



**REASONED PROPOSAL ON THE AMENDMENT OF THE
REMUNERATION POLICY FOR THE BOARD OF DIRECTORS
(ARTICLE 529 *NOVODECIAS* OF THE SPANISH CAPITAL
ENTERPRISES ACT)**

Board of Directors- 30 march 2021

Article 529 *novodecies* of the current Corporate Enterprises Act¹ imposes the obligation on listed companies to have their Board of Directors draw up a remuneration policy (the “Remuneration Policy”) and lay it before shareholders at the Annual General Meeting for approval.

In relation to the members of the Board of Directors acting in their capacity as such (i.e. without taking into account remuneration for executive duties discharged by executive directors), the Remuneration Policy must establish their remuneration within the system provided for in the By-laws and must necessarily state the maximum amount of annual remuneration payable to all Board members for their status as such.

With regard to Directors performing executive functions (executive directors), the Remuneration Policy must also contemplate the amount of fixed annual remuneration and its variation in the period referred to in the policy, the different parameters for establishing the variable components and the main terms and conditions of their contracts, particularly including the duration, indemnity payments for early termination or termination of the contractual relationship and any exclusivity, post-contractual non-competition and minimum contract commitment or loyalty agreements.

Any remuneration received by the Directors for occupying or terminating their posts and for performing executive functions must be in accordance with the current Remuneration Policy at each given time, except in the case of remunerations expressly approved by the General Meeting.

The Remuneration Policy must be in accordance with the system established by the Company bylaws and must be approved by the General Meeting at least every three years, as a separate item on the agenda. After its approval, the Remuneration Policy will remain in force for the three financial years following the year in which it was approved by the General Meeting, and any amendment thereof during this period will require a new prior approval of the General Meeting again and must be reasoned and accompanied by a specific report drawn up by the Remuneration Committee. Both documents must be made available to the shareholders on the company website from the date on which the General Meeting is called; the shareholders may also request that they be delivered or sent to them free of charge, and this right must be mentioned in the call announcement.

The Annual General Meeting held on 22 May 2020 approved the Remuneration Policy for financial years 2020 to 2022, which is currently in force. However, as a result of the merger by absorption of Bankia, S.A. by CaixaBank (the “Merger”) and the changes arising therefrom, the Board of Directors considers it necessary to amend the Policy for the following reasons:

- (i) Jordi Gual Solé is to stand down from his post as non-executive Chairman of the Board of Directors effective 26 March 2021 upon filing the Merger resolution at the Companies Registry.

¹ Royal Legislative Decree 1/2010, of 2 July, approving the revised text of the Spanish Companies Act.

- (ii) José Ignacio Goirigolzarri Tellaeche to be appointed director with effect 26 March 2021 upon filing the Merger resolution at the Companies Registry. On 30 March 2021, he was appointed Executive Chairman.
- (iii) To amend the maximum annual amount of the remuneration payable to directors in their capacity as such.
- (iv) To fix the maximum number of shares that executive directors may receive assuming all targets relating to the third cycle of the Conditional Annual Incentive Plan linked to the 2019-2021 Strategic Plan are met.
- (v) To introduce a new section titled “Subject matter and scope”.
- (vi) To introduce a new sub-section on the specific procedure and rules to be followed when approving the contract of an executive director.
- (vii) To adapt to best practices in relation to remuneration at credit institutions.

Other formal changes (i.e. dates, years) are also to be made to bring the Remuneration Policy up to date with the changes described above.

As a result of the foregoing, the Board of Directors of CaixaBank, S.A., at its meeting of 30 March 2021, resolved to approve the proposed amendment to the Remuneration Policy for financial years 2020 to 2022, both inclusive —the amended text of which will replace and supersede the text approved at the Annual General Meeting of CaixaBank held on 22 May 2020, without prejudice to the effectiveness of any business carried out while that previous text remained in force— and to lay it before shareholders for their approval at the Annual General Meeting, as a separate item on the agenda.

Likewise, at the same meeting, the Board of Directors of CaixaBank resolved to acknowledge the Remuneration Committee’s mandatory report regarding amendment of the Remuneration Policy, the content and reasoning of which are acknowledged by the Board and form an integral part of its proposal.

Appendix 1 Amended Remuneration Policy of the Board of Directors to be submitted to the Annual General Meeting for approval.

Appendix 2 Report of the Remuneration Committee on the proposed amendment of the Remuneration Policy of the Board of Directors.

Appendix 1

Directors' Remuneration Policy

Article 529 *novodecies* of the Spanish Corporate Enterprises Act

CaixaBank, S.A.

DIRECTOR REMUNERATION POLICY (2020-2022)

Valencia, 30 March 2021

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1. INTRODUCTION

Article 529 novodecies of the current Corporate Enterprises Act¹ (LSC) obliges listed companies to prepare a remuneration policy for their board of directors and submit it to the annual general meeting for approval.

On 22 May 2020, the Annual General Meeting approved the 2020-2022 Director Remuneration Policy, which remains in force. This is being amended for the remaining period to reflect the merger by absorption of Bankia, S.A. by CaixaBank (the "Merger") and the new composition of the Entity's Board of Directors.

The remuneration policy of the Board of Directors of CaixaBank, S.A. (CaixaBank, the Company or the Entity) applicable from the date of its approval until 2022 (the Remuneration Policy or the Policy) is described below. The modifications are detailed in the mandatory report by CaixaBank's Remuneration Committee dated 26 March 2021 and the reasoned proposal of CaixaBank's Board of Directors of 30 March 2021.

If approved by the Annual General Meeting on May 13, 2021, at first call or on May 14, 2021, at second call, this Director Remuneration Policy will fully replace the one approved at the 2020 Annual General Meeting, notwithstanding the effects produced and consolidated by it.

2. OBJECTIVE AND SCOPE

The objective of this Policy is to establish a comprehensive regulatory framework for the remuneration of members of the Board of Directors of CaixaBank, respecting the provisions of the By-laws and other internal and external regulations. This remuneration system must be compatible with CaixaBank's business strategy and proportional with the scale of the Entity, its business situation and market standards among comparable companies.

The Policy seeks to define the Entity's remuneration practices for its directors clearly and concisely, in accordance with article 217 of the LSC. Its aim is to foster the long-term profitability and sustainability of CaixaBank while incorporating the caution needed to avoid excessive risk taking and rewarding unfavourable results.

This Policy only applies to members of CaixaBank's Board of Directors.

In accordance with article 529 novodecies of the LSC, this Policy is subject to approval by the Annual General Meeting, as a separate item on the agenda, at least every three years.

3. PRINCIPLES OF THE REMUNERATION POLICY

The general principles of remuneration at CaixaBank are as follows:

- The overall remuneration policy focuses on fostering behaviour to ensure long-term value creation and results that are sustainable over time. Consequently, the variable remuneration takes into account not only the achievement of targets but also the way in which these targets are met, ensuring prudent risk management.

¹Royal Legislative Decree 1/2010, of 2 July, approving the revised text of the Spanish Companies Act.

- The professionals' individual targets are defined on the basis of the commitment the professionals assume and establish with their managers.
- The remuneration policy's strategy for attracting and retaining talent is based on the employees and professionals becoming involved in a distinctive social and business endeavour and developing professionally with competitive overall remuneration conditions.
- As part of these overall compensation conditions, the Remuneration Policy seeks to ensure that total fixed remuneration and social benefits are highly competitive, basing the Entity's ability to attract and retain talent on these two remuneration components.
- The main component of the benefits provided is the corporate pension scheme offered to employees and professionals, which stands out in comparison to other Spanish financial institutions and is a key feature of their remuneration.
- Fixed remuneration and employee benefits constitute the bulk of the overall remuneration package, in which variable remuneration tends to be conservative and moderate as it carries risk.
- The promotions system is based on an appraisal of skills, performance, commitment and professional merit of employees over time.
- Remuneration of senior management is established within the general framework defined in this Remuneration Policy, and is approved by the governing bodies of CaixaBank.

Members of board of directors are also subject to a number of general remuneration policy principles, as stipulated in Article 33 of Law 10/2014 of 26 June on the regulation, supervision and solvency of credit institutions (the LOSS) and its implementing regulations, applicable to persons whose activities have a material impact on the risk profile of the institution and its group (the Identified Staff).

4. DIRECTORS' REMUNERATION FOR MEMBERSHIP OF THE BOARD

4.1 Components of remuneration

In accordance with the By-laws, remuneration of CaixaBank directors for membership on the Board of Directors (Directors for membership of the Board) comprises only non-variable items.

Directors with no executive duties have a purely organic working relationship with CaixaBank; As such they do not have contracts with the Company and are not entitled to any form of payment for termination of their position as a Director.

The By-laws state that Directors' remuneration for membership of the Board shall consist of a fixed annual amount to be determined by the General Meeting, and that this shall remain in force until the General Meeting resolves to modify it.

The amount established by the Annual General Meeting shall be used to remunerate the Board of Directors and its Committees, and shall be distributed as deemed appropriate by the Board, on the recommendation of the Remuneration Committee, both in terms of remuneration to members according to the duties and position of each member and to the positions they hold in the Committees and with regard to frequency and form, i.e. attendance fees, Bylaw-stipulated remuneration, etc. As a result of the above, this distribution may give rise to several different payments to each director.

Any future remuneration proposals based on shares, share options or remuneration benchmarked against the share price must be approved by the Annual General Meeting, in accordance with the LSC and the By-laws. As Board members, Directors are covered by the civil liability policy for the directors and executives of the CaixaBank Group (the CaixaBank Group or the Group), which covers any liabilities arising from the performance of their duties.

4.2 Projected remuneration for 2021 and subsequent financial years

a) Remuneration envisioned for 2021

The maximum annual remuneration for Directors as members of the Board, not considering any executive duties, is € 2.925.000. This amount has been submitted to the 2021 Ordinary Annual General Meeting for approval.

The maximum amount mentioned above will remain invariable in future years, until the General Shareholders Meeting agrees on a new figure.

The current distribution among the members, agreed upon by the Board of Directors, is as follows:

- € 90.000 per year for each member of the Board of Directors.
- An additional € 30.000 annually for each member of the Appointments Committee or the Remuneration Committee.
- An additional € 30.000 annually for each member of the Innovation, Technology and Digital Transformation Committee. While the Chairman of the Board of Directors and the Chief Executive Officer sit on this committee, they do not receive remuneration for their seats.
- An additional € 50.000 annually for each member of the Executive Committee, the Audit and Control Committee and the Risks Committee, in view of their responsibilities and the dedication required.
- The remuneration paid to the Chairmen of the Board Committees shall be 20% more than that paid to the Committee members.
- The Coordinating Director receives remuneration of € 38.000 per year. The remuneration of the Coordinating Director was approved by the Board of Directors on 23 November 2017, within the overall limit approved by the Annual General Meeting.

The criteria for distributing the maximum remuneration among the Directors will remain the same until the Board of Administration approves a different distribution, which is within its competences under the LSC and the By-laws, considering criteria such as the dedication required of the Directors, duties on the Board, and membership of Committees and the complexity of these.

b) Remuneration in subsequent years

The remuneration of Directors for membership of the Board (i.e. without considering Directors' remuneration for performance of executive duties) in future years will depend on the By-law stipulations at the time and the maximum remuneration set by the Annual General Meeting. As a result, this Remuneration Policy shall be deemed to have been amended with regard to the remuneration for Directors for membership of the Board whenever the Annual General Meeting approves a maximum amount other than that established in section 4.2a).

Any future proposals for remuneration based on the By-laws must be approved pursuant to the precepts of the Corporate Enterprises Act and the By-laws. Any share-based payments shall require the approval of CaixaBank's Annual General Meeting.

5. DIRECTORS' REMUNERATION FOR EXECUTIVE DUTIES

5.1 Executive directors' contracts

When a member of the Board of Directors is appointed Chief Executive Officer or is assigned executive duties in some other form (Executive Directors), they must sign a contract with the Entity, which must first be approved by the Board of Directors with a vote in favour by two thirds of its members. The Director in question must abstain from the deliberations and from voting.

The contracts of Executive Directors stipulate all the concepts for which they can receive remuneration for their executive duties. Directors may not receive any remuneration for performance of executive duties other than for the amounts and concepts in their contracts. All contracts must comply with the provisions of this Policy.

5.2 General description and materiality of fixed and variable components

The LSC and CaixaBank's By-laws grant Executive Directors remuneration for their executive duties in addition to that received for their directorships.

Currently, Gonzalo Gortázar Rotaeché, in his capacity as Chief Executive Officer (the Chief Executive Officer), and José Ignacio Goirigolzarri Tellaeché, as the Executive Chairman (the Executive Chairman), are the only members of the Board of Directors who perform executive duties at CaixaBank.

The remuneration components for Executive Directors are structured considering the business situation and results, and mainly include:

- Fixed remuneration based on the subject's responsibility and track record, which constitutes a major portion of the total remuneration.
- Variable remuneration, mainly in the form of a bonus, linked to the achievement of previously established targets and prudent risk management.
- Employee benefits.

Long-term incentive plans can also be established for all or some of the Executive Directors, as a variable remuneration component. The remuneration of such plans may be based on CaixaBank instruments or benchmarked against their price (the LTIP), as established in section 5.5.

In accordance with the objective of reasonable and prudential balance between fixed and variable components of the remuneration, the amounts of the fixed remuneration of Executive Directors must be sufficient, and the percentage representing the variable remuneration in the form of fixed annual incentives is, generally speaking, relatively low, not generally exceeding 40%, without taking into account other possible variable components like the LTIP.

The variable component of the remuneration payable to executive directors must not exceed 100% of the fixed component of each executive director's total remuneration, unless CaixaBank's General Meeting approves a higher level, which may never exceed 200% of the fixed component, in the manner and as per the requirements and procedures set forth in the LOSS.

The procedure to be followed by the Entity in the event of approval of variable remuneration in excess of 100% is as follows:

- The Board of Directors will notify all shareholders in advance that this matter will be submitted for approval to the Annual General Meeting, providing a detailed recommendation setting out the reasons and scope of the decision and including the number of people involved and their positions, as well as the projected effect on the continuing robustness of the Entity's capital base.
- The Board of Directors will notify the Bank of Spain immediately of the recommendation to the Annual General Meeting, including the highest level of the variable component of the proposed remuneration and the justification for this. It will certify that this level does not affect the Entity's obligations under capital adequacy regulations, particularly with regard to its own funds obligations.
- The Annual General Meeting will adopt a decision by a majority of at least two-thirds, provided that at least half of the shares or equivalent voting rights are present or represented in the vote. If this quorum is not possible, the resolution will be adopted by a majority of at least three-quarters of the share capital present or represented with voting rights.
- The persons directly affected by the application of higher maximum levels of variable remuneration may not exercise any voting rights that they may have as shareholders, directly or indirectly. Their shares will be deducted from total share capital for calculating the majority of votes required for resolutions involving the application of higher maximum levels of variable remuneration.
- The Board of Directors will notify the Bank of Spain immediately of the decision adopted by the Annual General Meeting, including the highest maximum percentage of the variable component of remuneration approved.

Components of remuneration will be classified as fixed or variable in accordance with regulations on remuneration in credit institutions.

5.3 Fixed components of remuneration

a) Fixed remuneration

Fixed remuneration and its modifications for Executive Directors are largely based on the level of responsibility and the professional career of each Director, combined with a market approach taking account of specific salary and ad hoc surveys. The salary surveys and specific ad hoc studies in which CaixaBank participates are performed by top level specialized companies, with the sample being comparable to that of the market financial sector where CaixaBank operates and that of comparable IBEX 35 companies.

CaixaBank has been using publicly available information on the executive directors of financial institutions belonging to the IBEX 35 as a sample of the financial sector (Santander, BBVA, Banco Sabadell and Bankinter). Since 2018, it has also used a sample of banks at the European level, including ABN Amro, Commerzbank, Crédit Agricole, Deutsche Bank, Erste Group, KBC Groep, Lloyds Banking Group, Natixis, Raiffeisen, Royal Bank of Scotland and SwedBank. It also uses publicly available information about the executive directors of a representative number of companies comparable in terms of size to CaixaBank (market capitalisation, assets, turnover and number of employees) to provide a multi-sector sample.

b) Remuneration for holding posts at investee companies

As a general rule, fixed remuneration for Executive Directors includes any remuneration they receive for management duties at CaixaBank Group companies or other companies in the interests of CaixaBank. This remuneration is deducted from the net amount of fixed remuneration to be paid by the Company.

c) Other fixed remuneration components

As the fixed component of remuneration, the contracts of Executive Directors may contain pre-established contributions to pension and savings plans, as explained in greater detail in Section 5.8.

Executive Directors may benefit, at the expense of CaixaBank, from health insurance for themselves and their immediate family and other remuneration in kind (company vehicle or accommodation) that is common in the sector and appropriate to their professional status. This will follow the standards established by CaixaBank at the time for the segment of professional employees to which they belong.

5.4 Variable remuneration in the form of bonuses

a) General aspects

The Executive Directors may be granted variable remuneration in the form of a risk-adjusted bonus, based on measurement of their performance. Ex-ante and ex-post remuneration adjustments are applied in view of the performance measurements, as a risk alignment mechanism.

b) Performance measurement

Both quantitative (financial) and qualitative (non-financial) criteria are taken into account when assessing performance and evaluating individual results. These must be clearly specified and documented.

Variable remuneration for Executive Directors is established on the basis of an individual target bonus established by the Board of Directors based on the recommendation of the Remuneration Committee, subject to a maximum attainment percentage of 120%. Level of attainment is set on the basis of the following measurement criteria:

- 50% based on individual goals.
- 50% based on corporate goals.

The 50% corresponding to corporate targets is set each year by the CaixaBank Board of Directors based on a proposal by the Remuneration Committee, and its weighting is distributed among objective concepts according to the Entity's main objectives. These concepts may, by way of example, include some or all of:

- ROTE
- Core cost-to-income ratio
- Changes in non-performing assets
- Risk appetite framework
- Regulatory compliance
- Quality

The proposal for the composition and weighting of corporate targets is in any case set in accordance with the provisions of the LOSS and implementing regulations, and may vary between Executive Directors.

The part consisting of individual targets (50%) must be globally distributed over the targets linked to CaixaBank's strategy. The final assessment by the Remuneration Committee may vary the objective evaluation of individual targets by +/-25% to include a quantitative evaluation assessment of the Executive Director's performance. Any exceptional circumstances that affected the goals during the year and which could not have been foreseen are also considered.

The Board of Directors, based on a proposal by the Remuneration Committee, shall approve the final determination of achievement of the variable remuneration to be accrued.

c) Deferral percentage

The deferral percentage applicable to the variable remuneration of Executive Directors will be 60%.

This deferral percentage may be modified to the extent that the competent authorities establish absolute or relative thresholds for determining what represents a "variable remuneration component of a particularly high amount", pursuant to the European Banking Authority Guidelines on sound remuneration policies² (the EBA Guidelines).

d) Deferral period

The non-deferred part of accrued variable remuneration must be paid on the bonus payment date (the Initial Payment Date).

Of the initial payment, 50% will be paid in cash and the remaining 50% in financial instruments.

Providing that none of the reduction situations foreseen in section 5.6 arise, the risk-adjusted deferred portion of variable remuneration is paid in five instalments, the amounts and dates of these are determined as follows:

- 1/5: 12 months after the Initial Payment Date
- 1/5: 24 months after the Initial Payment Date
- 1/5: 36 months after the Initial Payment Date
- 1/5: 48 months after the Initial Payment Date
- 1/5: 60 months after the Initial Payment Date.

e) Payment in cash and instruments

50% of the amount to be paid on each of the dates in the preceding section will be paid in cash and the remaining 50% will be paid in instruments, once the applicable taxes (withholdings or payments on account) have been paid.

² Guidelines on sound remuneration policies under Articles 74(3) and 75(2) of Directive 2013/36/EU and disclosures under Article 450 of Regulation (EU) No 575/2013 (EBA/GL/2015/22).

When such payments are made in instruments, they will preferably be made in CaixaBank shares. However, CaixaBank may deliver other instruments accepted for the payment of variable remuneration, subject to the conditions and requirements set forth in section 1.I) of article 34 of the LOSS, in Delegated Regulation (EU) No. 527/2014³ (Regulation 527/2014) and in the EBA Guidelines.

f) Lock-up policy

All of the shares provided are subject to a lock-up period of one year from their delivery, during which the employee or professional may not use the shares.

During the lock-up period, the employee or professional will enjoy all of the rights as shareholder.

g) Payment of interest and returns on deferred cash and instruments

During the deferral period, CaixaBank will retain ownership of both the shares and the cash for which delivery has been deferred.

Pursuant to the principles of labour and contractual law applicable in Spain, particularly the bilateral nature of contracts and equity in the accrual of reciprocal consideration, the deferred cash accrues interest in favour of the recipient, calculated by applying the corresponding interest rate to the first tranche of the "CaixaBank employee" account. Interest shall only be paid at the end of each payment date, and shall be applied to the cash amount of the variable remuneration that is actually to be received, net of any applicable reductions under section 5.6.

In compliance with EBA guidelines with regard to returns on instruments, the Entity will pay no interest or dividends on deferred instruments either during or after the deferral period from 1 January 2017.

h) Termination or suspension of the professional relationship

Termination or suspension of professional relations, and departures due to invalidity, early retirement, retirement or partial retirement shall not interrupt the payment cycle of variable remuneration, notwithstanding the provisions for deductions and clawback of variable remuneration in section 5.6.

In the event of death, the Human Resources Department (HR) and the Risks Department shall determine and, where applicable, propose a process to settle any pending payments based on criteria compatible with the general principles of the LOSS, its implementing regulations and the Remuneration Policy.

i) Special situations

Specific solutions in accordance with the LOSS, its implementing regulations and the principles of the Remuneration Policy shall be applied to special cases not otherwise provided for (i.e. corporate transactions that affect ownership of the shares delivered or deferred), in such a way that they do not artificially alter or dilute the value of the consideration.

³ Commission Delegated Regulation (EU) No 527/2014 of 12 March 2014, supplementing Directive (EU) No 2013/36/EU of the European Parliament and of the Council with regard to regulatory technical standards specifying the classes of instruments that adequately reflect the credit quality of an institution as a going concern and are appropriate to be used for the purposes of variable remuneration.

j) Permanence requirement

In order to be eligible for variable remuneration as a bonus, one necessary condition is that the Executive Director must maintain a service relationship with CaixaBank as at 31 December of the year in which the variable remuneration is to be accrued.

k) Incompatibility with personal hedging strategies or circumvention mechanisms

Pursuant to the provisions of Article 34.1 o) of the LOSS and the EBA Guidelines, Executive Directors undertake to refrain from using personal hedging strategies or insurance to undermine the risk alignment effects embedded in their remuneration arrangements.

CaixaBank shall not pay variable remuneration with instruments or methods the purpose of which is or which effectively entails non-compliance with the remuneration requirements applicable to Executive Directors as members of CaixaBank's Identified Staff.

5.5 Long-Term Incentives (LTIP)

Some or all of the Executive Directors may additionally be remunerated through long-term incentive plans. These may or may not be based on instruments as a form of multi-year variable remuneration.

The LTIP may be structured as a variable remuneration scheme enabling participants to receive an amount in shares or other instruments, stock options or cash, after a certain period of time, providing they meet certain conditions established in the LTIP.

The specific terms of the LTIP (including those concerning the payment cycle and malus and clawback clauses) will be as established by CaixaBank's Board of Directors, on the recommendation of the Remuneration Committee, in the corresponding resolutions and implementing documents, which must be compliant with the principles of the Remuneration Policy and be subject to approval by CaixaBank's General Shareholders' Meeting, insofar as required.

5.6 Malus and clawback scenarios for variable remuneration

a) Malus

Pursuant to the LOSS, amounts of variable remuneration accrued by Executive Directors shall be reduced partially or to zero, including amounts pending payment (whether in cash or in shares), in the event of poor financial performance by CaixaBank overall or by any given division or area, or because of the exposure generated. In this regard, CaixaBank must compare the performance assessment with the subsequent performance of the variables that contributed to meeting the targets.

The scenarios entailing deductions from variable remuneration are as follows:

- a) Material failures in risk management committed by CaixaBank, or by a business unit or risk control unit, including any qualified opinions in the external auditor's report or circumstances that would impair the financial parameters used as a basis to calculate the variable remuneration.
- b) Any increase in capital requirements for CaixaBank or one of its business units that was not envisaged at the time the exposure was generated.
- c) Regulatory sanctions or adverse legal rulings attributable to the unit or the employee responsible for those proceedings and to the executive director.
- d) Failure to comply with the Bank's internal regulations or codes of conduct, including, in particular:
 - Any serious or very serious regulatory breaches attributable to them.

- Any serious or very serious breaches of internal regulations.
 - Failure to observe applicable suitability and behavioural requirements.
 - Regulatory breaches for which they are responsible, irrespective of whether they cause losses that may threaten the solvency of a business line, and, in general, any involvement in, or responsibility for, behaviour that causes significant losses.
- e) Improper conduct, whether committed individually or with others, with specific consideration of the adverse effects of the sale of unsuitable products and the responsibility of executive directors in taking such decisions.
- f) Fair dismissal or, in the case of business contracts, with just cause by the Entity (in this case a full deduction shall be made).
- g) Where payment or consolidation of these amounts is not sustainable in the light of CaixaBank's overall situation, or where payment cannot be justified in view of the results of CaixaBank as a whole, the business unit or the Executive Director concerned.
- h) Any others reasons that may be provided for in the corresponding contracts.
- i) Any others as set down in applicable law or by regulatory authorities in exercise of their powers to issue or interpret regulations, or their executive powers.
- j) Whenever CaixaBank's dividend distribution policy is restricted by a requirement or recommendation from a competent authority, or if it is required to do so by a competent authority in the exercise of its powers under the regulations, pursuant to the provisions of Royal Decree 84/2015⁵ and Bank of Spain Circular 2/2016(Circular 2/2016)⁶.

b) Clawback

In cases where any of the situations in points a) to i) of section a) may have occurred prior to payment of any amount of the variable remuneration so that, had this situation been taken into account, partial or full payment would not have been made, the executive director shall repay the corresponding CaixaBank entity the part of the variable remuneration erroneously received, along with any returns paid out pursuant to section 5.4.g). This reimbursement must be made in cash or instruments, as applicable.

Scenarios in which the executive director has made a major contribution to poor or negative financial results will be regarded as being particularly serious, as shall cases of fraud or other instances of fraudulent behaviour or gross negligence leading to significant losses.

4Just cause shall be understood as any serious and culpable breach of the duties of loyalty, diligence and good faith pursuant to which the officer must discharge their duties in the CaixaBank Group, as well as any other serious and culpable breach of the duties undertaken in their contract, or any other organic or service relationships that the individual and the CaixaBank Group may enter into.

5 Royal Decree 84/2015, of 13 February, implementing Act 10/2014 of 26 June, on the regulation, supervision and solvency of credit institutions.

6Bank of Spain Circular 2/2016, of 2 February, to credit institutions, regarding supervision and solvency and completing the transposition of Directive 2013/36/EU and Regulation (EU) No. 575/2013 into Spanish law.

c) Common rules

The Remuneration Committee is responsible for proposing the application of the reduction or loss of the right to collect deferred amounts, or their total or partial clawback, to the Board of Directors. This will depend on the characteristics and circumstances of each particular case and shall comply with the procedure established by the Entity for effective application of these malus and clawback clauses, as approved by CaixaBank for this purpose.

Pursuant to the provisions of the EBA Guidelines, scenarios of deductions from variable remuneration shall be applicable throughout the entire deferral period for the remuneration. The cases for clawback of variable remuneration will apply throughout the deferral and retention period for the variable remuneration.

The implementation standards of the LTIP shall establish specific rules on deducting or recovering payments to Executive Directors, adapted as necessary to the above cases for deducting and recovering payments in the Remuneration Policy for the purposes of the LTIP.

d) General principles of contract and employment law

In accordance with the LOSS, proposals for the reduction or clawback of variable remuneration must be compliant with the main principles of contract or employment law.

5.7 Guaranteed variable remuneration

Executive Directors shall not be paid any guaranteed variable remuneration. However, in exceptional circumstances the Entity may consider this advisable or desirable in the event of new appointments or new hires, provided it has a healthy and robust capital base and the remuneration is applied to the first year of the contract only.

5.8 Pension and long-term savings systems

a) General description

Executive Directors who hold an employment contract may be eligible for a complementary pension scheme, as are all CaixaBank employees. If they hold a commercial contract, they may be eligible for specific pension schemes equivalent to the complementary pension scheme.

The commitments assumed with Executive Directors may take the form of a defined contribution scheme to cover situations of retirement, disability and death and such directors may also be entitled to defined benefit coverage in the event of disability or death. These commitments are arranged through an insurance contract.

b) Non-discretionary nature

Except as provided for in section e) below, the contributions regime for the pension scheme applicable to executive directors cannot be considered a discretionary benefit. As a result, the pension scheme for executive directors must be applied objectively according to when the individual became an executive director or similar circumstances that entailed changes to their remuneration, taking the form of a lump sum or an amount benchmarked to fixed remuneration, according to their contracts.

The establishment of the size of the contributions and degree of coverage of the benefits:

- a) must be set at the start of the year and have adequate coverage in the corresponding contracts;
- b) cannot be derived from variable parameters (such as achieving objectives and goals, etc.);

- c) cannot be due to ad hoc contributions (in the form of ad hoc bonuses, awards or contributions in the years following retirement or termination); and
- d) must not be related to substantial changes in retirement conditions, including changes resulting from mergers and business combinations.

c) Elimination of duplicate coverage or benefits

The contributions paid to pension schemes by CaixaBank shall be net of any contributions paid in equivalent instruments or policies that may result from positions held at Group companies or other companies in the interests of CaixaBank. These contributions must be adjusted accordingly to avoid overlap or duplication.

d) Vesting of rights

The pension scheme for Executive Directors recognises the vesting of economic rights in the event that the professional relationship is terminated or rescinded before the date the contingencies covered occur, unless this termination is due to lawful disciplinary dismissal or with just cause in the case of commercial contracts, as defined in section 5.6.a), or for any other specific causes which may be expressly described in the contracts.

e) Mandatory variable-base contributions

Notwithstanding the provisions of section b), and pursuant to the provisions of Circular 2/2016, 15 percent of the contributions paid to complementary pension schemes will be considered a target amount (the remaining 85 percent is considered a fixed remuneration item).

This amount is determined in accordance with the principles and procedures established for variable remuneration in the form of bonuses set out in section 5.4, with eligibility to be determined solely on the basis of individual assessment parameters, and it shall be contributed to a Discretionary Benefits Pension Policy.

The contribution shall be considered deferred variable remuneration for the purposes of Circular 2/2016. Therefore, the discretionary pension benefit scheme shall contain the necessary clauses for it to be explicitly subject to the causes for reductions set out in section 5.6.a) for variable remuneration in the form of bonuses. It shall also be included in the sum of variable remuneration for the purposes of limits and other factors that might be established.

In accordance with section 1.ñ) of Article 34 of the LOSS, if the Executive Director leaves the entity due to retirement or for any other reason, the discretionary pension benefits will be subject to a retention period of five years. This five-year retention period starts from the date on which the Director ceases to provide services to the Entity, whatever the reason. During the retention period, the Entity will apply the same malus and clawback clause requirements for remuneration already disbursed established in section 5.6.

5.9 Payments for cancellation of previous contracts

In cases where remuneration packages are agreed involving hiring bonuses or other forms of compensation or payments for cancellation of previous employment contracts, these must be in the Entity's long-term interests, establishing provisions regarding withholdings, deferrals, performance and recoveries consistent with the principles established in the Remuneration Policy, pursuant to the LOSS.

5.10 Retention premiums

Any retention premiums agreed, exceptionally, between the Entity and an Executive Director will be subject to the conditions and requirements established in the EBA Guidelines and principles similar to those in the Remuneration Policy for variable remuneration.

5.11 Other benefits

In general, Executive Directors are eligible for the benefits policy established for CaixaBank Group employees, which comprises competitive benefits and is based on exploiting the Group's synergies (i.e. preferential financial conditions and healthcare).

Executive Directors will be covered by the civil liability policy for directors and executives of CaixaBank Group entities, which covers liabilities that they may incur in the performance of their duties, in accordance with the subjective scope defined in such policies.

5.12 Payments for early termination

a) Amount and limits of severance for termination of contract

The amount of compensation to be paid for termination of Executive Directors' contracts shall be established at all times in such a way that it does not exceed the limits legally established in terms of maximum ratios of variable remuneration, in due consideration of the criteria stipulated in the EBA Guidelines.

Ordinary payments associated with the duration of the applicable prior notice periods will not be considered severance payments.

b) Post-contractual non-competition payments

The contracts with Executive Directors may contain post-contractual non-competition agreements. The compensation for these agreements may consist of an amount that, in general, may not exceed the sum of the fixed components of the remuneration the Executive Director would have received had they continued in the Entity. The amount of such compensation will be divided into instalments payable over the duration of the non-competition agreement.

c) Deferral and payment

Early termination payments must be treated as variable remuneration under the provisions of the applicable regulations and the EBA Guidelines. Such payments will be deferred and paid in the manner set out in section 5.4. of the Remuneration Policy for variable remuneration in the form of bonuses.

d) Malus and clawback

Payments for early termination are considered variable remuneration under the provisions of applicable regulations and the EBA Guidelines. They are, therefore, subject to the same reduction and clawback conditions as established for variable remuneration in Section 5.6, which apply to deferred payments pending payment.

e) Absolute limit on payments for early termination

Under no circumstances may early termination payments cause the CaixaBank Group to breach the limits on variable remuneration to fixed remuneration prescribed by law. If necessary, early termination payments will be reduced accordingly in order to comply with those mandatory limits.

f) General principles of contract and employment law

In accordance with the LOSS, any proposals for reduction or clawback of early termination payments must take into account the main legal principles with regard to contractual or employment matters.

5.13 Projected remuneration for 2021 and subsequent financial years

a) Fixed remuneration in cash

The total annual fixed remuneration to be paid in cash to the Chief Executive Officer will be € 2.261.200, the same as the amount for 2020. The amount for the Executive Chairman will be € 1.650.000. Remuneration for positions held in Group companies or in the interests of CaixaBank will be deducted from this amount.

The remuneration for positions held in Group companies or in the interests of CaixaBank is included in the annual remuneration for membership of the Board of Directors of CaixaBank or its Committees for Gonzalo Gortázar Rotaeché and José Ignacio Goirigolzarri Tellaeché, set at € 140.000 and € 150.000, respectively.

The total amount of remuneration for positions held (or that might effectively be received) in 2021 and subsequent years by executive directors of Group companies or other companies in the interests of CaixaBank will be discounted from the amount to be paid by CaixaBank as fixed remuneration as set out in this section. The estimated amount to be paid by CaixaBank in 2021 to the Chief Executive Officer is € 1.556.300. The relevant amounts will be deducted over the successive years of application of the Remuneration Policy.

b) Variable remuneration in the form of bonuses

The target bonus for provision of services in 2021 is € 708.800 for the Chief Executive Officer and € 200.000 for the Executive Chairman.

Corporate targets (50%) comprise the following parameters:

- CaixaBank's ROTE: with a weighting of 10% and a minimum achievement level of 80% and a maximum of 120%.
- Core cost-to-income ratio: with a weighting of 10% and a minimum achievement level of 80% and a maximum of 120%.
- Changes in non-performing assets: with a weighting of 10% and a minimum achievement level of 80% and a maximum of 120%.
- Risk appetite framework: with a weighting of 10% and a minimum achievement level of 80% and a maximum of 120%.
- CaixaBank quality: with a weighting of 5% and a minimum achievement level of 80% and a maximum of 120%.
- Conduct and compliance: target linked to the Regulatory Compliance Culture with a weighting of 5% and a minimum achievement level of 80% and a maximum of 120%.

Meanwhile, individual targets (50%) shall have a minimum degree of fulfilment of 60% and a maximum of 120%, and shall be distributed overall between targets linked to CaixaBank's strategy. In all cases, should the minimum degree of fulfilment not be attained, a zero bonus shall be accrued for each of the indicators or individual targets.

c) Performance-based payments in deferred cash

The forecast payments for deferred cash items provided for in section 5.4.g is € 400 for Gonzalo Gortázar Rotaeché and € 150 for José Ignacio Goirigolzarri Tellaeché, for each of the years of this Remuneration Policy.

d) Income from CaixaBank's 2015-2018 Long-term Variable Remuneration Plan

The Chief Executive will receive the deferred shares to which he is entitled upon settlement of CaixaBank's 2015-2018 Long-Term Variable Remuneration Plan.

The Annual Report on Director Remuneration will include information on the shares to which he is entitled.

e) Conditional Annual Incentives Plan linked to the 2019-2021 Strategic Plan

Together with the members of the Management Committee and the rest of the Entity's management team and key employees, the Chief Executive Officer and the Executive Chairman are beneficiaries of the conditional annual incentive plan linked to CaixaBank Group's 2019-2021 Strategic Plan (the Plan), which was approved by the Annual General Meeting on 5 April 2019.

The Plan enables the Chief Executive Officer and the Executive Chairman to receive a certain number of CaixaBank shares after a specific period provided that the Plan's strategic objectives and requirements are met.

The Plan will consist of the free assignment of a number of units in 2019, 2020 and 2021.

The Plan has three cycles, each lasting three years, with three assignments of units, each of which will take place (or has already taken place) in 2019, 2020 and 2021.

The Chief Executive Officer is entitled to participate in the three cycles of the Plan, while the Executive Chairman is only entitled to participate in the third cycle of the Plan.

The first cycle spans the period from 1 January 2019 to 31 December 2021; the second cycle spans the period from 1 January 2020 to 31 December 2022; and the third cycle spans the period from 1 January 2021 to 31 December 2023.

Each cycle has two target measurement periods. Depending on the degree of performance of the objectives for the first measurement period, corresponding to the first year of each cycle, and based on the units assigned at the beginning of the cycle, beneficiaries are granted a provisional incentive equivalent to a certain number of Company shares in the second year of each cycle. The granting of the provisional incentive does not entail the delivery of any CaixaBank's shares at that time.

The final number of shares to be delivered will be determined after each cycle of the Plan has ended, and will be subject to and dependent on fulfilment of the objectives for the second measurement period, which will cover the three-year duration of each cycle of the Plan. Under no circumstances may the number of shares to be delivered under the final incentive exceed the number of shares calculated under the provisional incentive on the award date.

For Executive Directors, the shares corresponding to the final incentive for each cycle will be delivered in thirds on the third, fourth and fifth anniversaries of each of the award dates in the Plan cycles. The Plan will end on the last settlement date of shares pertaining to the third cycle of the Plan, i.e. in 2027.

For the first cycle of the Plan, the maximum number of shares that could be received by the Chief Executive Officer in 2023, 2024 and 2025, if they fulfil all the objectives for the first cycle of the Plan and outperform the budget, amounts to 73.104 shares.

For the second cycle of the Plan, it has been decided, among other measures, not to award shares to any of the Plan's beneficiaries, including the Chief Executive Officer, as a responsible action on the part of CaixaBank's managements in response to the exceptional economic and social situation caused by COVID-19.

For the third cycle of the Plan, the maximum number of shares the Chief Executive Officer and the Executive Chairman will be able to receive in 2025, 2026 and 2027 is 176.309 shares in the case of the Chief Executive Officer and 105.786 shares in the case of the Executive Chairman, if all the objectives for the third cycle of the Plan are achieved outperforming the budget.

The terms and conditions of the Plan, including its description and purpose, beneficiaries, duration and liquidation, determination of the number of units for each beneficiary, determination of the number of shares to be granted on each award date, determination of the number of shares to be delivered upon settlement of the Plan, the value of the shares to be used as reference, metrics, requirements for receiving the shares, delivery of the shares and the lock-up system, early settlement events and amendments to the plan, malus and clawback clauses and compliance with regulatory requirements, are all described in Resolution Ten of the aforementioned General Shareholders' Meeting held on 5 April 2019, as explained in the Annual Report on the Remuneration of CaixaBank Directors.

For 2022 and the following financial years, the Board of Directors may lay a new long-term incentives plan before the General Shareholders' Meeting.

f) Long-term savings system

A defined contribution of € 500.000 shall be made each year to insurance cover for retirement, death or total, absolute or serious permanent disability for Gonzalo Gortázar Rotaèche. In addition to the above, the same policy shall include coverage in the event of death or total, absolute or serious permanent disability in the amount of two annual payments of fixed remuneration at the time the event occurs. The premium for this cover is estimated at € 58.366 for each year of this Remuneration Policy.

In accordance with the provisions of section 5.8.e), the annual target amount for Gonzalo Gortázar Rotaèche under the Discretionary Pension Benefits Policy is € 75.000.

The cover for death and permanent, total, absolute and severe disability for José Ignacio Goirigolzarri Tellaèche amounts to two years' fixed remuneration at the time the contingency occurs. The premium for this cover is estimated at € 65.279 for each year of this Remuneration Policy.

g) Other benefits

The contracts with the Chief Executive Officer and the Executive Chairman include health insurance for themselves, their spouse and children under the age of 25. This is valued at € 5.610 for the Chief Executive Officer and € 2.352 for the Executive Chairman for each year of this Remuneration Policy.

h) Updating of the remuneration components and amounts for Executive Directors

The remuneration components and amounts for existing and potential new Executive Directors may be set or modified in any of the years covered by this Remuneration Policy, by resolution of the Board of Directors exercising the powers established in the LSC, subject to the conditions, principles and limits established in sections 5.2 to 5.12 of this Remuneration Policy. In particular, by way of example and without limitation:

- The fixed remuneration of Executive Directors will be determined and updated in accordance with the approach set out in section 5.3.a).
- Future changes may be made to the amount of the variable remuneration payable in the form of a bonus or to the proportion of that remuneration to the fixed components. Changes may also be made to the measurement parameters for the variable remuneration components. Any setting or variation of the amount, proportion, structure or measurement parameters for variable components of Directors' remuneration will comply with the provisions of the Remuneration Policy (especially section 5.4.b) in relation to measurement parameters) and the LOSS.
- Any change to the amount, proportion or structure of the long-term savings plans for Executive Directors would also be made in accordance with the Remuneration Policy and the LOSS.

Any new conditions or changes to the concepts and amounts of the remuneration components for Executive Directors, within the limits set by this Policy and the LSC, will be disclosed in the Annual Report on Directors' Remuneration for the financial year in which they occur.

6. CONTRACT TERMS OF EXECUTIVE DIRECTORS

6.1 General contract conditions

a) Type of contract

Executive Directors generally hold commercial or employment contracts which are determined by the level of duties carried out above and beyond those of Director, pursuant to prevailing legislation and Supreme Court case-law concerning the so-called "relationship theory".

b) Term

In general, contracts shall be drawn up for an indefinite term.

c) Description of duties, dedication, exclusivity and incompatibilities

Contracts shall contain a clear description of the duties and responsibilities to be undertaken and the functional location and reporting levels within CaixaBank's organisational and governance structure. They shall also stipulate the duty of exclusive dedication to the Group, without prejudice to other authorised activities in the interests of the CaixaBank Group or certain teaching activities and participation in conferences or responsibilities in their own or family-run businesses, provided these activities do not prevent the Director from exercising the duties of their positions diligently and loyally or pose a conflict of interests with the Entity.

The contract may also include other permanency obligations that are in CaixaBank's best interests.

Executive Directors shall be subject to the regime of incompatibilities laid down in laws governing credit institutions.

d) Compliance with duties and confidentiality obligation

Without prejudice to the law covering directorships at corporations, Director's contracts shall contain strict obligations to comply with the duties inherent to their position as a Director and obligations regarding any confidential information they may have access to during their tenure at CaixaBank or its Group.

e) Civil liability coverage and compensation

Executive Directors are covered by the civil liability policy for Directors and executives of the CaixaBank Group, covering any third-party liabilities they may incur in the performance of their duties.

Likewise, the contracts may state that CaixaBank shall hold Executive Directors harmless of any losses or damages arising from claims by third parties, unless the Executive Directors have acted negligently or with wilful deceit.

f) Post-contractual non-compete undertakings

Contracts may contain non-competition agreements for financial activities in general, which should last no less than one year following termination of the contract, in exchange for the consideration provided for in section 5.12.b). Likewise, should the non-competition agreement not be honoured, CaixaBank shall be entitled to receive compensation from the Executive Director in an amount in proportion to the compensation paid to the Director.

g) Termination clauses

Contracts shall establish the scenarios in which Executive Directors may terminate their contract with the right to compensation. These may include non-compliance on the part of CaixaBank, unfair dismissal or a change of control at the Entity.

Likewise, contracts shall recognise CaixaBank's right to terminate the contract in the event of non-compliance by the Executive Director, with no compensation due to the Director.

In the event that a contract is terminated, CaixaBank shall have the right to request that the Executive Director give up any other position or duties carried out within the CaixaBank Group or at companies in the interests of Entity.

Contracts shall also include reasonable notice periods in the event of termination of the contract, and appropriate compensation in the event of non-compliance, proportional to the fixed remuneration to be accrued during the years not served.

Likewise, any compensation and indemnities due to Executive Directors as a result of early termination of their contracts will be governed by the provisions of section 5.12.

h) Other terms of contract

Executive Directors' contracts may contain other common contractual clauses which are compatible with the LOSS, the Corporate Enterprises Act, other prevailing legislation and the Remuneration Policy.

i) Establishing or amending the terms of contract

The remuneration system and basic contract conditions described in this Policy will be applicable to any Executive Director who joins the Entity's Board of Directors during its term.

However, the contract conditions for any new Executive Directors and those in the agreements currently signed with the Chief Executive Officer and the Executive Chairman may be set or modified by mutual

agreement between them and the Entity during the years covered by the Remuneration Policy. Any setting or modification of such terms must be in accordance with the general conditions in this section 6.1 of the Remuneration Policy, and must be approved by the Board of Directors in exercise of its powers under the LSC. The conditions in contracts with any new Executive Directors and modifications to the conditions in current contracts with Executive Directors will be disclosed in the Annual Report on Directors' Remuneration for the financial year in which they occur.

6.2 The contract conditions of Gonzalo Gortázar Rotaeché as the Chief Executive Officer and José Ignacio Goirigolzarri Tellaeché as the Executive Chairman

a) General aspects

The services agreement for the post of Chief Executive Officer signed with Gonzalo Gortázar Rotaeché is an open-ended commercial contract. It took effect on the date of CaixaBank's 2017 General Shareholders' Meeting, applying retroactively from 1 January 2017.

The contract for the provision of services as Executive Chairman signed with José Ignacio Goirigolzarri Tellaeché is of a commercial nature with indefinite duration. It came into effect on 30 March 2021, the date of approval of the contract by CaixaBank's Board of Directors, from which time this Remuneration Policy has applied.

Both contracts contain a clear description of the duties and responsibilities of the position and the obligation of exclusive dedication to CaixaBank, in the terms of section 6.1 C).

It also contains clauses regarding compliance with duties, confidentiality and liability coverage as described in sections 6.1.c) and 6.1.e). These contracts do not contain loyalty agreements.

Both contracts contain provisions for integration with the Remuneration Policy and any amendments to it, as well as adaptations to any future regulatory requirements.

b) Post-contractual and non-competition compensation agreement

The contracts contain a post-contractual non-competition agreement of one year from termination, which encompasses any direct or indirect activity within the financial sector.

In any situation of termination, the compensation for the non-compete clause is set at one year's payment of the fixed components of their remuneration, payable in twelve equal instalments.

Failure to comply with the non-competition agreement will lead to payment by the Chief Executive Officer or the Executive Chairman to CaixaBank of the amount established as compensation.

c) Reasons for termination

The contracts contain the following grounds for termination:

- Unilateral termination by the Chief Executive Officer or Executive Chairman due to a serious breach by CaixaBank of the obligations in the contract;
- Unilateral termination by CaixaBank where no just cause is found.
- Removal from or non-renewal of the post as a Director of CaixaBank and the duties of Chief Executive Officer or Executive Chairman with no just cause.

- Unilateral termination by the Executive Chairman or Chief Executive Officer due to acquisition of control of CaixaBank by an entity other than "la Caixa" Banking Foundation pursuant to article 42 of the Commercial Code, or the transfer of all or a significant part of its activity or its assets and liabilities to a third party or its integration into another business group that obtains control of the Company.
- Dismissal of Gonzalo Gortázar Rotaeché from the position of Chief Executive Officer or of José Ignacio Goirigolzarri Tellaeché from the position of Executive Chairman and termination of the contract with just cause (for serious and culpable breach of obligations).
- Voluntary resignation of the Chief Executive Officer or the Executive Chairman, with advance notice of at least three months.

In the cases in points one and four above, the Chief Executive Officer and the Executive Chairman must exercise their right to terminate the contract within six months of becoming aware of the cause of termination. If this right of termination is not exercised in the period established, the Executive Chairman or Chief Executive Officer shall not be entitled to any compensation for such circumstances.

d) Severance for early termination

In all cases of termination other than just cause or voluntary withdrawal by the Chief Executive Officer or the Executive Chairman, compensation is established in their favour (in addition to the compensation for the post-contractual non-competition agreement in section 6.2.b).

The compensation to be received by the Chief Executive Officer or the Executive Chairman is an amount equivalent to one year's gross annual fixed components of anticipated remuneration, which are the amount of the annual fixed remuneration in section 5.13.a) and, in the case of the Chief Executive Officer, 85% of the annual contribution to the complementary pension system provided for in section 5.13.f), at the amounts applicable on the termination date of the contract.

The right to receive compensation is conditional upon the Executive Chairman and Chief Executive Officer simultaneously resigning from all positions held in other companies in the interests of CaixaBank.

7. MAXIMUM AMOUNT OF DIRECTOR REMUNERATION

The maximum amount of remuneration that the Company may pay to all of its directors each year will be the sum of the following:

- a) The amounts for the concepts indicated in sections 5.13.a), b), c), d), e), f) and g), which remunerate the performance of executive duties by the Executive Directors.
- b) € 2.925.000, subject to approval by the 2021 Ordinary Annual General Meeting, for the Directors for membership of the Board.

In the event of cessation of the Chief Executive Officer or the Executive Chairman, these amounts are supplemented by the amount to which they are entitled under the provisions of their contracts, as indicated in sections 6.2.b) and d).

The maximum amount described in this section will continue to apply over the term of this Remuneration Policy, unless the General Shareholders' Meeting decides to modify it in the future.

8. CORPORATE GOVERNANCE OF THE REMUNERATION POLICY

8.1 General aspects

The main rules and regulations in effect at CaixaBank governing the process of determining, applying and supervising the Remuneration Policy are described below.

8.2 Duties of the Board of Directors of CaixaBank

The LOSS establishes that the board of directors of a credit institution must adopt and regularly review the general principles of the remuneration policy and be responsible for supervising its application.

Among other non-delegable powers, the LSC establishes the following powers for the boards of directors of listed companies:

- a) determining the company's general policies and strategies;
- b) determining the risk management policy;
- c) determining the corporate governance policy of the company and of the group they are the parent company of;
- d) appointment and removal of the Executive Directors of the company, and establishment of their contract conditions; and
- e) making decisions regarding director remuneration, within the framework set out in the By-laws and the remuneration policy approved by the General Meeting.

CaixaBank's By-laws and the Regulations of the Board of Directors are consistent with these precepts.

The EBA Guidelines establish the following duties for the board of directors:

- a) adopt and maintain the entity's remuneration policy and supervise its application to ensure its full operation as planned;
- b) approve any subsequent significant exemptions for individual staff members and changes to remuneration policy and carefully consider and monitor their effects. The exemptions must not be based on gender considerations or on other discriminatory grounds. They must be duly justified and comply with the remuneration requirements in national legislation; and
- c) ensuring that the entity's remuneration policies and practices are adequately applied and are in accordance with the entity's general corporate governance framework, corporate culture, risk appetite and capital structure.

8.3 Duties of CaixaBank's Remuneration Committee

The duties attributed to the remuneration committees of listed companies by the LSC include proposing the remuneration policy for directors to the board of directors.

CaixaBank's By-laws and the Regulations of the Board of Directors are consistent with these precepts.

In line with the EBA Guidelines, CaixaBank's Remuneration Committee has the following duties:

- a) prepare remuneration decisions to be made by the Board of Directors, particularly with respect to the remuneration of executive members and other members of the Identified Staff;
- b) support and advise the Board of Directors on the definition of the Entity's remuneration policy, including its gender neutrality;

- c) support the Board of Directors in control of remuneration policies, practices and processes, and compliance with the remuneration policy and the requirement that it be gender neutral;
- d) checking that the current remuneration policy is up to date and proposing any necessary changes;
- e) review the appointment of external remuneration consultants that the Board of Directors may decide to engage for advice or support;
- f) guaranteeing the adequacy of the information on remuneration policies and practices provided to the shareholders, and in particular the proposal of any upper limits exceeding the ratio between the fixed and variable remuneration;
- g) evaluate the mechanisms and systems adopted to ensure that the remuneration system duly considers all types of risks, liquidity and capital levels, and that the general remuneration policy promotes, and is consistent with adequate and efficient risk management and is in line with the business strategy, the corporate objectives, the culture and values, the risk culture and the Entity's long-term interests;
- h) as the case may be, evaluating attainment of the results targets and the need for any ex-post risk adjustments, including the application of malus and clawback clauses; and
- i) as the case may be, reviewing different possible scenarios in order to analyse how the remuneration policies and practices react in the case of internal and external events, and back-testing the criteria used to determine ex-ante risk assumption and adjustment based on real risk results.

The Remuneration Committee's proposals are submitted to CaixaBank's Board of Directors for its scrutiny and, as the case may be, approval. If the decisions correspond to the CaixaBank Annual General Meeting, in accordance with its remit, CaixaBank's Board of Directors shall approve their inclusion on the agenda and the corresponding motions, accompanied by the mandatory reports.

8.4 Duties of CaixaBank's Management Committee and control areas

HR and EBA guidelines establish that the control functions (internal audit, risk control and management and regulatory compliance) and other competent corporate bodies (HR, legal, strategic planning, budget, etc.) and the business units shall provide the necessary information for the definition, implementation and supervision of the Entity's remuneration policies. The EBA's guidelines place specific responsibilities on the HR, risk management, compliance and internal audit functions, which are undertaken by the corresponding CaixaBank departments.

Similarly, CaixaBank's Management Committee includes representatives from the areas of risk, finance, internal auditing, human resources and the general secretary's office (legal counsel), among others, and it is responsible for ensuring that the necessary information is obtained and drawn up so that the Remuneration Committee can efficiently perform its duties. CaixaBank's HR Department promotes these actions in CaixaBank's Management Committee.

To prevent conflicts of interest, the Remuneration Committee is directly responsible for obtaining, preparing and reviewing information on the members of CaixaBank's Board of Director and the members of its Management Committee.

Appendix 2

**Report of the Remuneration Committee on the proposed
amendment of the Remuneration Policy for Members of the
Board of Directors**

Article 529 *novodecies* of the Spanish Corporate Enterprises Act

CaixaBank Group

Report by the Remuneration Committee on the proposal to amend the Directors' Remuneration Policy

26 March 2021

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1. INTRODUCTION

Article 529 *novodecies* of the current Corporate Enterprises Act (*Ley de Sociedades de Capital*, or “LSC”) imposes the obligation on listed companies to draw up and submit to the approval of the General Shareholders’ Meeting any proposal to approve, amend or replace the Remuneration Policy for Members of the Board of Directors.

Pursuant to the LSC, any proposal to amend the Directors’ Remuneration Policy must be well-founded and accompanied by a specific report issued by the Remuneration Committee.

In compliance with the aforementioned legal provision, the Remuneration Committee attached to the Board of Directors of CaixaBank, S.A. (“CaixaBank” or the “Bank”) has drawn up this report (the “Report”) on the proposed amendment of the Remuneration Policy of the Board of Directors (the “Remuneration Policy”) for financial years 2020 to 2022, both inclusive, said report to be laid before the Board of Directors as a plenary body. If approved, it will replace and supersede the existing policy approved at the Annual General Meeting of CaixaBank held on 22 May 2020, without prejudice to the effectiveness of any business carried out while that previous text remained in force.

2. REASONS FOR AMENDMENT OF THE REMUNERATION POLICY

The proposed amendment to the Remuneration Policy approved on 22 May 2020 is warranted for the following reasons:

- (i) Jordi Gual Solé is to stand down from his post as non-executive Chairman of the Board of Directors effective 26 March 2021 upon filing the Merger resolution at the Companies Registry.
- (ii) José Ignacio Goirigolzarri Tellaèche to be appointed director with effect 26 March 2021 upon filing the Merger resolution at the Companies Registry. On 30 March 2021, he was appointed Executive Chairman and the remuneration and other terms of his contract agreed upon.
- (iii) To amend the maximum annual amount of the remuneration payable to directors in their capacity as such.
- (iv) To fix the maximum number of shares that executive directors may receive assuming all targets relating to the third cycle of the Conditional Annual Incentive Plan linked to the 2019-2021 Strategic Plan are met.
- (v) To introduce a new section titled “Subject matter and scope of the Policy”.
- (vi) To amend the section on “Instrument-based long-term incentives”.
- (vii) To introduce a new sub-section on the specific procedure and rules to be followed when approving the contract of an executive director.
- (viii) To adapt to best practices in relation to remuneration at credit institutions.

Other formal changes (i.e. dates, years) are also to be made to bring the Remuneration Policy up to date with the changes described above.

3. MAIN AMENDMENTS TO THE REMUNERATION POLICY IN RESPECT OF THE PREVIOUS POLICY

3.1 JORDI GUAL SOLÉ TO STAND DOWN FROM HIS POST AS NON-EXECUTIVE CHAIRMAN OF THE BOARD OF DIRECTORS EFFECTIVE 26 MARCH 2021, UPON FILING THE MERGER RESOLUTION BETWEEN CAIXABANK, S.A. AND BANKIA, S.A. AT THE COMPANIES REGISTER.

Pursuant to Resolution 3 on the agenda of the extraordinary General Shareholders' Meeting held on 3 December 2020, Jordi Gual Solé, together with other non-executive directors, tendered his resignation as director and Chairman of the Board of Directors with effect from the appointment of the new members of the Board of Directors, which was subject to the effective filing of the Merger at the Companies Registry.

As the Merger was filed at the Companies Registry on 26 March 2021, all references in the Policy to the position of non-executive Chairman, including the additional remuneration as Chairman of the Board of Directors of CaixaBank, have been removed.

3.2 APPOINTMENT OF JOSÉ IGNACIO GOIRIGOLZARRI TELLAECHÉ AS DIRECTOR AND EXECUTIVE CHAIRMAN OF THE BOARD OF DIRECTORS WITH EFFECT FROM 26 MARCH 2021, ON THE OCCASION OF THE FILING OF THE MERGER RESOLUTION BETWEEN CAIXABANK, S.A. AND BANKIA, S.A. AT THE COMPANIES REGISTRY.

Likewise, and by virtue of Resolution 3.1 of the Agenda of the extraordinary General Shareholders' Meeting held on 3 December 2020, once the Merger became effective the Board of Directors approved the appointment of José Ignacio Goirigolzarri Tellaeché as Chairman of the Board of Directors, as executive director, for a term of four years.

Thus, in exercise of the non-delegable powers vested in the Board of Directors under Article 249 of the LSC, on 30 March the Board approved the appointment of José Ignacio Goirigolzarri Tellaeché as Executive Chairman of the Bank.

Accordingly, as Article 249 of the LSC states that an executive director's contract must respect any remuneration policy that the General Meeting may have approved, it was deemed necessary to amend the Remuneration Policy of the Board of Directors in order to introduce the figure of Executive Chairman, together with the agreed terms of his remuneration and other terms of contract.

It is hereby stated for the record that up to the date of approval of this Policy, José Ignacio Goirigolzarri Tellaeché has not received any compensation for the performance of his executive duties as Executive Chairman. The above notwithstanding, the amendments made to this Policy, once approved, shall take retroactive effect back to the date of approval of the Executive Chairman's contract by CaixaBank's Board of Directors.

Accordingly, the proposed terms of remuneration of José Ignacio Goirigolzarri Tellaeché to be included in the amended Policy are as follows:

- (i) Total fixed annual remuneration for 2021 of € 1.650.000 payable in cash, less, in accordance with the Directors' Remuneration Policy, remuneration for positions held at group companies or on CaixaBank's behalf in 2021.

This amount includes remuneration for his status as a member of CaixaBank's Board of Directors and for any and all seats held on its committees, which amounts to € 150.000. This amount corresponds to his duties for a full financial year. As José Ignacio Goirigolzarri

Tellaeche's contract was approved by the Board of Directors on 30 March and he has been a director since 26 March, this being the effective date of the merger, the total fixed annual remuneration that the Executive Chairman shall receive for the performance of his duties in 2021 will be the result of prorating the amount by the number of days in which he actually held office during the period.

- (ii) The target variable remuneration in the form of a bonus for 2021 will be € 200.000. In this case, the Executive Chairman will be eligible for the full amount of the target amount, insofar as Bankia is effectively absorbed by CaixaBank as a result of the Merger, and he will not receive any variable remuneration for the duties and responsibilities performed during the first few months of 2021.
- (iii) José Ignacio Goirigolzarri Tellaeche will be beneficiary under the third cycle of the Conditional Annual Incentive Plan linked to the CaixaBank Group's 2019-2021 Strategic Plan, which was approved at the General Shareholders' Meeting of 5 April 2019. The Plan is instrumented through the allocation, free of charge, in 2019, 2020 and 2021, of a number of units, which will serve as the basis for determining the number of CaixaBank shares to be delivered, if any, to each beneficiary. In this regard, the maximum number of shares that may be received, in accordance with Motion 15 to be voted on at the 2021 Annual General Meeting, amounts to 105.786 CaixaBank shares.
- (iv) He will be the beneficiary under a disability and death insurance policy which has an estimated annual cost of € 65.279.
- (v) Lastly, he will be the beneficiary of a health insurance policy valued at € 2.352 for 2021.

The contract terms agreed between the Bank and José Ignacio Goirigolzarri Tellaeche have also been included, which are similar to those already agreed with the Chief Executive Officer, including a post-contractual non-compete undertaking and the right to receive compensation in the event of early termination, subject to the events and circumstances stipulated in his contract.

3.3 AMENDMENT OF THE MAXIMUM ANNUAL AMOUNT OF REMUNERATION PAYABLE TO DIRECTORS IN THEIR CAPACITY AS SUCH AND TO MEMBERS OF THE VARIOUS COMMITTEES

The Remuneration Policy of the Board of Directors hitherto in effect has taken into account the maximum amount of remuneration payable to directors in their capacity as such, without counting executive duties, and was approved at the Annual General Shareholders held in 2017 (€ 3,925,000).

Motion 13 to be heard at the 2021 Annual General Meeting proposes a reduction of this maximum remuneration from € 3,925,000 to € 2,925,000. This decrease is down to the change in the category of the Chairman of the Board of Directors. This post, previously held by a non-executive director, is remunerated in the amount of € 1,000,000. As this position is now to be held by an executive director, this amount no longer count towards the total remuneration payable to directors in their capacity as such.

As a result, the Remuneration Policy of the Board of Directors reflects this amendment, thus setting the maximum amount of the annual remuneration payable to directors in their capacity as such at € 2,925,000.

This new amount is understood to be without prejudice to the part of the additional remuneration of the non-executive chairman that accrued up to the date of termination of his duties and that was validly paid in accordance with the Remuneration Policy of the Board of Directors that will remain in effect until the amendments envisioned in this Report are approved at the Annual General Meeting of CaixaBank.

The approved maximum amount shall remain unchanged until such time as it is modified by a new resolution of the Board replacing it.

The above notwithstanding, and in the event that the proposed reduction of the maximum remuneration is not ultimately approved at the General Meeting, the Policy will apply to the maximum limit of € 3,925,000.

3.4 DEFINITION OF THE MAXIMUM NUMBER OF SHARES THAT EXECUTIVE DIRECTORS MAY RECEIVE IN THE EVENT THAT ALL OF THE TARGETS UNDER THE THIRD CYCLE OF THE CONDITIONAL ANNUAL INCENTIVE PLAN LINKED TO THE 2019-2021 STRATEGIC PLAN ARE MET.

Pursuant to Article 219 of the LSC, Motion 14 of the 2021 Annual General Meeting includes the maximum number of shares that CaixaBank executive directors may receive under the third cycle of the Conditional Annual Incentive Plan linked to the 2019-2021 Strategic Plan.

In this regard, the proposed amendment to the Remuneration Policy to be voted on by shareholders at the 2021 Annual General Meeting includes the maximum number of shares that both Gonzalo Gortázar and José Ignacio Goirigolzarri Tellaeche may receive.

3.5 INTRODUCTION OF A NEW SECTION TITLED “SUBJECT MATTER AND SCOPE OF THE POLICY”

Following market practices at peer entities and relying also on the recommendation of external advisors, it has been decided to include an introductory section to explain the purpose of the document, the persons covered (members of the Board of Directors) and its term (three years).

3.6 INTRODUCTION OF A NEW SUB-SECTION ON THE SPECIFIC PROCEDURE AND RULES TO BE FOLLOWED WHEN APPROVING THE CONTRACT OF AN EXECUTIVE DIRECTOR

At the start of the section titled “*Remuneration of directors for the performance of executive duties*”, A number of references have been added to the contract of executive directors, in accordance with Article 249 of the LSC:

- The appointment of a new executive director must first be approved by the Board of Directors with the affirmative vote of two thirds of its members. The director in question must abstain from the deliberations and from voting.
- The contract shall describe all the items for which the executive director may obtain remuneration for the performance of executive duties.
- The contract must be compliant with the provisions of the Remuneration Policy approved at the General Meeting.

The inclusion of this sub-section makes it clear that the contracts executive directors must be compliant with the Policy.

3.7 AMENDMENT TO THE SECTION ON “INSTRUMENT-BASED LONG-TERM INCENTIVES”

To make the Remuneration Policy as flexible as possible in the current climate, the option has been added to establish long-term incentives based on both instruments and cash, pegged to the

conditions established at any given time, so as to generate added value for shareholders.

If the incentive is to be paid in cash, the procedure for payment of the variable remuneration set out in paragraphs c), d), e) and f) of section 5.4 of the Policy must be complied with in all cases.

Therefore, the title of section 5.5 has been changed to “Long-term incentives” and its wording amended accordingly to allow the Company to establish long-term incentives whether or not based on instruments.

3.8 ADAPTING TO BEST PRACTICES IN RELATION TO REMUNERATION AT CREDIT INSTITUTIONS

CaixaBank, as a credit institution, is subject to the remuneration requirements that apply to such entities, as set out in the main regulations listed below:

- **LOSS and ROSS:** Law 10/2014 of 26 June 2014, on the organisation, supervision and capital adequacy of credit institutions (referred to by its Spanish acronym of “LOSS”), which transposes Directive 2013/36/EU (CRD IV), and its implementing regulations (referred to by its Spanish acronym of “ROSS”).
- **Bank of Spain Circular 2/2016.**
- **Commission Delegated Regulation (EU) No 604/2014** of 4 March 2014 supplementing CRD IV to identify categories of staff whose professional activities have a material impact on an institution’s risk profile (“Identified Staff”).
- **EBA Guidelines:** Guidance with interpretation criteria on the CRD IV Directive issued by the European Banking Authority (“EBA”).

While the regulation is now fully transposed into the regulatory framework for credit institutions, it is still relatively recent. As a result, CaixaBank is continuously improving its policies and processes to incorporate the latest pronouncements, market practices and the advice of experts on these matters.

Along these lines, the Policy includes the following changes to incorporate prudential remuneration criteria:

- (i) The Policy now includes the procedure to be followed in order to approve a variable remuneration level of up to 200% of the fixed component, in accordance with Article 34.1 g) of the LOSS.
- (ii) The following amendments have been made to the section on malus and clawback events:
 - a. In accordance with market practices, the malus events now include a further event whereby variable remuneration must be reduced whenever a competent authority issues a requirement or makes a recommendation to CaixaBank to restrict its dividend distribution policy.
 - b. The scope of the clawback clause has been extended, such that it will no longer cover the period of one year from payment of the variable remuneration, but the entire period of deferral and retention of the variable remuneration.
 - c. The Policy now describes the procedure established by the Bank for the effective application of these malus and clawback clauses, which has been approved by CaixaBank. This new procedure will make the process more transparent and objective.
- (iii) The section titled “*Corporate governance of the Remuneration Policy*” now includes a series of references to the duties of the Board of Directors and the Remuneration Committee and, more specifically, to the fact that these two bodies must see to it that the Remuneration Policy is broadly gender-neutral.

4. CONCLUSION

In accordance with the contents of this Report, the Remuneration Committee of CaixaBank considers that the Remuneration Policy should be amended for the above-mentioned reasons. The amended Remuneration Policy contains all information and references required by applicable law and regulations. The Remuneration Committee also considers that its content is in line with applicable regulations, particularly as regards remuneration of listed credit institutions, complies with prudential criteria for risk assumption, good governance and transparency and is suitably aligned with the interests of shareholders.