



REPORT OF THE BOARD OF DIRECTORS IN RELATION TO ITEM 5.4 OF THE AGENDA OF THE ORDINARY GENERAL SHAREHOLDERS' MEETING CALLED FOR 21 MARCH 2024, ON FIRST CALL, AND FOR THE FOLLOWING DAY, 22 MARCH, ON SECOND CALL, REGARDING THE DELEGATION TO THE BOARD OF DIRECTORS OF THE POWER TO ISSUE SECURITIES CONTINGENTLY CONVERTIBLE INTO SHARES OF CAIXABANK, S.A. FOR THE PURPOSE OF OR TO MEET REQUIREMENTS FOR THEIR ELIGIBILITY AS ADDITIONAL TIER 1 REGULATORY CAPITAL INSTRUMENTS ("CoCos"); THE POWER TO INCREASE THE SHARE CAPITAL IN THE AMOUNT REQUIRED; AND, WHERE APPLICABLE, TO EXCLUDE PRE-EMPTIVE SUBSCRIPTION RIGHTS

Board of Directors – 15 February 2024

I. PURPOSE OF THE REPORT

The Board of Directors of CaixaBank, S.A. (hereinafter, the "**Company**" or "**CaixaBank**"), subject to the provisions of article 511 of Royal Legislative Decree 1/2010, of 2 July, approving the revised text of the Corporate Enterprises Act (the "**Corporate Enterprises Act**"), issues this report in order to justify the proposed resolution on item 5.4 of the agenda of the Ordinary General Shareholders' Meeting regarding the delegation to the Board of Directors of the power to issue, on one or more occasions, at any time during a maximum period of three years, securities that are contingently convertible into newly issued shares of CaixaBank, as well as financial instruments of a similar nature, which are intended to or allow for meeting regulatory requirements for their eligibility as additional Tier 1 regulatory capital instruments ("**CoCos**"), for a maximum aggregate amount of THREE BILLION, FIVE HUNDRED MILLION EUROS (EUR 3,500,000,000) (or its equivalent in other currencies), as well as the power to determine the terms and conditions of the conversion, the possibility of increasing the share capital by the amount necessary for the conversions and excluding the pre-emptive subscription right of the Company's shareholders if it is justified by the company's interest.

For clarification purposes, it is hereby stated that the issuance of fixed income securities exchangeable exclusively (in other words, not additionally or alternatively convertible into newly issued Company shares) for existing shares of the Company or other companies in which CaixaBank may or may not hold a stake, or which are merely settled net, are not included in the scope of this proposed delegation and shall be governed instead by applicable law and the Company's By-laws.

II. JUSTIFICATION FOR THE PROPOSAL

The dynamics of any company and, especially, of large listed companies, require that their governance and management bodies have the most suitable instruments to provide an appropriate and agile response to the Company's needs at any time, given the market conditions. For this purpose, it is considered necessary that the Company's Board of Directors, in view of the current regulatory situation and of the financial markets, has the greatest flexibility to raise funds through the issuance of securities or convertible instruments that comply with the eligibility requirements for additional Tier 1 capital instruments in accordance with solvency regulations, currently provided for in Regulation (EU) No 575/2013 of the European Parliament and of the Council, of 26 June 2013, on the prudential requirements of credit institutions and investment firms ("**Regulation (EU) 575/2013**").

Convertible securities that meet certain requirements make it possible to optimise the capital structure in order to meet capital and solvency requirements or, with a solid capital position and comfortably meeting the capital ratios required in accordance with the current regulations, allow capital to be increased at a lower cost. Therefore, it is considered appropriate that the Board of Directors be empowered to issue securities that will allow the Company to maintain and, where appropriate, increase its eligible capital ratios, in a flexible and agile manner, in accordance with the regulations that are

in force at any time. Likewise, the issuance of convertible instruments may also be an efficient way to raise funds in terms of cost or the issuance of new capital.

The Board of Directors understands that the proposed resolution submitted to the General Shareholders' Meeting of the Company is motivated by the opportunity to provide the Board with the room to manoeuvre and response capacity by means of a delegation of powers permitted under current regulations, by virtue of which, without the need to previously call and hold a General Meeting (with the delays and costs that this would inevitably entail), it will be able to agree, within the limits and in the time period, and subject to the terms and conditions established by the General Meeting, upon the issuances of securities contingently convertible into newly issued CaixaBank shares, for the purpose of or that meet the requirements for eligibility as additional level 1 regulatory capital instruments ("CoCos") and financial instruments of a similar nature, in line with the corporate interest.

The draft resolution sets at three thousand five hundred million euros (EUR 3,500,000,000) (or its equivalent in other currencies) the maximum issuance amount for which authorisation is requested. The Board of Directors considers that this amount is of sufficient size to enable the necessary funds to be raised in the capital markets to implement the financing policy of the Company and its Group and, where appropriate, to increase the eligible capital ratios in accordance with capital and solvency regulations.

The draft resolution also establishes the criteria for establishing the bases and terms of conversion, although it empowers the Board of Directors, in the event that it agrees to make use of the authorisation of the General Meeting, to specify these parameters for each issuance, within the limits and in accordance with the criteria established by the Board. Thus, the Board of Directors will establish the specific conversion ratio. Further, in accordance with the circumstances and terms set down in the Corporate Enterprises Act, the Board of Directors, on approving a securities issuance under this delegation of power, will ratify a report detailing the specific bases and terms of conversion applicable to the issuance which, where appropriate, will be supplemented by the corresponding report from an accounts auditor other than the Company's auditor.

The draft resolution that is submitted by the Board for approval by the General Meeting provides that, for the purposes of conversion, fixed income securities will be valued at their nominal value, and shares at the exchange rate established by the Board of Directors in the resolution in which it makes use of this delegation, or the rate established on the date or dates close to the issuance as indicated in the Board resolution, with or without a discount or premium. It may also be resolved to issue convertible fixed income securities with a variable conversion ratio (which may include maximum and/or minimum limits on the conversion price). In such case, the price of the shares for the purposes of the conversion will be determined by the Board of Directors, which may apply a premium or discount on the share price in accordance with established criteria. Thus, the Board considers that it has been granted sufficient flexibility to set the price of the shares for conversion purposes based on market conditions and other applicable considerations.

The draft resolution to delegate to the Board of Directors also includes the power to establish the capital increase required to meet conversion requests, subject to any limits in force at all times. Consequently, this power may only be exercised provided that such a capital increase under delegated powers, in addition to any other capital increases that the Board of Directors may have agreed upon under the authorisation granted by the General Meeting, is no higher than half of the amount of the share capital, as established in article 297.1.b) of the Corporate Enterprises Act. In this regard, the amount of capital increases that, where appropriate, are approved in order to carry out the conversion of securities or instruments issued under the delegation of powers described in this report, will be considered to fall within the limits available at any given time. Pursuant to the regulations currently in force, and the authorisation submitted for approval by the General Shareholders' Meeting under item 5.3 of the agenda, the capital increases that the Board of Directors approves under the delegation resolution covered by this report to cover the conversion of this type of securities are subject to the limit of 50% of the share capital, in accordance with the provisions of the Fifteenth Additional Provision of the Corporate Enterprises Act.

It is hereby stated that the Board of Directors, pursuant to the provisions of the Corporate Enterprises Act, is also empowered to remove, all or part of shareholders' pre-emptive subscription rights, if required to raise funds on Spanish and international markets or for any other reason deemed to be in the corporate interest. The Board of Directors considers that the possibility of removing pre-emptive subscription rights is justified, as long as it is in the corporate interest, due to the flexibility and agility with which it is necessary to act in the current financial markets to be able to take advantage of the moments when market conditions are more favourable. This justification is especially relevant when the acquisition of financial resources is to be carried out on international markets, in which the large amount of funds traded and the agility and speed with which they move, can give rise to high volumes of funds under more favourable conditions using *bookbuilding* techniques. The Board considers that the removal of pre-emptive subscription rights could lead to relatively lower financial and transaction costs (especially the fees and commissions of the financial entities participating in the issue) compared to an issue with pre-emptive subscription rights, and at the same time would have a lower distortion effect on the trading of the Company's shares during the issuance period. Additionally, it is hereby stated given the nature of the securities issued, all the issuances of convertible securities carried out in recent years under the powers conferred by the General Meeting have been aimed at institutional or professional investors, as these securities were not suitable for retail investors, a point which also justifies the removal of pre-emptive subscription rights.

If the Board decides to remove shareholders' pre-emptive subscription rights in relation to any or all issuances it makes under this delegation of powers, upon implementing the issuance resolution it may have a legal requirement to draw up a specific report, which may, in turn, be the subject of a further report issued by an independent expert, pursuant to the Corporate Enterprises Act. These reports must be made available to shareholders in the terms provided for by law.

Directive 2013/36/EU of the European Parliament and of the Council, of 26 June 2013, on access to the activity of credit institutions and the prudential supervision of credit institutions and investment companies, and Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms, and Spanish Law 11/2015, of 18 June, on the recovery and resolution of credit institutions and investment services companies, anticipate the need for credit entities to provide, in certain proportions, different instruments in the composition of their regulatory capital so that they can be considered suitably capitalised. In this regard, there are different capital categories that must be covered by specific instruments. Although the Company's capital situation is currently adequate, it was deemed necessary to pass a resolution that allows the issuance of instruments that may be convertible in certain cases.

Insofar as the issue of these instruments entails the need to have authorised capital available to cover any possible convertibility at the time of issue, and in order to provide the company with greater flexibility, it has been considered appropriate that the increases in share capital that the Board approves under the delegated authority that is the subject of this report to cover the conversion of this type of securities whose issuance has excluded pre-emptive subscription rights be subject to a maximum of 50% of the capital envisaged in the proposed resolution submitted for approval by the General Shareholders' Meeting under agenda item 5.3. In this regard, the Corporate Enterprises Act expressly establishes that, in the case of issues of convertible securities with exclusion of pre-emptive subscription rights, the maximum number of shares that may be issued to cover the exchange, added to the number of shares that have been issued under the delegation to the Board of Directors to increase the capital, may not exceed 20% of the number of shares comprising the share capital at the time of authorisation. However, this 20% limit shall not apply to convertible bond issues made by credit institutions, provided that these issues comply with the requirements laid down in Regulation (EU) 575/2013 on prudential requirements for credit institutions and investment firms in order for the convertible bonds issued to qualify as additional Tier 1 capital instruments of the issuing credit institution. Therefore, the general limit will be 50% for capital increases that are approved to cover the potential conversion of the securities issued under the delegation of powers referred to in this report, excluding pre-emptive subscription rights.

Lastly, the implementation of the necessary resolutions is proposed to ensure that the securities issued by virtue of this delegation of powers are admitted to trading on any official or unofficial, Spanish or foreign secondary market (organised or otherwise).

In conclusion, the resolution submitted to the General Meeting provides the Board of Directors with room for manoeuvre and response capacity and is justified by the flexibility and agility with which it is necessary to act in current financial markets in order to be able to take advantage of moments when market conditions are more favourable. In addition, although the Company's capital situation is currently adequate, the resolution submitted to the General Meeting allows the capital structure to be optimised and increased to comply with the current and future regulatory solvency and prudential capital requirements of credit institutions.

III. PROPOSED RESOLUTION

The full text of the proposed resolution under agenda item 5.4 is as follows:

Delegation to the Board of Directors of the power to issue securities contingently convertible into shares of the Company, or instruments of a similar nature, for the purpose of or to meet regulatory requirements for their eligibility as additional Tier 1 regulatory capital instruments in accordance with applicable capital adequacy regulations, for a maximum total amount of EUR 3,500,000,000 (or the equivalent in other currencies); as well as the power to increase share capital by the necessary amount, including power to exclude, where appropriate, pre-emptive subscription rights. Establishment of the criteria for determining the bases and modalities of conversion.

It is resolved to delegate powers to the Board of Directors, to the fullest extent required by law, to issue securities contingently convertible into newly issued shares of CaixaBank, or instruments of a similar nature, for the purpose of or to meet regulatory requirements for their eligibility as additional Tier 1 regulatory capital instruments (“CoCos”), in accordance with prevailing capital adequacy regulations, all this subject to the terms of this resolution and in compliance with applicable law and the By-laws and after obtaining any authorisations that may be required.

For clarification purposes, it is hereby stated that the issuance of fixed-income securities exchangeable for existing shares of the Company or other companies in which CaixaBank may or may not hold a stake, or which are merely settled net, fall outside the scope of this delegation of powers and shall be governed instead by applicable law and the Company's By-laws.

The delegation is made in accordance with the following conditions:

- 1. The Board of Directors is empowered by virtue of this resolution to issue securities on one or more occasions, at any time, within a maximum of three years from the date this resolution is passed.*
- 2. The maximum total amount of the issuance or issuances of securities envisaged under this delegation of powers will be THREE BILLION FIVE HUNDRED MILLION EUROS (EUR 3,500,000,000), or equivalent value in another currency.*
- 3. Issues made by virtue of this delegation may be for Spanish or foreign investors of all kinds.*
- 4. By virtue of the powers hereby delegated, the Board of Directors shall be responsible for determining each and every one of the terms, characteristics and conditions of each of the issues of securities effected under the terms of this resolution, including, without limitation, the amount thereof, though always subject to the aforementioned total quantitative limit, place of issue – national or foreign – and currency, including, if issued in foreign currency, the equivalent value in euros; the*

name or type, for the purposes of its eligibility as regulatory capital instruments in accordance with applicable capital adequacy regulations; the date or dates of issuance; the form, time and events of conversion; whether the securities are contingently convertible; the number of securities and their nominal value, which shall not be less than the nominal value of the shares; the issue price; the form and conditions of the remuneration, whether the interest rate is fixed or variable and the dates and procedures for payment of interest; the maturity date or whether the issuance is perpetual in nature; if applicable, the terms and conditions of early redemption (total or partial); the form of representation of the securities; anti-dilution clauses; pre-emptive subscription rights, if any, and the subscription regime; the rank or seniority of the securities and any subordination clauses; and the legislation applicable to the issuance, whether domestic or foreign. The Board shall likewise request, where appropriate, admission to trading (and, where appropriate, de-listing) of the issued securities on official or unofficial secondary markets, whether or not organised and whether domestic or foreign, in accordance with applicable legal requirements in each case; and, in general, any other term or condition of the issuance. It shall likewise establish the relevant body, form and mechanisms to allow for the association, collective organisation and/or representation and protection of the holders of the securities and, where applicable, shall appoint their representatives, if necessary or if it is decided that such representatives should exist.

This delegation of powers also includes authority for the Board of Directors to decide the terms of redemption of the securities issued, with authority to use, to the extent applicable, the redemption methods envisioned in the Corporate Enterprises Act or any others that may apply. Likewise, the Board of Directors is empowered to, when deemed appropriate, and subject to obtaining any approval or consent that may be required from the syndicates or bodies representing the holders of the securities, modify the terms of redemption of the issued securities and their respective terms and any yield or remuneration that may accrue in relation to each of the issuances made under this authorisation.

5. *For the purpose of determining the basis and modalities of the conversion, it is agreed to establish the following criteria:*
 - i. *The securities issued under this resolution shall be contingently convertible into newly issued shares of the Company, at a fixed (determined or determinable) or variable conversion ratio (which may include maximum and/or minimum limits on the conversion price), with the Board of Directors being given the power to establish the terms of such conversion, including manner, time and conversion events or whether the conversion is to be contingent or conditional.*
 - ii. *If it is resolved to issue the convertible securities with a fixed conversion ratio, the securities will be valued at their nominal value and the shares at the fixed exchange rate stipulated in the resolution of the Board of Directors made further to this delegation of powers, or at the exchange rate to be determined on the date or dates close to the issuance as indicated in the Board resolution*

itself, and based on the stock market value of the Company's shares on the date/s or period/s taken as the reference point in that same resolution, with or without discount or premium, with the Board of Directors being authorised to establish any conversion criteria it deems appropriate.

- iii. It may also be agreed to issue the convertible securities with a variable conversion ratio. In the latter case, the price of the shares for the purposes of the conversion will be determined by the Board of Directors, which may apply a premium or discount on the share price in accordance with the relevant rules and criteria. The premium or discount may be different for each date taken as the reference for the conversion of each issuance (or, where applicable, each tranche of an issuance). In addition, a minimum and/or maximum reference price for the shares may be established for the purposes of their conversion, on such terms as the Board of Directors may deem appropriate.*
- iv. Where conversion is applicable, any fractions of a share to be delivered to the holder of the securities shall be rounded down to the next whole number. The Board will be responsible for deciding whether each holder should be paid the resulting difference in cash, where the case may be.*

When approving an issuance of securities pursuant to the powers set out in this resolution, the Board of Directors shall issue a report specifying the terms and conditions of the issuance. This report may be accompanied by the corresponding report of an auditor other than the Company's own auditor, all the foregoing in accordance with the provisions of the Corporate Enterprises Act.

- 6. To the extent that the conversion into shares of the securities that may be issued under this delegation is possible, their holders shall have all the rights recognised to them by applicable legislation.*
- 7. This delegation to the Board of Directors also includes the following powers, by way of example but without limitation:*
 - i. The power for the Board of Directors to exclude, in whole or in part, the pre-emptive subscription rights of shareholders, when doing so is required in order to raise funds on national or international markets and is to be carried out through the use of book building or for any other reason deemed to be in the Company's interest. If the Board decides to exclude the pre-emptive subscription rights of shareholders in relation to a specific issue it decides to make under this authorisation, it shall, at the time of approving the issue, elaborate a specific report, when necessary and accordingly with the terms required by the applicable regulations, which, when applicable, will be subject of a consecutive report issued by an independent expert, in accordance with the Corporate Enterprises Act. These reports shall be made available to shareholders in due course in the terms provided for by law.*
 - ii. The power to increase capital by the amount necessary to meet requests for conversion and/or where shareholders exercise their right to subscribe for shares, subject to any limits in force and available from time to time. It is*

hereby stated for the record that the increases in share capital that the Board may approve under this authorisation to cover the conversion of convertible securities or instruments of a similar nature that meet the regulatory requirements for their eligibility as additional tier 1 capital instruments in accordance with applicable solvency regulations, the issuance of which has excluded pre-emptive subscription rights, shall not be subject to the maximum limitation of 10% of share capital set forth in the proposed resolution submitted for approval of this General Meeting under item 5.3 of the agenda, or that which may be approved in the future by the General Shareholders' Meeting, nor to the limitation set forth in article 511 of the Corporate Enterprises Act, in accordance with the fifteenth additional provision of the Corporate Enterprises Act, which excludes the application of this limit to credit institutions. This capital increase authorisation includes the authorisation to issue and put into circulation, on one or more occasions, the shares representing it that are required for the conversion and/or exercise of the share subscription right, and the authorisation to redraft the articles of the Company By-laws concerning the amount of capital and shares and, where the case may be, to cancel the part of the said capital increase that is not necessary for the conversion and/or exercise of the share subscription right.

- iii. The power to draw up and specify the terms and modalities of the conversion and/or exercise of the rights to subscribe for shares by virtue of the securities to be issued, taking into account the criteria set out in point five above and, in general and in the broadest terms, the power to determine such aspects and conditions as may prove necessary or appropriate for the issuance.*
- iv. To request, when deemed appropriate, the admission to (or, as the case may be, the de-listing from) trading of the securities issued under this delegation of powers on/from official or unofficial secondary markets, whether or not organised and whether national or foreign. For such purposes, the Board of Directors will be authorised to conduct such business as may be necessary or fitting in order to arrange the admission to trading of the issued securities vis-à-vis the competent bodies of different national or foreign securities markets, subject to the rules that currently exist or may apply in the future on matters relating to listing and, especially, trading, continuity of trading and de-listing from official trading.*

The delegation of powers in the Board of Directors – with express authority to sub-delegate such powers to the Executive Committee of the Board of Directors or to one or more Board members or senior officers – includes the broadest powers required by law for the interpretation and effective application, implementation and enforcement of the resolutions concerning the issuance of the securities. Likewise, the Board is granted powers to correct and further specify such resolutions as and when necessary and to comply with any legal requirements when implementing and acting upon such resolutions. It may also remedy omissions or defects in such resolutions, as indicated by any national or foreign authorities, officials or bodies, and may adopt such further resolutions and implement such public or private documents as it deems necessary or advisable in order

to adjust or amend the aforementioned resolutions for the issue of securities and the corresponding capital increase accordingly to reflect the verbal or written opinion of the Companies Registrar or, in general, of any other competent national or foreign authorities, officials or institutions.

This delegation replaces and renders ineffective, in the unused amount, the previous delegation in force, approved at the General Meeting of 14 May 2021.

15 February 2024