



# CaixaBank, S.A. Remuneration Committee Activity Report for 2021

December 2021

## Table of Contents

1. Regulation .....	3
2. Composition .....	4
3. The Committee's Functioning.....	6
(i) Preparation.....	6
(ii) Attendance.....	6
(iii) Conduct of meetings .....	7
(iv) Reporting to the Board of Directors.....	7
4. Fulfilment of Duties .....	8
(i) Remuneration. Remuneration policy for Directors and Senior Managers. System and amount of annual remuneration .....	8
(ii) Observance of the Remuneration Policy for Directors and Senior Managers – Information on the basic terms established in Directors' and Senior Managers' Contracts	9
(iii) General Remuneration Policy. Remuneration Policy for the Identified Group .....	10
(iv) Study, drafting and review of remuneration schemes .....	11
(v) 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.....	11
(vi) Miscellaneous.....	13
5. Annual assessment of the Committee's functioning .....	13

This Activity Report was drawn up by the CaixaBank S.A. Remuneration Committee (hereinafter referred to as the “Committee”) on 10 December 2021, 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 scheduled for 15 December 2021.

This Report will be available for consultation on CaixaBank’s corporate website ([www.caixabank.com](http://www.caixabank.com)) together with all other documentation made available to the shareholders by the Company for the 2022 Ordinary General Meeting.

In response to the crisis caused by the Covid-19 pandemic, as occurred in the previous year, the Committee has adapted its functioning and has implemented the necessary measures to continue performing its activities in line with the best practices and recommendations that have been made by the health authorities.

During 2021, 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

CaixaBank’s Appointments and Remuneration Committee was created on 20 September 2007 by resolution of the Board of Directors. On 25 September 2014, the Board of Directors agreed to split said Committee, thus proceeding to create the separated Remuneration Committee as we know it today.

The Committee’s powers and functioning are described in Article 40.6 of the Company By-laws and Article 15.3 of the Rules of the Board of Directors of CaixaBank.

Until now it has not been deemed necessary for the Committee to have its own regulations, as the Committee’s functioning is governed in sufficient detail by the rules included in the Regulations of the Board of Directors.

## 2. Composition

At December 2021, the Committee’s composition was as follows:

Member	Position	Type	Date of first appointment to the Committee	Shareholder represented
Ms María Amparo Moraleda Martínez	Chairwoman	Independent	25-09-2014	-
Mr Joaquín Ayuso García	Member	Independent	30-03-2021	-
Ms Cristina Garmendia Mendizábal	Member	Independent	22-05-2020	-
Mr José Serna Masiá	Member	Proprietary	30-03-2021	“la Caixa”/ Criteria Banking Foundation

Table 1: Members of the Remuneration Committee.

The Remuneration Committee has a total of four members, three of whom are independent members and one of whom is a proprietary member, representing the “la Caixa”/Criteria Caixa Banking Foundation.

During 2021, following the merger by absorption of Bankia, S.A. by CaixaBank, the CaixaBank Board of Directors agreed at its meeting of 30 March 2021 to make changes to the composition of the Remuneration Committee<sup>2</sup>. In particular, the agreed changes included the incorporation of the Committee members Mr Joaquín Ayuso García, independent member, and of the proprietary director Mr José Serna Masiá, occupying the vacancy left by resignation of Mr. Alejandro García-Bragado Dalmau as a member and increasing the number of Committee members by one.

At December 2021, the diversity in the composition of the Committee is reflected in the following charts:

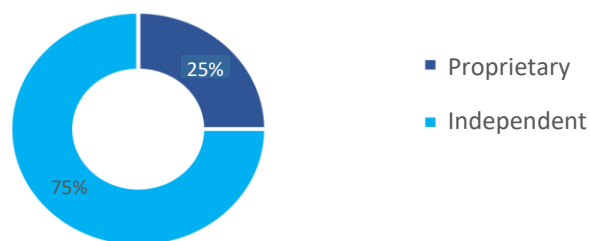


Chart 1: Category of Directors of the Remuneration Committee.

The members of the Committee have been selected taking into consideration their knowledge and experience. As a whole, the Committee members have the necessary expertise for the performance of their duties. For informative purposes, the Company’s

1 Appointed chairwoman of the Remuneration Committee on 25 September 2014.

2 Relevant information: [https://www.caixabank.com/StaticFiles/pdfs/210330\\_OIR\\_Comisiones\\_es.pdf](https://www.caixabank.com/StaticFiles/pdfs/210330_OIR_Comisiones_es.pdf)

website [www.caixabank.com](http://www.caixabank.com), provides information on the professional careers of each of the members of the Committee.

In terms of gender diversity, the percentage of women on the Committee is currently 50% of the members.

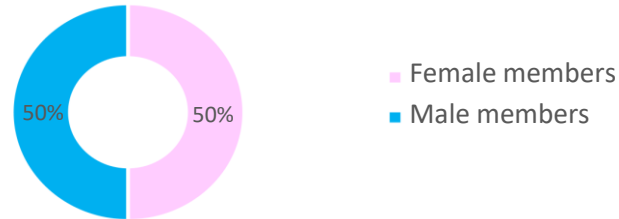


Chart 2: Gender diversity of the Remuneration Committee.

In addition, the length of service of the directors as members of the Committee is as follows:

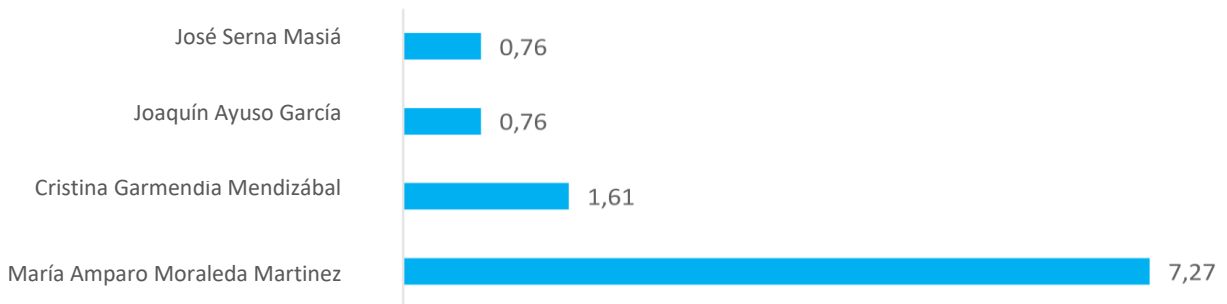


Chart 3: Length of service as members of the Remuneration Committee.

As regards cross-involvement of the Committee members in other Committees of the Board of Directors, Ms María Amparo Moraleda Martínez is also a member of the Executive Committee and of the Innovation, Technology and Digital Transformation Committee; Mr Joaquín Ayuso García is also a member of the Risk Committee; while Ms Cristina Garmendia Mendizábal is also a member of the Audit and Control Committee and of the Innovation, Technology and Digital Transformation Committee. For his part, Mr. José Serna Masiá is also a member of the Audit and Control Committee.

Member	Executive C.	Appointments and Sustainability C.	Audit and Control C.	Risks C.	Innovation Technology and Digital Trans. C.
Ms María Amparo Moraleda Martínez	Member				Member
Mr Joaquín Ayuso García				Member	
Ms Cristina Garmendia Mendizábal			Member		Member
Mr José Serna Masiá			Member		

Table 2: Cross-involvement members of the Remuneration Committee.

In accordance with Article 15.4. (i) of the Regulations of the Board of Directors, the position of Secretary and Deputy Secretary of the Committee shall be held by the Secretary of the Board of Directors of CaixaBank and the First Deputy Secretary of the Board of Directors of CaixaBank, with the right to speak but not to vote, respectively.

### 3. The Committee’s Functioning

#### (i) Preparation

In order to prepare the Committee’s meetings, its members are provided with the documentation for the meeting (draft agenda, proposals, reports, minutes of the previous meetings and any other supporting documentation) sufficiently in advance of each meeting. Computer tools are used for this purpose to ensure the confidentiality of the information.

The Committee also establishes annual planning that is adapted to the needs that arise during the year.

#### (ii) Attendance

In accordance with its regulations, the Committee meets as necessary for the correct 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 issue of a report or adoption of a proposal.

The Committee met on ten occasions in 2021.

In particular, the Committee members’ attendance of the meetings, either present or represented by proxy, in person or via telematic means, was as follows in 2021:

Members	Attendance/Number of meetings
Ms María Amparo Moraleda Martínez	10/10
Mr Joaquín Ayuso García	7 <sup>3</sup> /10
Ms Cristina Garmendia Mendizábal	10/10
Mr José Serna Masiá	7 <sup>4</sup> /10
Mr Alejandro García-Bragado Dalmau <sup>5</sup>	2/10

*Table 3: Attendance by members of the Remuneration Committee*

<sup>3</sup> Appointed on 30.03.2021.

<sup>4</sup> Appointed on 30.03.2021.

<sup>5</sup> Caused a vacancy on the Committee on 26.03.2021.

During the meetings, limiting their presence to the points on the agenda within their sphere of competence and in order to inform the members of the Committee, these meetings were attended by guests including, among others, the General Director of Human Resources, the Deputy Director of Human Resources, the Director of Personnel Department, the Corporate Business Director of VidaCaixa companies, the Director of Strategy, Projects & Accountability, the Director of Accounting Audit, Solvency and Human Resources, the Director of Sustainability and the Director of Sustainability Strategy. The following chart reflects the departments that regularly attend the Committee meetings for presenting items within their sphere of competence.



Chart 4: CaixaBank Area Attendance

### (iii) Conduct of meetings

The Committee’s system determines quoracy of the meetings 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 of Directors.

There is constant involvement, discussion and debate between the Committee members on all the items dealt with at the Committee meetings, with the Directors providing different views of each matter.

### (iv) Reporting to the Board of Directors

The Committee, through its Chairwoman, explains the activity and work its performs, during the meetings held by the Board of Directors and provides, where appropriate, recommendations to the Board of Directors in relation to policies and other specific matters.

Likewise, the minutes of the Committee meetings along with the appended documents are made available to all Directors, therefore providing all pertinent explanations at the Board of Directors’ meetings.

## 4. Fulfilment of Duties

The Committee has carried out the following activities in compliance with the basic functions established in Article 15.3 of the Regulations of the Board of Directors of CaixaBank:

(i) **Remuneration. Remuneration policy for Directors and Senior Managers. System and amount of annual remuneration**

- The Remuneration Committee studied the fulfilment of the individual challenges pertaining to 2020 as regards the CEO, members of the Management Committee, the Director of Compliance and the Director of Corporate Risk Management Function & Planning, approving submission to the Board of Directors. The challenges were analysed, despite the CEO and the rest of the Management Committee members having waived their bonus payments, due their necessary achievement for determining their discretionary benefits for 2021.
- The Remuneration Committee also studied and reported favourably on these to the Board of Directors in relation to the bonus scheme and the outcome of the corporate challenges of the central services, which apply to the Director of Compliance and the Director of Corporate Risk Management Function & Planning, as well as the proposed compliance scale for the 2020 corporate challenges.
- Subsequent to the Committee having implemented the previous agreements, a favourable report was issued regarding a new bonus proposal for 2020 for the Executive Director of Corporate Risk Management Function & Planning and for the Deputy Director of Compliance, through the application of the RAF impact on the remuneration adjustment in the case of the Executive Director of Corporate Risk Management Function & Planning, and through the application of the positive bonus correction factor of 1.1 applied to the workforce with the aim of acknowledging their efforts during the pandemic, in both cases.
- The Remuneration Committee reported favourably on the bonus proposal for 2020 as regards the Director of Compliance and the Director of Corporate Risk Management Function & Planning.
- The Remuneration Committee also studied and reported favourably to the Board of Directors in relation to the 2021 bonus scheme and the establishment of the corporate challenges for 2021 regarding the Chairman, the CEO, the Management Committee and of central services, which apply to the Director of Compliance and the Director of Corporate Risk Management & Planning, as well as the proposed compliance scale for the 2021 corporate challenges. Said proposal was subsequently ratified by the Remuneration Committee resulting from the merger.



- Similarly, the Committee agreed with the proposal for economic conditions for 2021 of the Chairman, which is of an executive nature subsequent to the integration with Bankia, and of the CEO.
  - The Committee also agreed to report favourably on the 2021 economic conditions proposal of the Management Committee members, the Director of Compliance and the Director of Corporate Risk Management Function & Planning.
  - While also reporting favourably on the individual challenges proposal for 2021 relating to the Chairman, the CEO and the Management Committee members, as well as the Director of Compliance and of the Director of Corporate Risk Management Function & Planning.
  - The Remuneration Committee reported favourably on the proposal for adjusting the economic conditions of the new members of the Management Committee originating from Bankia, in accordance with the impact analysis of the entry into force of the integration labour agreement.
  - Similarly, the Committee agreed to issue a favourable report on the economic conditions' proposal for the new Director of Human Resources.
  - The Remuneration Committee agreed to report favourable on the economic conditions' proposal relating to the disassociation of the Director of Regulatory Compliance, as well as the proposed remuneration of the new director.
  - Likewise, the Remuneration Committee studied a compensation and remuneration proposal affecting directors due to the tax impact of the risk policy renewal in 2021 relating to the corporate pension scheme. The proposal was reported on favourably.
  - The Committee also reported favourably on the 2021 corporate challenges proposal for the third cycle of the annual Targeted Incentive Scheme linked to the 2019-2021 Strategic Plan.
  - Finally, the Committee approved an update proposal regarding the composition of the CaixaBank Group Identified Group for 2021.
- (ii) **Observance of the Remuneration Policy for Directors and Senior Managers – Information on the basic terms established in Directors' and Senior Managers' Contracts**
- The Remuneration Committee expressed agreement with the text of the service contracts for the Executive Chairman, which were approved by the Board of Directors at its meeting on 30 March 2021.

- The Committee reported favourably on modifying the Remuneration Policy of the Board of Directors, to, among other issues, include the figure of the Executive Chairman, the possibility of approving long-term cash incentives and provisions in terms of gender equality.
- Similarly, the Remuneration Committee expressed agreement with the text of the contracts for the new directors and members of the Management Committee originating from Bankia.
- The Remuneration Committee reported favourably on the Transition Protocol between CaixaBank and the Director General of Human Resources in view of his replacement foreseen on 1 January 2022.
- Similarly, the Committee agreed to issue a favourable report on the contract proposal for the new Director of Human Resources.

### (iii) General Remuneration Policy. Remuneration Policy for the Identified Group

- The Remuneration Committee issued a favourable report as regards the modification of the regulation governing the annual incentives plan in light of the change of perimeter derived from the merger with Bankia.
- Subsequent to the foregoing decision, the Committee reported favourably on a new modification of the regulation to include a regulatory change consisting of the deferral in the delivery of shares for the identified group not including senior managers and directors.
- The Remuneration Committee also reported favourably on a modification to the Remuneration Policy of the Identified Group within CaixaBank Group due to the entry into force of the new regulatory framework applicable to credit institutions (CRD V - LOSS, new EBA Guideline and Delegated Regulation 923/2021/UE/ Technical identification standards), as well as the change in the organisational structure due to the merger.
- Following along the lines of Internal Audit's planning in terms of remuneration for 2021, the Committee has been informed of the results of the review performed on the fulfilment of the remuneration guidelines and procedures established in the current regulation for the remuneration Policy for the Identified Group of CaixaBank Group in 2020, the review of the determination for the 2021 identified group pursuant to Royal Decree 604/2014 in CaixaBank and the assessment of the corporate challenges management process for the 2020 central services in CaixaBank; the review of adaptation to the applicable regulation in terms of applying the identified group's remuneration policy for 2020 and the review procedure for the composition of the

identified group for 2021 of VidaCaixa; the adaptation of the identified group's remuneration policy for 2020 and the procedure for determining the identified group for 2021 to the applicable regulations for CaixaBank Asset Management Luxembourg (planned); and the review of the adaptation to the applicable regulations in terms of applying the identified group's remuneration policy for 2020 and the of the procedure for determining the 2021 identified group of MicroBank; and the analysis of the remuneration modifications and geographic mobility of Bankia employees prior to the integration.

- The Remuneration Committee reported favourably on a modification of the General Remuneration Policy to reflect the linkage of remuneration to the ESG sustainability risks.
- Finally, the Remuneration Committee reported favourably on a new modification of the General Remuneration Policy and of the Remuneration Policy of the CaixaBank Group's Identified Group to reflect, among others, regulatory changes and the new variable remuneration system.

#### (iv) Study, drafting and review of remuneration schemes

- The Remuneration Committee also reported favourably on the proposal for beneficiaries for the third cycle of the annual Targeted Incentive Scheme linked to the 2019-2021 Strategic Plan.
- Subsequent to above agreement, the Committee reported favourably on the proposal for increasing the number of beneficiaries, as well as the proposal involving the maximum number of shares delivered to be submitted to the General Meeting for the third cycle of the annual Targeted Incentive Scheme linked to the 2019-2021 Strategic Plan.
- In 2021, the Remuneration Committee has worked on drafting the proposal for a new variable remuneration system for 2022 for senior management and the identified group.
- Finally, the Committee carefully studied the application of the reduction and recovery clauses (malus and clawback).

#### (v) 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

- The Remuneration Committee, as indicated in section (ii) above, reported favourably on modifying the Remuneration Policy for the Board of Directors for the 2020-2022 period.

- Similarly, the Remuneration Committee informed favourably on the proposal for establishing the remuneration of the directors.
- The Committee also issued a favourable report on the proposal for approving the maximum number of shares deliverable, as well as the increase in the number of the beneficiaries for the third cycle of the annual Targeted Incentive Scheme linked to the 2019-2021 Strategic Plan for executive directors, the members of the management committee and the remainder of the management team and key staff of the Company and other companies within its group.
- Likewise, the Remuneration Committee submitted to the Board of Directors a favourable report on the Annual Remuneration Report regarding the directors of listed limited liability companies for 2020 corresponding to CaixaBank, which has been reviewed by Internal Audit.
- The Committee also issued a favourable report on the proposed delivery of shares to executive directors and senior executives as part of the Company's annual variable remuneration scheme.
- Similarly, in relation to the proposal on the maximum level of variable remuneration for certain employees whose activities have a significant impact on the Company's risk profile reaching up to 200% of the fixed component of their total remuneration, the Committee reported favourably on the draft of the detailed Recommendation of the Board of Directors.
- At the Company's Ordinary General Meeting held on 14 May 2021, these proposals, which are included in items 12 - 16 of the agenda of the General Meeting, were approved with the following percentage of votes in favour:

<u>Proposal</u>	<u>Votes for</u>	<u>Votes against</u>	<u>Abstentions</u>
Modification of the Directors' Remuneration Policy	75.7634%	23.1467%	1.0899%
Establishment of the directors' remuneration	77.0806%	0.4596%	22.4598%
Maximum number of shares deliverable and increase of the number of beneficiaries for the third cycle of the annual Targeted Incentive Scheme linked to the Strategic Plan 2019 - 2021	75.7310 %	1.8798%	22.3892%
Delivery of shares to the executive directors as part of the Company's variable remuneration scheme	76.7764 %	0.8328 %	22.3908 %
Maximum level of variable remuneration that may be earned by employees whose work has a significant impact on the Company's risk profile	77.0681 %	0.5100 %	22.4219 %

#### (vi) Miscellaneous

- The Remuneration Committee analysed the expenses incurred by the directors throughout 2020 in comparison to 2019, which had been verified by Internal Audit, stating its conformity to the annual review.

### 5. Annual assessment of the Committee's functioning

This report has been prepared in accordance with Article 529 nonies of the Spanish Corporations Act, as part of the annual assessment that the Board of Directors must carry out of its functioning and that of its committees.

The self-assessment exercise gives a positive rating to the development of the Committee's activities in 2021. Furthermore, the Committee considers that the frequency and duration of the meetings held are generally adequate for its proper functioning and for advising the Board of Directors.