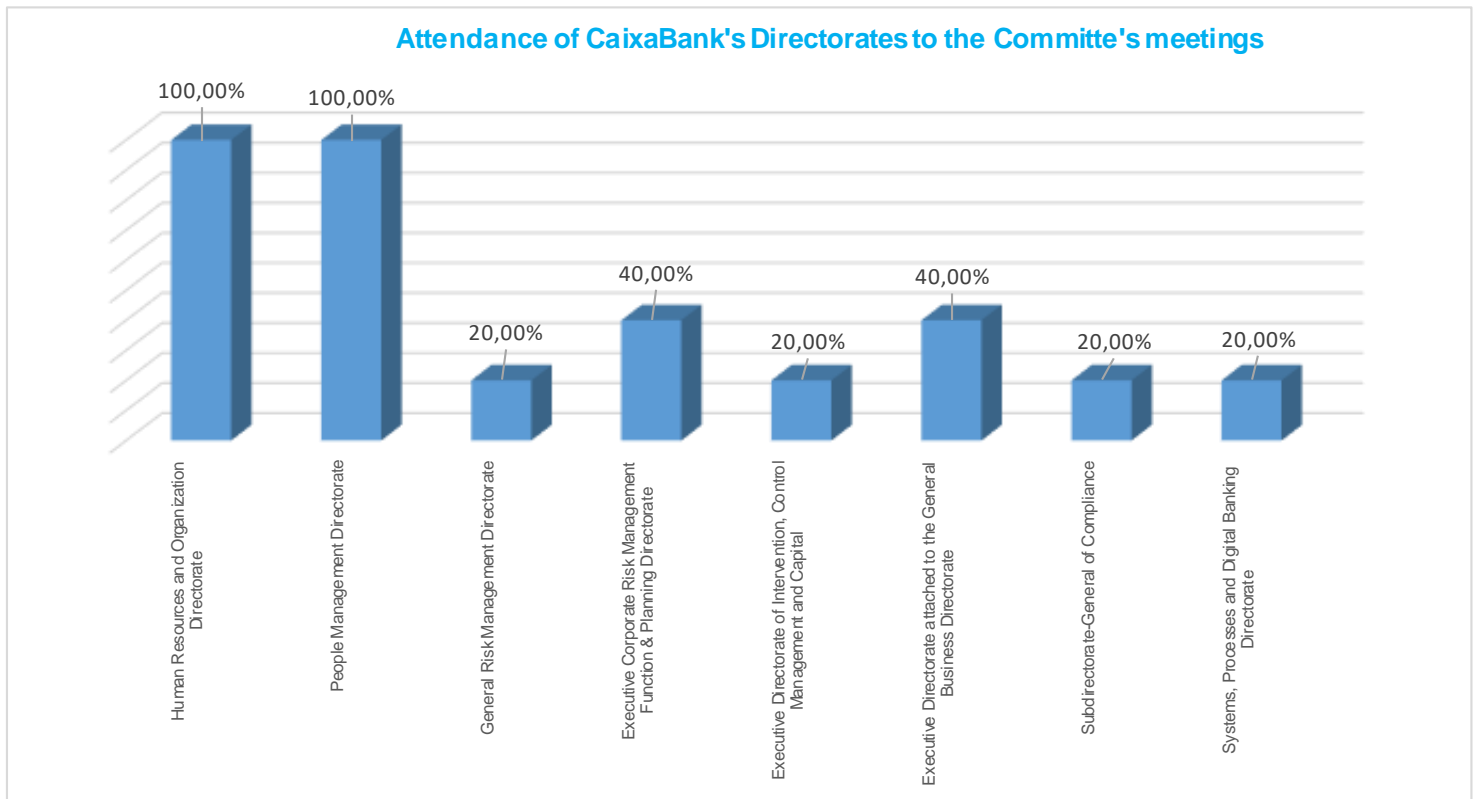
In accordance with its regulations, the Committee meets whenever necessary for the proper performance of its functions. Its meetings are called at the initiative of its Chairwoman or on request by two members of the Committee itself and whenever the Board of Directors or its Chairman request the issue of a report or adoption of a proposal.

In 2020 the Committee held 5 meetings, and it also adopted resolutions in writing without a formal meeting. The Committee members' attendance of the meetings, either present in person or represented by proxy, was as follows in 2020:

Number of meetings in 2020	5
Amparo Moraleda Martínez	5 / 5
Alejandro García-Bragado Dalmau	5 / 5
Verónica Fisas Vergés	3 / 3 ¹
Cristina Garmendia Mendizábal	2 / 2 ²

(1) Verónica Fisas Vergés was a member of the Committee until 22 May 2020
 (2) Cristina Garmendia Mendizábal has been a member of the Committee since 22 May 2020

All the meetings were attended by the Company's Managing Director of Human Resources and Organisation, and by the Manager of the People Department. In 2020, the following persons also attended as guests, invited by the Committee Chairwoman: the Chief Risk Manager, the Executive Director of Intervention, Management Control and Capital, the Assistant Executive Director of the General Business Management Division, the Subdirector General of Compliance, the Executive Director of Corporate Risk Management Function & Planning and the Manager of the Systems, Processes and Digital Banking Department. The Managers only attended the meetings for the specific agenda items on which they had been invited to speak.



3.4 Conduct of meetings

The Committee's system considers a meeting quorate when the majority of its members are present in person or represented by proxy. Members may delegate their proxy representation to another member. Resolutions are adopted by majority vote of the members attending in person or by proxy, and minutes of the resolutions adopted at each meeting are taken.

The Committee may request the attendance of persons from the organisation whose work is related to its functions, and it may obtain all necessary counselling for it to form an opinion on the matters within its remit. This is managed by the Secretary of the Board.

3.5 Reporting to the Board

The Committee, via its Chairwoman, reports to the Board of Directors on its activity and the work it has carried out, at the meetings held by the management body for this purpose. Similarly, in accordance with the amendment to the Rules of the Board of Directors approved in February 2019, a copy of the minutes of each meeting is sent or handed to each of the Directors.

4. PERFORMANCE OF FUNCTIONS

4.1 Introduction

In accordance with Article 15.3 of the Rules of the CaixaBank Board of Directors, the Remuneration Committee has the following basic functions:

- To prepare the decisions regarding remuneration, and, in particular, to inform of and propose to the Board of Directors the remuneration policy, the system and amount of the annual remuneration for the Directors and Senior Managers and the individual remuneration of the Executive Directors and Senior Managers, together with the other terms of their contracts.
- To ensure compliance with the remuneration policy for Directors and Senior Managers, and to inform of the basic terms established in the contracts signed with these Directors and Managers and compliance with the same.
- To report on and draw up the Company's general remuneration policy and, in particular, policies relating to categories of staff whose work has a significant impact on the Company's risk profile and those aimed at preventing or managing conflicts of interest with its customers.
- To analyse, draw up and periodically review the remuneration schemes, contemplating their adaptation and their performance and ensuring they are observed.
- To propose to the Board the approval of the remuneration reports or policies it must submit to the General Shareholders' Meeting, and to inform the Board of any remuneration-related proposals it intends to propose to the General Meeting, where the case may be.
- To consider the suggestions made to it by the Chairman, the Board members, the Managers or the Company's shareholders.

There follows a summary of the work done by the **Remuneration Committee** in 2020, grouping the activities together in accordance with its basic functions.

Before providing this summary, a brief description must be provided of certain circumstances that determined how the Committee exercised its powers this year.

In February 2020, the Board of Directors of CaixaBank called the Ordinary General Shareholders' Meeting for April 2, on first call, or April 3, on second call. In accordance with a report by the Remuneration Committee, the following proposals connected with remuneration aspects were submitted to the General Meeting: i) the remuneration policy for the CaixaBank Directors for the years 2020-2022, both inclusive; ii) the approval of the maximum number of shares to be delivered in the second cycle of the Annual Targeted Incentive Scheme linked to the 2019-2021 Strategic Plan for the executive Directors, the members of the Management Committee and the rest of the management team and key staff of CaixaBank and the companies in its Group, and iii) the approval of the maximum level of variable remuneration for employees whose work has a significant impact on the Company's risk profile, enabling it to reach two hundred percent (200%) of the fixed component of their total remuneration, with the sole purpose of increasing the Company's capacity to cater to the individual and collective commitments acquired with regard to termination payments on equal terms for all the members of the Identified Group and the rest of the staff for whom variable remuneration components had been acknowledged.

The General Meeting was subsequently called off due to the evolution of the exceptional situation caused by the worldwide COVID-19 pandemic. The CaixaBank Ordinary General Shareholders' Meeting was finally held on May 22. With regard to the remuneration proposals, only the Directors' Remuneration Policy for the years 2020-2022 was approved, both years inclusive, without prejudice to the Chief Executive Officer's waiver of his variable remuneration for 2020, the Board

having decided not to submit any further remuneration proposals, on proposal by the Remuneration Committee, due to the change in the existing environment.

4.2 Remuneration. Remuneration policy for Directors and Senior Managers. System and amount of annual remuneration

The most important aspects addressed by the Remuneration Committee in 2020 in compliance with its function of proposing and reporting to the Board of Directors on the remuneration policy, the system and amount of annual remuneration for Directors and Senior Managers on the Board of Directors and the individual remuneration of the Executive Directors and Senior Managers were as follows:

The Remuneration Committee studied the achievement of the corporate targets in the 2019 Bonus Scheme by the Chief Executive Officer, the rest of the Management Committee members and the Central Services staff, reporting favourably to the Board in this regard.

The Committee also studied the achievement of the individual targets for 2019 for the Chief Executive Officer, whose self-assessment was reviewed by the Chairman of the Board; the achievement of the targets by the members of the Management Committee and the Subdirector General of Compliance, whose self-assessment was reviewed by the Chief Executive Officer; and the achievement of the targets by the Executive Director of Corporate Risk Management Function & Planning, whose self-assessment was reviewed by the Chief Risk Manager, agreeing to submit them to the Board of Directors.

The Remuneration Committee reported favourably on the bonus proposal for 2019.

Following the Committee's study of the result of the metrics for the provisional incentive of the first cycle of the Annual Targeted Incentive Scheme linked to the 2019-2021 Strategic Plan, which had been checked by the Internal Audit Department, the Committee submitted to the Board of Directors its proposal for the provisional incentive for the first cycle of the Annual Targeted Incentive Scheme linked to the 2019-2021 Strategic Plan for the Chief Executive Officer, the members of the Management Committee, the Executive Director of Corporate Risk Management Function & Planning and the Subdirector General of Compliance.

The Committee also agreed to report favourably on the proposal for the wage terms for 2020 for the Chief Executive Officer, the members of the Management Committee, the Subdirector General of Compliance and the Executive Director of Corporate Risk Management Function & Planning.

The Remuneration Committee also studied and reported favourably to the Board on the 2020 bonus scheme and the specific corporate targets for 2020 for the Chief Executive Officer, the Management Committee and Central Services, which apply to the Subdirector of Compliance and the Executive Director of Corporate Risk Management Function & Planning, and also the proposal for the achievement scales for the corporate targets for 2020.

The Committee also reported favourably on the proposal for the 2020 corporate targets for the second cycle of the Annual Targeted Incentive Scheme linked to the 2019-2021 Strategic Plan.

It also reported favourably on the proposal for the 2020 individual targets for the Chief Executive Officer and the members of the Management Committee, and for the Subdirector General of Compliance and the Executive Director of Corporate Risk Management Function and Planning.

Following the Committee's adoption of the aforementioned resolutions, in view of the exceptional situation caused by the COVID-19 pandemic, both the Chief Executive Officer and the CaixaBank Management Committee waived their variable remuneration for 2020 with regard to both the annual bonus and the second cycle of the Annual Targeted Incentive Scheme linked to the 2019-2021 Strategic Plan. The Remuneration Committee therefore proposed to the Board that the long-

term Remuneration Plan should be amended, cancelling the second cycle and consequently not submitting the proposal for allocation of shares to the Ordinary General Shareholders' Meeting held on 22 May.

4.3 Observance of the Remuneration Policy for Directors and Senior Managers – Information on the basic terms established in Directors' and Senior Managers' Contracts

With regard to the function of reporting and proposing the Policy for Directors and Senior Managers to the Board of Directors, the Committee reported favourably on amending the Directors' Remuneration Policy, so that among other aspects it could expressly include the remuneration of the Directors belonging to the Innovation, Technology and Digital Transformation Committee and the establishment of a new weighting for the parameters for the Core Efficiency Ratio and Changes in Troubled Assets for the corporate targets. A further addition was envisaging that on conclusion of the current long-term incentive scheme a new long-term incentive scheme could be submitted to the General Shareholders' Meeting for approval, where the case may be. The content of the Remuneration Policy is taken to be without prejudice to the Chief Executive Officer's waiver of his variable remuneration for 2020.

4.4 General Remuneration Policy. Remuneration Policy for the Identified Group

In compliance with their function of reporting and drafting the policies corresponding to the categories of employees whose work has a significant impact on the Company's risk profile, the Remuneration Committee reported favourably on an amendment of the Remuneration Policy for the Identified Group of the CaixaBank Group, in order to change the link between the RAF and the 2020 bonus for the Identified Group.

The Committee also reported favourably on amending the Annual Incentive Scheme Rules so that the communication periods for both the allocation of units to each beneficiary and the provisional incentive and determination and delivery of the final number of shares could be extended to a maximum of 30 days from the date of the General Shareholders' Meeting.

The Remuneration Committee also studied the main implications of the new CRD-V and the anticipated changes to the EBA's draft Regulatory Technical Standards (RTS), consisting of an amendment of Delegated Regulation (EU) No. 604/2014, a regulation that will oblige amendment of the Policy for the Identified Group.

Finally, in accordance with the Audit Planning concerning remuneration in 2020, the Committee was informed of the review of compliance with the remuneration standards and procedures established in the current legislation by the Remuneration Policy for the Identified Group of the CaixaBank Group in 2019; the review of the adaptation to the applicable legislation of the application of the Remuneration Policy for the Identified Group in 2019 and the procedure for review of the composition of the Identified Group in 2020 for VidaCaixa; the review of the adaptation to the applicable legislation of the application of the Remuneration Policy for the Identified Group in 2019 and the procedure for determining the Identified Group for 2020 for MicroBank; the review of the determination of the 2020 Identified Group in accordance with Royal Decree 604/2014 for CaixaBank, and the exclusion requirement established by the European Central Bank in decision 2015/2218 of 20 November. The Committee was also informed of the Audit work ongoing or planned with regard to different issues such as validating that the Remuneration Policies for the Identified Group of Banco BPI meets the requirements established in the current legislation (in progress); the review of the determination of the 2020 Identified Group in accordance with Royal Decree 604/2014 and Decision 2015/2218 for BPI (in progress); the review of the adaptation to the applicable legislation of the application of the Remuneration Policy for the Identified Group in 2019 and the review of the composition of the 2020 identified group for BPI Vida e Pensões (in progress); the review of the bonus scheme for Private Banking (in progress); and the adaptation of the Remuneration Policy to the legislation, the reasonableness of the 2020 Identified Group and the application of the Remuneration Policy for the 2019 Identified

Group for CaixaBank Asset Management, BPI Gestão de Activos and CaixaBank Asset Management Luxembourg (planned).

4.5 Study, drafting and review of remuneration schemes

With regard to the Committee's function of studying, drawing up and periodically reviewing the remuneration schemes, assessing their suitability and performance and ensuring they are observed, the most important aspects dealt with by the Committee were as follows:

The Committee studied the result of the metrics for the provisional incentive of the first cycle of the Annual Targeted Incentive Scheme linked to the 2019-2021 Strategic Plan, which had been checked by the Internal Audit Department.

The Remuneration Committee also reported favourably on the beneficiary proposal for the second cycle of the Annual Targeted Incentive Scheme linked to the 2019-2021 Strategic Plan.

The Committee also reported favourably on the proposal for the maximum number of shares to be submitted to the General Meeting for the second cycle of the Annual Targeted Incentive Scheme linked to the 2019-2021 Strategic Plan, which is a higher number than in the first cycle due to the price drop, although this does not imply a change of target or aim.

For the exceptional reasons referred to in section 4.1 above, after having adopted the aforementioned resolutions, the Remuneration Committee proposed to the Board that the long-term Remuneration Plan should be amended, cancelling the second cycle.

The Committee also proposed to the Board of Directors the approval of the amendment of the 2019-2021 Annual Targeted Incentive Scheme Rules, so that the communication periods for the allocation of units to each beneficiary and for the provisional incentive and determination and delivery of the final number of shares could be extended to a maximum of 30 days from the date of the General Shareholders' Meeting.

4.6 Proposals to the Board for Remuneration Reports or Policies to be submitted to the General Meeting. Reporting to the Board on proposals to the General Meeting

In accordance with its function of making proposals to the Board regarding approval of the remuneration reports or policies to be submitted by latter to the General Shareholders' Meeting, and reporting to the Board on any remuneration-related proposals to be proposed by the latter to the General Meeting, where the case may be, the Remuneration Committee reported favourably on amending the Directors' Remuneration Policy for 2020-2022, as already mentioned in section 4.3 above.

Similarly, with regard to the proposal for the maximum level of variable remuneration of certain employees whose work has a significant impact on the Company's risk profile being up to two hundred percent (200%) of the fixed component of their total remuneration, the Committee reported favourably to the Board of Directors on the draft detailed Recommendation.

The Remuneration Committee also reported favourably on the proposal for delivery of shares to Executive Directors and Senior Managers as part of the Company's annual variable remuneration scheme.

For the exceptional reasons mentioned in section 4.1 above, following the adoption of the aforementioned resolutions, the Remuneration Committee expressed its agreement that a detailed proposal for the maximum level of remuneration of certain employees whose work has a significant impact on the Company's risk profile being up to two hundred percent (200%) of the fixed component of their total remuneration should not be submitted to the General Meeting this

year. It also expressed its agreement that the proposal for allocation of shares should not be submitted to the Ordinary General Meeting held on May 22.

Finally, the Remuneration Committee reported favourably to the Board on the draft Annual Report on Remuneration of Directors of Listed Limited Liability Companies for 2019 for CaixaBank, which had been reviewed by the Internal Audit Department, so that it could ultimately be submitted to the General Meeting.

At the Company's Ordinary General Meeting of 22 May 2020, the draft amendment of the Directors' Remuneration Policy for 2020-2022 (both years inclusive), which figures in item "NINE" of the agenda of the General Meeting, was approved with the following vote percentages:

<u>Proposal</u>	<u>Votes for</u>	<u>Votes against</u>	<u>Abstentions</u>
Directors' Remuneration Policy 2020-2022	93.8268%	5.6886%	0.4846%

4.7 Sundry

The Remuneration Committee studied the costs incurred by the Directors in 2019 as compared to those of 2018, which have been verified by the Internal Audit Department, expressing their agreement with their annual review.

5. ASSESSMENT OF THE COMMITTEE'S FUNCTIONING

Favourable report on the quality and effectiveness of the Committee's functioning, drawn up in 2020.

In accordance with Article 15.4 vi) of the Rules of the Board of Directors of CaixaBank, S.A., the Committee must draw up an annual report on its functioning, noting the main incidents that have occurred in relation to its functions, if this should be the case. This report, together with other reports where the case may be, will serve as a basis for the assessment by the Board of Directors. Also, if the Committee deems it appropriate, it will include suggestions for improvement in this report.

On assessing the functioning of the Remuneration Committee, its members were asked for their opinion on the composition, organisation and performance of the functions entrusted to the Committee in the Company By-laws and the Rules of CaixaBank's Board of Directors, and the rest of the Directors were also asked their opinion.

Barcelona, 15 December 2020

The Remuneration Committee of CaixaBank, S.A.