



CaixaBank's DNA



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# 06 Annual Corporate Governance Report

For 2019

# Corporate Governance in 2019

## 1.1 Changes in the governing bodies in 2019

In line with best corporate governance practices, the General Shareholders' Meeting held on 5 April 2019 resolved to reduce the number of Board members by two (2), thus bringing the total number of directors to sixteen (16); within the limits stipulated in the By-laws.

Shareholders also approved the re-election as Board members of Gonzalo Gortázar Rotaecche (executive director), María Amparo Moraleda Martínez (independent director), John S. Reed (independent director) and María Teresa Bassons Boncompte (proprietary director), as well as the appointment of Marcelino Armenter Vidal (proprietary director) and Cristina Garmendia Mendizábal (independent director) as new members of the Board of Directors.

Following the resolutions to re-elect and appoint the aforementioned directors and considering that directors Alain Minc, Juan Rosell Lastortras, Antonio Sáinz de Vicuña y Barroso and Javier Ibarz Alegría will not be re-elected upon reaching the end of their term of office, there are now 16 directors sitting on the Board of Directors.

Following the annual General Shareholders' Meeting, the Board of Directors agreed to appoint Gonzalo Gortázar Rotaecche as Chief Executive Officer of CaixaBank, S.A., to be vested with all the powers that may be delegated by law and those laid out in the By-laws.

The Board of Directors, acting on the recommendation of the Appointments Committee and the Audit and Control Committee (in the latter case with regard to the composition of the Appointments Committee), also agreed to restructure the various committees attached to the Board.



Specifically, the Board of Directors appointed Verónica Fisas Vergés (independent director) as a new member of the Remuneration Committee and Xavier Vives Torrents (independent coordinating director) as a new member of the Appointments Committee, replacing, respectively, Juan Rosell Lastortras and Alain Minc.

The Board of Directors also agreed to re-appoint the directors re-elected by shareholders at the General Meeting as members of the Board committees on which they had previously been sitting (namely Gonzalo Gortázar Rotaecche was appointed to the Executive Committee; María Amparo Moraleda Martínez was appointed to the Executive Committee and the Remuneration Committee; John S. Reed was appointed to the Appointments Com-

mittee; and Teresa Bassons Boncompte was appointed to the Appointments Committee).

Last but not least, the Audit and Control Committee agreed to appoint Koro Usarraga Unsain as its Chairman, while the Risk Committee appointed Eduardo Javier Sanchez Irazu as its Chairman.

Meanwhile, the Board of Directors reached the decision on 23 May 2019 to set up a new Innovation, Technology and Digital Transformation Committee.

## 1.2 New Innovation, Technology and Digital Transformation Committee

At a meeting held on 23 May 2019, the Board of Directors agreed to set up a new Innovation, Technology and Digital Transformation Committee, as an advisory committee attached to the Board of Directors, based on a recommendation received from the Appointments Committee.

The committee will aid and support CaixaBank's Board of Directors on all matters relating to technological innovation and digital transformation, while also helping it monitor and analyse any trends or innovations that might impact CaixaBank's strategy and business model in this field.

### >> COMMITTEE MEMBERSHIP IS AS FOLLOWS:



#### Chairman

Jordi Gual Solé



#### Members

Gonzalo Gortázar Rotaache

María Amparo Moraleda Martínez

Marcelino Armenter Vidal

Cristina Garmendia Mendizábal

## 1.3 Progress in corporate governance in 2019

Aside from what we have discussed previously as the main corporate governance milestones in 2019 —such as the reduced size of the Board of Directors and the creation of a specialised committee to advise the Board on matters relating to technological innovation and digital transformation (the Innovation, Technology and Digital Transformation Committee)— it is also noteworthy that following the 2019 Annual General Meeting female directors account for 37.50% of total Board membership (exceeding the 30% recommendation contained in the Good Governance Code), all this in line with best corporate governance practices and trends and recommendations of regulatory bodies and market analysts.

When it comes to working practices, it is worth noting that the Company has made further progress with various technical tools and organisational aspects, such as streamlining agendas and structuring meetings, while also extending time frames in relation to work planning and organisation.

In relation to the committees, the Regulations of the Board of Directors were amended in 2019 to bring the system for delivering meeting minutes of the Appointments Committee and the Remuneration Committee in line with the system already in place for the other committees.

All this as part of a constant drive to ensure best governance at the Entity to further improve its performance by recognising the ability of CaixaBank's governing bodies to carry out their work with the utmost quality.

## 1.4 Challenges for 2020

In view of the findings obtained from the self-assessment of the Board and its committees, and in a bid to further improve their operation and effectiveness, the Board of Directors has appraised and established certain improvement opportunities for 2020.

Notably, these include the need to optimise and streamline agendas so as to increase the amount of time spent debating business matters, thus gaining further insight and knowledge into the performance of the wider sector and market trendsends. Alternative wording: enable closer monitoring of the changes and trends within the sector.

The Entity also intends to continue expanding and improving its technical resources and Group-specific reporting and information processes, in relation to both business and organisational aspects, without losing sight of the fact that the governing bodies are capable of performing excellent work. If necessary, one or other specialised committee may be fine-tuned or restructured to further enhance corporate governance and ultimately the Entity's performance.

# A. Capital structure

## Share capital (A.1.)

At year-end, CaixaBank's share capital amounted to 5,981,438,031 euros, represented by 5,981,438,031 shares, each with a face value of 1 euro, all belonging to a single class and series and all with identical voting and dividend rights. The shares are represented through book entries and confer 5,981,438,031 voting rights. The company responsible for the book-keeping of the shares is Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (IBERCLEAR). The shares into which CAIXABANK's share capital is divided are listed for trading on the Barcelona, Bilbao, Madrid and Valencia stock exchanges through the Automated Trading System (Continuous Market).

The share capital was last changed on 14 December 2016.

On 1 June 2017, CaixaBank reported the approval of the issuance of preferential shares eventually convertible into new issue shares (Additional Tier 1), excluding the right of first refusal, for the amount of 1,000 million euros, the terms of which were established on the same day.

On 13 March 2018, CaixaBank announced the approval of an issue of contingent convertibles (convertible into new-issue shares of CaixaBank) (AT1) worth 1.25 billion euros, with the pre-emptive subscription right disappplied.

While the preference shares are perpetual, they may be redeemed under specific circumstances at the option of CaixaBank and are, in all cases, convertible into common newly-issued shares of the entity if CaixaBank or the CaixaBank Group has a Common Equity Tier 1 ratio (CET1), of less than 5.125%, calculated in accordance with European Regulation 575/2013, of 26 June, of the European Parliament and Council, on prudential requirements of credit institutions and investment firms.

The conversion price of the preferential shares will be the highest figure between (i) the average of the daily volume-weighted average share prices of CaixaBank corresponding to the five trading days prior to the day on which the announcement of the corresponding conversion scenario is made, (ii) €2,803 (Floor Price), with respect to the preferential shares issued in June 2017, and €2,583 (Floor Price), with respect to those issued in March 2018, and (iii) the face value of a CaixaBank share at time of conversion (at the date of this report, the face value of the CaixaBank share is one euro (€1)).

## Significant shareholders and related disclosures during the year (A.2)

(Disclosures to the CNMV during the year)

Figures at 31/12/2019

Name of shareholder	% of shares carrying voting rights		% of voting rights through financial instruments		% of total voting rights
	Direct	Indirect	Direct	Indirect	
BLACKROCK, INC.	0.00	3.005	0.00	0.070	3.075
LA CAIXA BANKING FOUNDATION	0.00	40.00	0.00	0.00	40.00
INVESCO LIMITED	0.00	2.025	0.00	0.00	2.025

**Breakdown of the indirect holding:**

Name of indirect shareholder	Name of direct shareholder	% of shares carrying voting rights	% of voting rights through financial instruments	% of total voting rights
BLACKROCK, INC	Other controlled entities belonging to BLACKROCK GROUP, INC	3.005	0.070	3.075
LA CAIXA BANKING FOUNDATION	CRITERIA CAIXA, S.A.U.	40.00	0.00	40.00
INVESCO LIMITED	INVESCO ASSET MANAGEMENT LIMITED	1.955	0.00	1.955
INVESCO LIMITED	INVESCO CAPITAL MANAGEMENT LLC	0.008	0.00	0.008
INVESCO LIMITED	INVESCO ADVISERS, INC	0.011	0.00	0.011
INVESCO LIMITED	INVESCO MANAGEMENT, S.A.	0.051	0.00	0.051

According to public information available on the CNMV's website:

With regard to the ownership situation of "la Caixa" Banking Foundation in CaixaBank, it should be noted that at the close of 2019, Fundación Bancaria Caja de Ahorros y Pensiones de Barcelona ("la Caixa") directly held 3,493 shares in CaixaBank, plus a further 2,392,575,212 shares indirectly through CriteriaCaixa (a company 100% controlled by the Banking Foundation).

Meanwhile, the stake held by BlackRock, INC came to 3.075% at year-end, which is the result of adding 3.005% in shares carrying voting rights to 0.070% in voting rights through financial instruments, all held indirectly. And with respect to Invesco Limited, its indirect stake was 2.025% in shares carrying voting rights.

**>> MOST SIGNIFICANT SHAREHOLDER STRUCTURE CHANGES DURING THE YEAR:**



(\* In relation to the most significant shareholder structure changes in 2019 (aside from the Invesco Limited notifications shown in the above table), it should be noted that BlackRock, INC has made further voluntary disclosures. While the transactions do not result in threshold crossings, they have been included in this section as they were disclosed to the CNMV and have been published on its website.



## List the members of the Board of Directors with voting rights in the company (A.3)

Name of director	% of shares carrying voting rights		% of voting rights through financial instruments		% of total voting rights	% of voting rights that can be transmitted through financial instruments	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
Jordi Gual Solé Doña	0.002	0.000	0.000	0.000	0.002	0.000	0.000
Tomás Muniesa Arantegui	0.003	0.000	0.001	0.000	0.004	0.000	0.000
Gonzalo Gortázar Rotaeché	0.016	0.000	0.007	0.000	0.023	0.000	0.000
Francesc Xavier Vives Torrents	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Marcelino Armenter Vidal	0.003	0.000	0.000	0.000	0.003	0.000	0.000
CajaCanarias Foundation	0.639	0.000	0.000	0.000	0.639	0.000	0.000
María Teresa Bassons Boncompte	0.000	0.000	0.000	0.000	0.000	0.000	0.000
María Verónica Fisas Vergés	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Alejandro García-Bragado Dalmau	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Cristina Garmendia Mendizábal	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Ignacio Garralda Ruiz de Velasco	0.000	0.000	0.000	0.000	0.000	0.000	0.000
María Amparo Moraleda Martínez	0.000	0.000	0.000	0.000	0.000	0.000	0.000
John S. Reed	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Eduardo Javier Sanchiz Irazu	0.000	0.000	0.000	0.000	0.000	0.000	0.000
José Serna Masiá	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Koro Usarraga Unsáin	0.000	0.000	0.000	0.000	0.000	0.000	0.000

>> **TOTAL PERCENTAGE OF VOTING RIGHTS HELD BY THE BOARD OF DIRECTORS**

**0.671**

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**Breakdown of the indirect holding:**

Name of director	Name of direct shareholder	% of shares carrying voting rights	% of voting rights through financial instruments	% of total voting rights	% of voting rights that can be transmitted through financial instruments
Don José Serna Masiá	Doña María Soledad García Conde Angoso	0.000	0.000	0.000	0.000

Relationships among **significant shareholders** (A.4)

The company is not aware of any relationship among significant shareholders, whether family, commercial, contractual or corporate in nature.

Relationships between **significant shareholders and the company and/or group** (A.5)

**LA CAIXA BANKING FOUNDATION**

**>> Nature of relationship**

Commercial/ Contractual

**>> Brief description**

There are commercial and contractual relationships which derive from ordinary trading or exchange activities, the regulating principles of which are contained in the Internal Relations between "la Caixa" Banking Foundation, Criteria and CaixaBank. In accordance with the Financial Ownership Management Protocol, the Banking Foundation, as parent of "la Caixa" Group; Criteria, as direct shareholder; and CaixaBank, as listed company, signed a new Internal Relations Protocol on 22 February 2018, the main objectives of which are to manage related-party transactions, establish mechanisms to avoid the emergence of conflicts of interest, govern the pre-emptive acquisition right over Monte de Piedad, govern collaboration on CSR matters and regulate the adequate flow of information to enable "la Caixa" Banking Foundation and Criteria and CaixaBank to draw up their financial statements and meet their periodic reporting and supervisory requirements as before regulatory and resolution bodies.



## Relationships between **significant shareholders or shareholders represented on the Board and directors, or their representatives (A.6)**

Name or company name of related director or representative	Name or company name of related significant shareholder	Company name of the group company of the significant shareholder	Description of relationship/post
Alejandro García- Bragado Dalmau	LA CAIXA BANKING FOUNDATION	CRITERIA CAIXA, S.A.U.	First Deputy Chairman of the Board of Directors of CriteriaCaixa, S.A.U. and Board member of Saba Infraestructuras, S.A.
Marcelino Armenter Vidal	LA CAIXA BANKING FOUNDATION	CRITERIA CAIXA, S.A.U.	Chief Executive Officer and member of the Executive Committee of Criteria Caixa, S.A.U. and Board member of Saba Infraestructuras, S.A. Director of Inmo Criteria Caixa, S.A.U. and Executive Deputy Chairman of management company Caixa Capital Risc, SGEIC, S.A.
Ignacio Garralda Ruiz de Velasco	MUTUA MADRILEÑA AUTOMOVILISTA SOCIEDAD DE SEGUROS A PRIMA FIJA	MUTUA MADRILEÑA AUTOMOVILISTA SOCIEDAD DE SEGUROS A PRIMA FIJA	Chairman and Chief Executive Officer of Mutua Madrileña Automovilista, Sociedad de Seguro a Prima Fija.
Natalia Aznárez Gómez	FUNDACIÓN BANCARIA CAJA NAVARRA, FUNDACIÓN CAJACANARIAS AND FUNDACIÓN CAJA DE BURGOS	CAJA CANARIAS FOUNDATION	Director of Fundación CajaCanarias.

## Shareholders' agreements (A7)

The company is aware of an existing shareholders' agreement between FUNDACIÓN CAJA DE BURGOS, FUNDACIÓN BANCARIA, FUNDACIÓN BANCARIA CAJA NAVARRA, FUNDACIÓN CAJACANARIAS and "LA CAIXA" BANKING FOUNDATION, affecting 40.63 % of the company's share capital.

The share capital affected by the shareholders' agreement at time of signing was 80.597%. This percentage pertained to the CaixaBank shares held by: Caja Navarra (now Fundación Bancaria Caja Navarra), Cajasol (now Fundación Cajasol), CajaCanarias (now Fundación CajaCanarias) and Caja de Burgos (now Fundación Caja de Burgos, Fundación Bancaria) (hereinafter, the "Foundations") and "la Caixa" Banking Foundation at 1 August 2012, the date the agreement was signed.

The current figure of 40.639% is the sum of the stake held by "la Caixa" Banking Foundation through Criteria Caixa, S.A.U. and the stake held by Fundación Bancaria CajaCanarias, which is public information available on the CNMV website. In the first case, because it qualifies as a significant holding, and in the second, due to the seat that it holds on CaixaBank's Board of Directors. Therefore, the information on the percentage of capital affected by the Agreement does not include the holdings of the other two signatory foundations (Fundación Bancaria Caja Navarra and Fundación Bancaria Caja de Burgos), for which no information on their holdings in CaixaBank has been made public as they are not significant shareholders or members of the Board of Directors.



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## » Brief description of the agreement

Following the merger by absorption of Banca Cívica by CaixaBank, the shareholders: "la Caixa" Banking Foundation, Caja Navarra (now Fundación Bancaria Caja Navarra), Cajasol (now Fundación Cajasol), CajaCanarias (now Fundación CajaCanarias) and Caja de Burgos (now Caja de Burgos, Fundación Bancaria) (hereinafter, the "Foundations") entered into a Shareholders' Agreement on 1 August 2012 in order to regulate relations between the Foundations and "la Caixa" Banking Foundation, as CaixaBank shareholders, and their reciprocal duties to cooperate, including their relationship with CaixaBank.

It was also agreed that "la Caixa" Banking Foundation would vote in favour of the appointment of two members of the Board of Directors of CaixaBank proposed by the Foundations and, in order to give stability to their shareholding in CaixaBank, the Foundations agreed upon a four-year lock-up period. They also acknowledged that the other Foundations (first and foremost) and "la Caixa" Banking Foundation (secondarily) would have a pre-emptive acquisition rights for two years should any of the Savings Banks wish to transfer all or part of their stake once the lock-up period had expired.

On 17 October 2016, the amendments were signed to the Integration Agreement between CaixaBank, S.A. and Banca Cívica, S.A. as well as the Shareholders' Agreement of CaixaBank, S.A., the first of which had been entered into on 26 March 2012 by Caja de Ahorros y Pensiones de Barcelona ("la Caixa"), CaixaBank, S.A., Banca Cívica, S.A. and the savings banks that once formed Banca Cívica, S.A., and the second on 1 August 2012 by "la Caixa" and the savings banks that formed Banca Cívica, S.A. The amendments to the aforementioned agreements mean that the banks that comprised Banca Cívica, S.A., instead of proposing the appointment of two directors at CaixaBank, may now nominate one director at CaixaBank, S.A. and one director at VidaCaixa, S.A. (a CaixaBank subsidiary).

## » Date of termination of agreement, if applicable

On 17 October 2016, the parties signed a series of amendments to the integration agreement between CaixaBank, S.A. and Banca Cívica, S.A. and to the Shareholders' Agreement of CaixaBank, S.A., the first of which had been entered into on 26 March 2012 by Caja de Ahorros y Pensiones de Barcelona ("la Caixa"), CaixaBank, S.A., Banca Cívica, S.A. and the savings banks that then comprised Banca Cívica, S.A., and the second on 1 August 2012 by "la Caixa" and the savings banks that formed Banca Cívica, S.A.

The amendments took the form of an agreement signed on 4 October 2018 between the "Foundations" and "la Caixa" Banking Foundation, amending the Shareholders' Agreement in order to render paragraph three of clause six ("Term of the Shareholders' Agreement") null and void, among other changes.

The other result is that the three-year extension of the agreements that was automatically triggered at the beginning of August 2016 will now have a duration of four years instead.

On 4 October 2018, the agreement was amended by a further agreement entered into by the Foundations and "la Caixa" Banking Foundation, following Fundación Cajasol's announcement that it intended to walk away from the Integration Agreement between CaixaBank, S.A. and Banca Cívica S.A., once six years had elapsed from its signing.

Amendments were also made to Recital III, Clause 1 'Purpose of the Shareholders' Agreement' to remove the mention 'to support the "la Caixa" Banking Foundation, Clause 3 'Territorial Advisory Boards'. Clause 5 'Right of First Refusal' has been removed, such that its wording is no longer applicable. Furthermore, the third paragraph of clause six 'Term of the Shareholders' Agreement' is no longer applicable.

The commitments regarding the combined Welfare Projects of the Foundations and the "la Caixa" Banking Foundation remain valid, with the same content and scope as before, with the exception of the commitments between Cajasol and "la Caixa" Banking Foundation, for which only the commitments made on the date of that document remain in force up until such time as they are completed.

The advisory nature of the Territorial Advisory Boards for Canary Islands, Navarre and Castile-Leon shall continue in force.

On 29 October 2018, price sensitive information was filed with the CNMV, confirming that all parties had signed the amendments to the Integration Agreement between CaixaBank and Banca Cívica, S.A., and the CaixaBank Shareholders' Agreement. The main purpose of the amendment is to clarify the terms of the agreement in relation to certain commitments undertaken by "la Caixa" Banking Foundation to comply with the conditions approved in March 2016 by the ECB Supervisory Board for the prudential deconsolidation of Criteria in CaixaBank. Compliance with such conditions led to a reduction in the holding of the Banking Foundation, and the subsequent loss of control over CaixaBank.

The automatic three-year renewal of the agreements that took place on 1 August 2016 will instead last for four years.

The agreement will now expire on 3 August 2020.

## Concerted actions

The company is not aware of any concerted actions among its shareholders.

## Controlling shareholder (A.8)

No individual or company exercises or may exercise control over the company in accordance with Article 5 of the Ley de Mercados de Valores ("Spanish Securities Market Act" or "LMV").

## Treasury shares and authorisation of the General Shareholders' Meeting (A.9 and A.10)

### >> AT THE CLOSE OF THE YEAR:

>> NUMBER OF DIRECT SHARES

**2,705,936**

>> NUMBER OF INDIRECT SHARES (\*)

**423,157**

>> TOTAL PERCENTAGE OF SHARE CAPITAL

**0.053**

### >> (\*) THROUGH:

Name of direct shareholder	Number of direct shares
VIDACAIXA, S.A. DE SEGUROS Y REASEGUROS	19,528
MICROBANK	5,635
BANCO BPI, S.A.	393,716
CAIXABANK PAYMENT & CONSUMER	4,278
<b>Total</b>	<b>423,157</b>

At the Annual General Meeting of 28 April 2016, it was agreed to authorise the Board of Directors so that, in accordance with the provisions of Articles 146 and 509 of the Corporate Enterprises Act, it could proceed with the derivative acquisition of treasury shares, directly and indirectly, through its subsidiaries, under the following terms:

- The shares may be acquired on one or more occasions in the form of a purchase and sale, swap, dation in payment or any other legally admissible form, provided the combined nominal amount of the acquired shares and those already held by the Company does not exceed 10% of the subscribed capital.
- When the acquisition is for consideration, the price or equivalent value shall be the price of the Company share on the Continuous Market at the close of the day prior to the acquisition, +/-15%.

This authorisation is valid for five years from the adoption of the resolution at the General Shareholders' Meeting.

In addition, and for the purposes of article 146.1, section a, paragraph 2 of the Corporate Enterprises Act, a resolution was carried to expressly authorise the acquisition of shares in the Company by any of the subsidiaries, under the same terms set out in the resolution.

The shares acquired by virtue of this authorisation may be subsequently disposed of or redeemed, or else extended to employees and directors of the Company or its group as part of the remuneration systems set out in Article 146, section a, paragraph 3 of the Corporate Enterprises Act.

The Board of Directors is empowered to delegate this authorisation to any person or persons it sees fit.

All the foregoing subject to the remaining limits and requirements of the Corporate Enterprises Act and other applicable legislation and hereby revoking the unused portion of the previous authorisation granted at the General Shareholders' Meeting held on 19 April 2012.

The Board of Directors, at a meeting held on 28 January 2016, agreed to establish the rules and criteria for intervention in treasury shares on the basis of a new alerts system and in accordance with the authorisation envisaged in article 46 of the Internal Rules of Conduct to define the margin of discretion of the inside area when managing treasury shares.



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## Working capital (A.11)

The CNMV defines “estimated working capital” (without prejudice to other definitions) as the part of share capital that is not in the possession of significant shareholders or members of the board of directors or that the company does not hold in treasury shares.

### >> WORKING CAPITAL

CNMV criterion	%
Share capital	100 %
Treasury shares	0.05 %
Board	0.66 %
Significant shareholders (TOTAL)	45.12 %
<b>WORKING CAPITAL (CNMV criteria)</b>	<b>54.17 %</b>

## Exercise of voting rights. Neutralisation measures and other issued securities (A.12, A.13 and A.14)

There are no restrictions on the transfer of shares and/or restrictions on voting rights. Notwithstanding the above, it should be noted that Article 16 et seq. of Law 10/2014, of 26 June, on Discipline, Supervision and Solvency of Credit Institutions states that persons wishing to acquire ownership interest in the Entity (under the terms of article 16) or voting rights or to increase, directly or indirectly, their stake in said ownership interest, such that their voting rights or share capital reach certain thresholds or they obtain control of the credit institution, must give prior notice to the Bank of Spain.

Further, there are no legal restrictions or limitations set forth in the By-laws on exercising voting rights at CaixaBank. However, as explained under section B below, CaixaBank's By-laws and General Shareholders' Meeting Regulations stipulate that all shareholders who individually, or in a group with other shareholders, are able to evidence ownership of at least one thousand (1,000) shares, and who have registered ownership of same in the relevant book-entry ledger at least five days in advance of the date the General Meeting is to be held, may attend the meeting in person.

Shareholders at the Annual General Meeting on 19 April 2012 voted to amend certain articles of the By-laws. The amendments include, among others, specification that given that the Company allows shareholders to exercise their voting rights and proxies through means of remote communication, the restriction of owning a minimum of one thousand shares to be able to attend the General Meeting would only apply to those attending in person.

Therefore, following this amendment, shareholders do not have to hold a minimum number of shares to be eligible to attend the Annual General Meeting (either in person or by proxy) and exercise their voting rights through means of remote communication.

CaixaBank has not adopted any measures to neutralise a take-over bid or to issue securities that are not traded on an EU regulated market.

## B. General Shareholders' Meeting

### Regulation of the General Shareholders' Meeting

(B.1, B.2, B.3, B.6, B.7 and B.8)

There are no differences between the quorum and the manner of adopting corporate resolutions established by the LSC for General Shareholders' Meetings and those set by CaixaBank.

In connection with the amendments to the By-laws approved in the Annual General Meeting of 28 April 2016, and to adapt the text of the Regulations of the Annual General Meeting to the wording of the By-laws, the same General Meeting resolved as follows: first, to amend article 12 of the Regulations of the Annual General Meeting relating to the constitution of the Annual General Meeting, in order to also specify in those Regulations that the enhanced quorum required to agree on the issuance of bonds would only apply to issuances that fall within the remit of the General Meeting; and second, to include an exception to the term for attending or granting proxies for General Meetings. Therefore, it was agreed to amend articles 8 ("Right of attendance") and 10 ("Right of representation") of the Board's Regulations to expressly specify, in relation to the terms of five (5) days, that there is an exception for the specific cases where any law applicable to the Company establishes a regime that is incompatible.

Regarding amendments to the company's by-laws, CaixaBank's rules and regulations largely include the same limits and conditions as those set forth in the LSC.

The provisions of the Corporate Enterprises Act shall be applied to protect shareholders' rights when changing the By-laws.

In addition, as a credit institution, and in accordance with the terms of Article 10 of Royal Decree 84/2015, of 13 February, amendments to CaixaBank's Articles of Association are governed by the authorisation and registration procedure set forth therein. However, it is worth noting that certain changes (including the change of registered office in Spain, the increase in share capital or the textual incorporation of legal or regulatory provisions that are imperative or prohibitive, or to comply with judicial or

administrative resolutions) are not subject to the authorisation procedure, although they must always be reported to the Bank of Spain to be recorded in the Registry of Credit Institutions.

As for the restriction contained in the Articles of Association concerning the minimum number of shares needed to attend a general shareholders' meeting, it is established that any shareholder who owns a minimum of one thousand (1,000) shares, whether individually or when grouped with other shareholders, may attend the general meeting.

In order to attend a General Meeting, it will be necessary for shareholders to have registered ownership of their shares in the relevant book-entry ledger at least five (5) days ahead of the date of the General Meeting. There are exceptions for specific cases where any law applicable to the Company establishes a regime that is incompatible. Shareholders entitled to attend in accordance with the above will be provided with the appropriate attendance card, which may only be replaced by a certificate of legitimacy to prove that the requirements for attendance have been met.

One (1) share is required for distance voting.

It has not been established that certain decisions other than those established by law exist that entail an acquisition, disposal or contribution to another company of essential assets or other similar corporate transactions that must be subject to the approval of the General Shareholders' Meeting. Article 4 of the Regulations of the General Shareholders' Meeting states that the General Meeting shall have the remit prescribed by applicable law and regulations at CaixaBank.



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All of CaixaBank's corporate governance content is available on the website ([www.caixabank.com](http://www.caixabank.com)) under "Shareholders and Investors" "Corporate Governance and Remuneration Policy":

[https://www.caixabank.com/informacionparaaccionistaseinversores/gobiernocorporativo\\_es.html](https://www.caixabank.com/informacionparaaccionistaseinversores/gobiernocorporativo_es.html)

Specific information on Annual General Meetings can be found in the "Annual General Meeting" subsection of the "Corporate Governance and Remuneration Policy" section of the website:

[https://www.caixabank.com/informacionparaaccionistaseinversores/gobiernocorporativo/juntageneralaccionistas\\_es.html](https://www.caixabank.com/informacionparaaccionistaseinversores/gobiernocorporativo/juntageneralaccionistas_es.html)

Also, when a General Meeting is announced, a banner appears on the CaixaBank homepage with a direct link to all the pertinent information. Note also that there is a section at the bottom of the CaixaBank homepage titled "Direct Links", where users can access all the information on the General Meetings by clicking on the "Annual General Meeting" link.

## Information on the 2019 AGM (B.4 and B.5)

Attendance figures for general shareholders' meetings held during the year of this report and during the previous two years:

Date of General Meeting	% physically present	% present by proxy	Attendance figures		Total
			% distance voting		
			Electronic voting	Other	
06/04/2017	42.54	24.43	0.03	1.25	68.25
Of which, free float	1.89	17.12	0.03	1.25	20.29
06/04/2018	41.48	23.27	0.03	0.23	65.01
Of which, free float	3.78	19.57	0.03	0.23	23.61
05/04/2019	43, 67	20.00	0.09	1.86	65.63
Of which, free float	3.02	15.96	0.09	1.86	20.93

The on floating capital is approximate, given that significant foreign shareholders hold their stakes through nominees.

All items on the agenda were approved by shareholders at the General Meeting held in 2019.

# C. Company Administrative Structure

## Board of Directors

Composition (C.1.1, C.1.2, C.1.3, C.1.4, C.1.5, C.1.6, y C.1.7 and C.1.29)

### >> MAXIMUM AND MINIMUM NUMBER OF DIRECTORS ESTABLISHED IN THE ARTICLES OF ASSOCIATION AND THE NUMBER SET BY THE GENERAL MEETING:

The General Shareholders' Meeting of 5 April 2019 carried a resolution to set the number of Board members at 16.



**MAXIMUM NUMBER OF DIRECTORS**

**22**



**MINIMUM NUMBER OF DIRECTORS**

**12**



**NUMBER OF DIRECTORS SET BY THE GENERAL MEETING**

**16**

### >> DIRECTORS:

Name of director	Natural person representative	Director category	Position on the Board	Date first appointed to Board	Last re-election date	Method of selection to Board
Jordi Gual Solé		Proprietary	Chairman	30/06/2016	06/04/2017	AGM Resolution
Tomás Muniesa Arantegui		Proprietary	Deputy chairman	01/01/2018	06/04/2018	AGM Resolution
Gonzalo Gortázar Rotaèche		Executive	Chief executive	30/06/2014	05/04/2019	AGM Resolution
Francesc Xavier Vives Torrents		Independent	Independent Coordinating Director	06/05/2008	23/04/2015	AGM Resolution
Marcelino Armenter Vidal		Proprietary	Director	05/04/2019	05/04/2019	AGM Resolution
CajaCanarias Foundation	Natalia Aznárez Gómez	Proprietary	Director	23/02/2017	06/04/2017	AGM Resolution
María Teresa Bassons Boncompte		Proprietary	Director	06/26/2012	05/04/2019	AGM Resolution
María Verónica Fisas Vergés		Independent	Director	25/02/2016	04/28/2016	AGM Resolution
Alejandro García-Bragado Dalmau		Proprietary	Director	01/01/2017	06/04/2017	AGM Resolution
Cristina Garmendia Mendizábal		Independent	Director	05/04/2019	05/04/2019	AGM Resolution
Ignacio Garralda Ruiz de Velasco		Proprietary	Director	06/04/2017	06/04/2017	AGM Resolution
María Amparo Moraleda Martínez		Independent	Director	24/04/2014	05/04/2019	AGM Resolution
John S. Reed		Independent	Director	11/03/2011	05/04/2019	AGM Resolution
Eduardo Javier Sanchiz Irazu		Independent	Director	21/09/2017	06/04/2018	AGM Resolution
José Serna Masía		Proprietary	Director	30/06/2016	06/04/2017	AGM Resolution
Koro Usarraga Unsain		Independent	Director	30/06/2016	06/04/2017	AGM Resolution

The General Secretary and Secretary to the Board of Directors, Óscar Calderón de Oya, is not a director.



**TOTAL NUMBER OF DIRECTORS**

**16**

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>> RESIGNATIONS, DISMISSALS OR OTHER BOARD DEPARTURES DURING THE YEAR:

Name of director	Director type at time of leaving	Date of last appointment	Date director left	Specialised committees of which he/she was a member	Indicate whether the director left before the end of the term
Alain Minc	Independent	24/04/2014	05/04/2019	Audit and Control Committee. Appointments Committee	No
Juan Rosell Lastortras	Independent	24/04/2014	05/04/2019	Remuneration Committee	No
Antonio Sainz de Vicuña y Barroso	Independent	24/04/2014	05/04/2019	Risks Committee	No
Javier Ibarz Alegría	Proprietary	26/06/2012	05/04/2019	Executive Committee	No



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>> TABLES REGARDING THE MEMBERS OF THE BOARD AND THEIR CATEGORIES:

>> EXECUTIVE DIRECTORS

>> PROPRIETARY DIRECTORS

**GONZALO GORTÁZAR**  
Chief Executive Officer

>> Education

Graduated in Law and Business Studies from Comillas Pontifical University (ICADE) and holds an MBA in Business Administration from INSEAD.

>> Work experience

He served as Chief Financial Officer of CaixaBank and General Manager of Criteria CaixaCorp (2009-2011) up until his appointment as Chief Executive Officer in 2014.

Prior to that, he held various investment banking positions at Morgan Stanley and discharged corporate banking and investment duties at Bank of America.

He has also been First Deputy Chairman at Repsol and sat on the boards of directors of Inbursa, Erste Bank, SegurCaixa Adeslas, Abertis, Port Aventura and Saba.

>> Other current positions

He is currently Chairman of VidaCaixa and a director at Banco BPI.

>> TOTAL NUMBER OF EXECUTIVE DIRECTORS

**1**

>> PERCENTAGE OF BOARD

**6.25**

**JORDI GUAL**  
Chairman

>> Education

He holds a PhD in Economics from the University of California at Berkeley and is a professor of Economics at IESE Business School and a Research Fellow at the Centre for Economic Policy Research (CEPR).

>> Work experience

He joined "la Caixa" Group in 2005. Prior to his appointment as Chairman, he served as Chief Economist and Head of Strategic Planning and Research at CaixaBank and as General Manager of Planning and Strategic Development at CriteriaCaixa. He has sat on the Board of Directors of Repsol and served as an Economics Advisor for the European Commission's Directorate-General for Economic and Financial Affairs in Brussels and as a Visiting Professor at the University of California at Berkeley, the Université Libre de Bruxelles and the Barcelona Graduate School of Economics.

>> Other current positions

He currently sits on the Board of Directors of Telefónica and on the Supervisory Board at Erste Bank. He is Chairman of FEDEA and Vice Chairman of Círculo de Economía and of Fundación Cotec para la Innovación, while also sitting on the Boards of Trustees of Fundación CEDE, Real Instituto Elcano and Fundación Barcelona Mobile World Capital.

**TOMÁS MUNIEA**  
Deputy Chairman

>> Education

Mr Valle holds a degree in Business Studies and a Master in Business Administration from ESADE Business School.

>> Work experience

He joined "la Caixa" in 1976 and was appointed Assistant General Manager in 1992. In 2011, he was appointed Managing Director of CaixaBank's Insurance and Asset Management Group, where he remained until November 2018.

He was Executive Deputy Chairman and CEO of VidaCaixa from 1997 to 2018.

Prior to that, he was Chairman of MEFF, Deputy Chairman of BME, second Deputy Chairman of UNESPA, director and Chairman of the Audit Committee of the Insurance Compensation Consortium, director of Vithas Sanidad and alternate director at Inbursa.

>> Other current positions

He is currently Deputy Chairman of VidaCaixa and SegurCaixa Adeslas and sits on the Board of Trustees of ESADE Fundación and on the Board of Directors of Allianz Portugal.

**MARCELINO ARMENTER**  
Proprietary director

>> Education

He holds a Bachelor's degree and a Master's degree in Business Administration from ESADE Business School.

>> Work experience

He began his career at Arthur Andersen, before joining Hidroeléctrica de Cataluña.

He has pursued his career at "la Caixa" Group since 1985, serving as Head of Audit and Internal Control (1985-1988), Head of Subsidiaries and Investees (1988-1995), CEO of Banco Herrero (1995-2001), General Manager of CaixaHolding (2001-2007), Deputy General Manager of "la Caixa" (2007-2011) and Chief Risks Officer at CaixaBank (2011-2013).

He is currently Chief Executive Officer and sits on the Executive Committee of Criteria Caixa, having previously served as General Manager. He was formerly a director of Grupo Financiero Inbursa (2017-2019).

>> Other current positions

He sits on the Board of Directors of Naturgy and Inmo Criteria Caixa and is Chairman and Chief Executive of Mediterranea Beach & Golf Community and Chief Executive Officer of Caixa Capital Risc. He is also a director of Saba Infraestructuras.



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>> PROPRIETARY DIRECTORS

**FUNDACIÓN CAJACANARIAS**  
**Represented by**  
**Natalia Aznárez**  
 Proprietary director

>> Education

She holds a degree in Business Science and Commercial Management from the University of Malaga and a Diploma in Accounting and Finance from the University of La Laguna.

>> Work experience

She began her career by collaborating with the general management of REA METAL WINDOWS. In 1990, she joined the marketing department of CajaCanarias, later heading up the Individual Customers segment in 1993. She was named Deputy Director of CajaCanarias in 2008, later becoming Deputy General Manager in 2010. Following the transfer of the institution's assets and liabilities to Banca Cívica, Ms Aznárez was named General Manager of CajaCanarias. Following the entity's transformation into a banking foundation, she served as General Manager until 30 June 2016.

>> Other current positions

She is currently head of Fundación CajaCanarias, chairman of CajaCanarias' Employee Pension Plan Control Committee, Deputy Chairman of Fundación Cristino de Vera and secretary to Fundación para el Desarrollo y Formación Empresarial CajaCanarias.

**MARÍA TERESA BASSONS**  
 Proprietary director

>> Education

She holds a degree in Pharmaceuticals from the University of Barcelona, specialising in Hospital Pharmacy.

>> Work experience

She also holds a pharmacy licence. She has been deputy chairman of the Official Pharmaceuticals Association of Barcelona (1997-2004) and Secretary General of the Council of Pharmaceutical Associations of Catalonia (2004-2008), member of the Advisory Council on Smoking of the Catalan Government (1997-2006) and of the Advisory Committee on Bioethics of the Catalan Government (2005-2008) and director of the INFARMA Conference and Exhibition at the Fira trade fair in Barcelona in 1995 and 1997 and of the publications "Circular Farmacéutica" and "Informatiu del COFB".

She has sat on the Board of Directors of "la Caixa" (2005-2014) and Criteria CaixaHolding (2011-2012), on the Board of Trustees of "la Caixa" Foundation (2014-2016) and on the Advisory Committee of Caixa Capital Risc until 2018.

Ms Bassons has sat on Executive Committee and chaired the Committee of Health Sector Companies of the Chamber of Commerce of Barcelona through to May 2019. She now sits on the Oncolliga Scientific Committee.

>> Other current positions

She is a director of Bassline and of Laboratorios Ordesa y Administradora de Terbas XXI, S.L.U.

She is a member of the Oncolliga Scientific Committee.

**ALEJANDRO GARCÍA-BRAGADO**  
 Proprietary director

>> Education

Mr Calderón holds a degree in Law from the University of Barcelona and is a qualified state attorney.

>> Work experience

In 1984 he requested an extended leave of absence to become Board Secretary at Barcelona Stock Exchange, while continuing to practise law. In 1994 he left the Barcelona Stock Exchange to become an adviser to "la Caixa". He was appointed Deputy Secretary in 1995 and as Secretary to the Board of Directors in 2003. He has also served as Deputy Chairman and Deputy Secretary to the Board of Trustees of "la Caixa" Banking Foundation (2014-2016). At CaixaBank, he has been secretary (non-director) of the Board of Directors (2009-2016) and General Secretary (2011-2014).

He was also Secretary to the Board of Directors of La Maquinista Terrestre y Marítima; Intelhorce; Hilaturas Gossipyum; Abertis Infraestructuras; Inmobiliaria Colonial; Agbar. He has also sat on the Board of Directors of Gas Natural.

>> Other current positions

He is first Deputy chairman of Criteria-Caixa and sits on the Board of Directors of Saba Infraestructuras.

**IGNACIO GARRALDA**  
 Proprietary director

>> Education

He holds a degree in law from the Complutense University of Madrid. He has been a notary public on leave of absence since 1989.

>> Work experience

He began his career as a notary specialising in trade transactions (1976-1982), before going on to become a licensed stock broker (1982-1989). He was a founding member of AB Asesores Bursátiles, where he served as Deputy Chairman until 2001; Deputy Chairman of Morgan Stanley Dean Witter (1999-2001), Chairman of Bancoval (1994 to 1996) and director of Sociedad Rectora de la Bolsa de Madrid (1991-2009).

He is Chairman and Chief Executive Officer of Mutua Madrileña Automovilista, having sat on the Board of Directors since 2002 and on the Executive Committee since 2004. He presently serves as its Chairman and also chairs the Investments Committee.

>> Other current positions

He is the First Deputy Chairman of BME and also sits on the Board of Directors of Endesa, having chaired its Audit Committee since 2016. He is also Chairman of Fundación Mutua Madrileña and sits on the Board of Trustees of Fundación Princesa de Asturias, of Museo Reina Sofía, of Pro Real Academia Española and of the Drug Addiction Help Foundation

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>> PROPRIETARY DIRECTORS

**JOSÉ SERNA**  
Proprietary director

>> Education

He holds a degree in law from the Complutense University of Madrid. He is a state attorney (on leave of absence) and previously worked as a notary (until 2013).

>> Work experience

In 1971 he became a state attorney, providing services at the State Attorney's Office until taking leave of absence in 1983, while also serving as legal counsel to the Madrid Stock Exchange (1983-1987). Registered Barcelona stockbroker (1987). Chairman of the company that developed the new Barcelona Stock Exchange (1988) and Chairman of Barcelona Stock Exchange (1989-1993).

Chairman of Sociedad de Bolsas de España (1991-1992) and Deputy Chairman of MEFF. He was also Deputy Chairman of Fundación Barcelona Centro Financiero and of Sociedad de Valores y Bolsa Interdealers, S.A.

In 1994, he became a Barcelona stockbroker and member of the city's association.

Barcelona notary (2000-2013). He sat on the Board of Directors of ENDESA (2000-2007) and various group companies.

>> **TOTAL NUMBER OF PROPRIETARY DIRECTORS**

**8**

>> **PERCENTAGE OF BOARD**

**50**

>> INDEPENDENT DIRECTORS

**XAVIER VIVES**  
Coordinating independent director

>> Education

Professor of Economics and Finance at IESE Business School. Doctorate in Economics from the University of California (Berkeley).

>> Work experience

Previously Professor of European Studies at INSEAD (2001-2005). Director of the Institute of Economic Analysis of the CSIC (1991-2001); and a visiting lecturer at the universities of California (Berkeley), Harvard, New York (King Juan Carlos I Chair) and Pennsylvania, as well as the Autonomous University of Barcelona and the Pompeu Fabra University.

He has also advised the World Bank, the Inter-American Development Bank, the New York Federal Reserve, the European Commission (where he was Special Advisor to the EU Vice President and European Commissioner for Competition). He is also a member of CAREC (Advisory Council for Economic Recovery and Growth) of the Government of Catalonia and has advised many international companies. Mr Vives also served as Chairman of the Spanish Economics Association and of EARIE (European Association for Research in Industrial Economics) and Deputy Chairman of the Spanish Association for Energy Economics and Duisenberg Fellow of the ECB.

>> Other current positions

He is also a member of Academia Europaea; Research Fellow of the Center for Economic Studies (CESifo) and the Centre for Economic Policy Research; Fellow of the European Economic Association and of the Econometric Society.

**MARÍA VERÓNICA FISAS**  
Independent director

>> Education

Ms Fisas earned a degree and master's degree in business administration from EAE Business School.

>> Work experience

In 2009, she joined the Board of Directors of Stanpa (Spanish National Association of Perfumery and Cosmetics), becoming its Chairman in 2019, and she is also Chairman of Fundación Stanpa.

>> Other current positions

She has been the CEO of Natura Bissé and the Group's General Manager since 2007. She has sat on the Board of Trustees of Fundación Ricardo Fisas Natura Bissé since 2008.

**CRISTINA GARMENDIA**  
Independent director

>> Education

She earned her degree in Biological Science, specialising in Genetics, and a PhD in Molecular Biology from the Severo Ochoa Molecular Biology Centre attached to the Autonomous University of Madrid. Ms Garmendia also holds an MBA from the IESE Business School of the University of Navarra.

>> Work experience

She served as Minister of Science and Innovation of the Government of Spain during the IX Legislature (2008-2011).

She has been Executive Deputy Chairman and Chief Financial Officer of the Amasua Group, Chairman of the Spanish Association of Biotechnology Companies (ASE-BIO) and has sat on the governing council of the Spanish Confederation of Business Organisations (CEOE). She has also sat on the Boards of Directors of Science & Innovation Office Link, Naturgy, Corporación Financiera Alba, Pelayo Mutua de Seguros and was previously Chairman of Genetrix.

>> Other current positions

She is currently a director at Compañía de Distribución Integral Logística Holdings, Mediaset, Ysios Capital Partners and Satlantís Microsats. She is also President of the COTEC Foundation, a member of the España Constitucional Foundation, SEPI and member of the Advisory Board of the Women for Africa Foundation, as well as a member of the Social Council of the University of Seville.

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>> INDEPENDENT DIRECTORS

**MARÍA AMPARO MORALEDA**  
Independent director

>> Education

She graduated in Industrial Engineering from the ICAI Business School and holds an MBA from the IESE Business School.

>> Work experience

She previously served as Chief Operating Officer at Iberdrola's International Division with responsibility for the United Kingdom and the United States (2009-2012), while also heading the company Iberdrola Engineering and Construction (2009-2011). She has also sat on the Board of Directors of Faurecia (2012-2017).

She previously pursued her career at the IBM Group, serving as Executive Chairman of IBM for Spain and Portugal (2001-2009) and later extending her remit to Greece, Israel and Turkey (2005-2009). Prior to that, she served as deputy executive to the Chairman of IBM Corporation (2000-2001), General Manager of INSA (a subsidiary of IBM Global Services) (1998-2000) and Head of Human Resources for EMEA at IBM Global Services (1995-1997).

>> Other current positions

She is currently an independent director at Solvay, Airbus Group and Vodafone.

She also sits on the governing council of the CSIC, the Advisory Committee of SAP Ibérica, Spencer Stuart and KPMG and is a tenured member of the Spanish Royal Academy of Economic and Financial Sciences. She is also a full member of the Academy of Social and Environmental Sciences of Andalusia, trustee of MD Anderson Cancer Center of Madrid and sits on the International Advisory Board of IE Business School.

**JOHN S. REED**  
Independent director

>> Education

Mr Reed earned a degree in Philosophy, Arts and Science from Washington & Jefferson College and the Massachusetts Institute of Technology

>> Work experience

He was a lieutenant in the U.S. Army Corps of Engineers from 1962 to 1964, before embarking on a career spanning 35 years at Citibank/Citicorp and Citigroup, the last sixteen years of which as President, eventually retiring in 2000. He would later return to work as Chairman of the New York Stock Exchange (2003-2005) and as Chairman of the MIT Corporation (2010-2014).

>> Other current positions

He currently sits on the Board of the American Cash Exchange and the Boston Athenaeum and on the Board of Trustees of the NBER. He is a Fellow of the American Academy of Arts and Sciences and of the American Philosophical Society.

**EDUARDO JAVIER SANCHIZ**  
Independent director

>> Education

Mr Sanchiz holds a degree in Economic and Business Sciences from the University of Deusto and a Master's Degree in Business Administration from IE Business School.

>> Work experience

He has worked at Almirall since 2004, serving as Chief Executive Officer from 2011 to 2017. Prior to that, he served as Executive Director of Corporate Development and Finance and CFO. Mr Sanchiz has sat on the company's Board of Directors since 2005 and on its Dermatology Committee since 2015.

Going further back, he held various positions at US pharmaceutical company Eli Lilly & Co. Further positions of note include General Manager for Belgium and Mexico and Executive Officer for the business area responsible for countries from central, northern, eastern and southern Europe.

He was a member of the American Chamber of Commerce in Mexico and of the Association of Pharmaceutical Industries in a number of countries in Europe and Latin America.

>> Other current positions

He currently sits on the Board of Directors and the Strategy Committee of Laboratoires Pierre Fabre.

**KORO USARRAGA**  
Independent director

>> Education

Ms Usarraga holds a degree and master's in Business Administration from ESADE Business School.

She has also completed the Senior Management Program (PADE) at IESE Business School. He is a member of the Official Registry of Account Auditors.

>> Work experience

She worked at Arthur Andersen for 20 years and was appointed partner of the audit division in 1993.

In 2001, she was appointed Corporate General Manager of Occidental Hotels & Resorts. She has also been General Manager of Renta Corporación and sat on the Board of Directors of NH Hotel Group (2015-2017).

>> Other current positions

She currently sits on the Board of Directors of Vocento, Vehicle Testing Equipment and 2005 KP Inversiones.

>> **TOTAL NUMBER OF INDEPENDENT DIRECTORS**

**7**

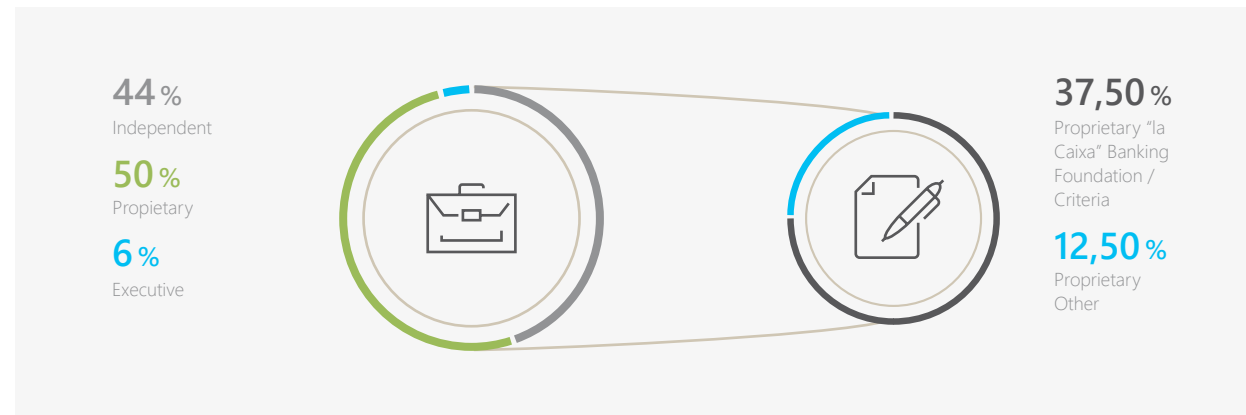
>> **PERCENTAGE OF THE BOARD**

**43.75**

Ms. Cristina Garmendia Mendizábal is member of the CaixaBank Private Banking Advisory Board. Since being appointed as director in 2019, she received a remuneration of eight thousand euros for her position on the Advisory Board, an amount not considered to be significant.

No other independent director receives from the company or any group company any amount or benefit other than compensation as a director. No independent director has or has had a business relationship with the company or any company in the group, whether in his or her own name or as a significant shareholder, director or senior executive of another company.

### Perfil de los miembros del Consejo<sup>1</sup>



## Information relating to the number of female directors at the close of the past 4 years (C.1.4)

	Number of female directors				% of directors for each category			
	2019	2018	2017	2016	Year 2019	2018	2017	2016
Executive	0	0		0	0.00	0.00	0.00	0.00
Proprietary	2	2	2	1	25.00	25.00	28.57	16.67
Independent	4	3	3	3	57.14	33.33	33.33	37.50
Other external	0	0	0	0	0.00	0.00	0.00	0.00
<b>Total</b>	<b>6</b>	<b>5</b>	<b>5</b>	<b>4</b>	<b>37.50</b>	<b>27.78</b>	<b>27.78</b>	<b>25.00</b>

## Diversity policy (C.1.5., C.1.6., C.1.7.)

CaixaBank has a selection, diversity and suitability assessment policy in place for directors, senior management members and other key function holders of CaixaBank and its Group (the "Policy"), which was approved by the Board of Directors on 20 September 2018.

The aim of this Policy, among others, is to establish suitable diversity in the composition of the Board of Directors, thus ensuring a wide range of knowledge, qualities, perspectives and experiences in the heart of the Board, while helping to foster diverse and independent opinions and a solid and mature decision-making process.

The policy also seeks to ensure a suitable degree of diversity in the composition of the Board, particularly in terms of gender and, as the case may be, training and professional experience, age and geographical origin, while respecting the principle of non-discrimination and equal treatment, all of which are fundamental considerations when conducting selection and suitability assessment processes for CaixaBank directors.

Director selection process do not contain any hidden biases that might impede the selection of female directors at the Company. Furthermore, article 15 of the Regulations of the Board of Directors establishes one of the Appointment Committee's roles as informing the Board on matters relating to gender diversity, ensuring that director selection processes favour diversity of experiences and knowledge, and facilitate the selection of female directors, whilst establishing an objective of representation of the least represented gender on the Board of Directors, and providing guidance on how to reach this objective, all the while ensuring compliance with the diversity policy applied for the Board of Directors, as detailed in the Annual Corporate Governance Report.

Adequate diversity in the composition of the Board is taken into account throughout the entire process of selection and suitability assessment at CaixaBank, considering, in particular, gender diversity.

When analysing and suggesting candidate profiles for posts on the Board of Directors, the Appointments Committee takes gender diversity into account.

In particular, the following considerations are made:

- In the director selection and re-election procedures, the suitability assessment will consider the objective of favouring diversity of gender, knowledge, training and professional experience, age and geographical origin in the composition of the Board.
- The Board of Directors and the Appointments Committee shall ensure at all times that there is an appropriate balance of knowledge and experience, while also facilitating the selection of candidates of the less represented gender, and avoiding any kind of discrimination in this respect.
- The diversity aspects just mentioned will also be taken into account when carrying out the annual assessment of the composition and skills and expertise of the Board of Directors, especially the percentage of Board members of the less represented gender. The aim is to ensure that the number of female directors is compliant with Recommendation 14 of the Good Governance Code of Listed Companies. For these purposes, the Appointments Committee must document the degree of fulfilment of this objective and of any other objectives deemed relevant, and shall indicate, in the case of a breach, the reasons, resolution measures and schedule of actions.
- The Appointments Committee, aided by the General Secretary and the Secretary of the Board and taking into account the balance of knowledge, experience, expertise and diversity required and in place on the Board of Directors, draws up and constantly updates a competency matrix, which is approved by the Board of Directors. Furthermore, adequate diversity in the composition of the Board has been taken into account throughout the entire selection and suitability assessment at CaixaBank, considering, in particular, diversity of gender, training, professional experience, age, and geographic origin.

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In relation to 2019, the Board (basing its findings on a report received from the Appointments Committee) has concluded that it currently features a satisfactory composition, with an adequate balance of knowledge and experience among its members, both in the financial sector and other relevant areas, to ensure the proper governance of the credit institution, as well as sufficient experience among members to ensure complementary points of view.

In the verification of compliance with the director selection policy, the Appointments Committee has concluded that the structure, size and composition are suitable, particularly with respect to gender diversity and diversity in training and professional experience, age and geographical origin, in accordance with the verification of compliance with the selection policy, and also taking into account the individual suitability re-assessment of each director carried out by the Appointments Committee, leading to the conclusion that the overall composition of the Board of Directors is suitable.

In particular, it should be noted that the Board is willing to continue reducing its size as and when needed in order to fulfil the diversity objectives set out in the Policy, particularly with regard to gender diversity, while also observing the conditions regarding the composition of CaixaBank's Board of Directors prescribed by the European Central Bank for the prudential deconsolidation of CriteriaCaixa from CaixaBank.

On the subject of gender diversity, note that there has been a steady increase in the number of female directors in recent years, reaching 37.50% of total Board membership in 2019. This percentage is in line with the target set by the Appointments Committee: that the number of female directors must account for at least 30% of total Board membership by 2020, in accordance with Recommendation 14 of the Good Governance Code. The Board fully intends to continue complying with Recommendation 14 throughout 2020, so as to ensure that the percentage of female directors remains above 30%.

At year-end 2019, women accounted for 37.50% of all directors, 57.14% of independent directors and 25% of proprietary directors.

Female directors account for 33.33% of the Executive Committee. Women make up 33.3% of the total membership of the Appointments Committee and 67% of the total membership of the Remuneration Committee, which is also chaired by a woman.

The Risks Committee features two female members, representing 66.66% of its total membership. Female directors account for 33.33% of the Audit and Control Committee, which also has a female director as its chairman.

Meanwhile, female directors represent 40% of the total membership of the Innovation, Technology and Digital Transformation Committee. In other words, women are represented on all the Company's committees.

It is therefore safe to say that CaixaBank's Board of Directors ranks highly among IBEX 35 companies when it comes to the presence of women, as seen from the 2018 report of the CNMV on corporate governance of entities with securities admitted to trading on regulated markets (which averaged 23.1% in 2018).

**Proprietary directors** appointed at the request of shareholders with less than a 3% equity interest (C.1.8)

**FUNDACIÓN BANCARIA CAJA NAVARRA, FUNDACIÓN CAJACANARIAS Y FUNDACIÓN CAJA DE BURGOS**

**>> Reason**

Validity of the Shareholders' Agreement described in section A.7, which entitles each of the signatories to appoint one director at CaixaBank.

**MUTUA MADRILEÑA AUTOMOVILISTA SOCIEDAD DE SEGUROS A PRIMA FIJA**

**>> Reason**

These are set out in the Appointments Committee's report to the Board, which includes, as an appendix, the Board's report on the proposed appointment of Ignacio Garralda Ruiz de Velasco as a proprietary director, which was submitted to and approved by shareholders at the 2017 Annual General Meeting.

The aforementioned report states that the arrival of Mr Garralda as board member will bring with it a number of significant benefits due to his extensive experience and expertise, while also facilitating the current strategic alliance between the CaixaBank Group and the Mutua Madrileña Group.

There have been no formal requests for membership from shareholders whose equity interest is equal to or higher than that of others at whose request proprietary directors have been appointed, and therefore no failure to meet any such request.



## Powers delegated by the Board (C.1.9)

### >> GONZALO GORTÁZAR ROTAECHE

All powers delegable by law and under the by-laws are delegated, without prejudice to the restrictions on the delegation of powers set out in the Regulations of the Board of Directors, which apply for internal purposes only.

### >> EXECUTIVE COMMITTEE

The Executive Committee has been delegated all of the responsibilities and powers that may be delegated by law and under the Company's by-laws. For internal purposes, the Executive Committee is subject to the limitations set forth in Article 4 of the Rules of the Board of Directors.

## Positions held by directors at other CxB companies (C.1.10)

Name of director	Name of group member	Post	Does the director have executive powers?
Tomás Muniesa Arantegui	VidaCaixa, S.A., de Seguros y Reaseguros	Deputy Chairman	No
Gonzalo Gortázar Rotaeche	VidaCaixa, S.A., de Seguros y Reaseguros	Chairman	No
Gonzalo Gortázar Rotaeche	Banco BPI, S.A.	Director	No

## Positions held by directors at other listed companies (C.1.11 and C.1.12)

Name of director	Name of listed company	Position
Ignacio Garralda Ruiz de Velasco	Endesa, S.A.	Director
Ignacio Garralda Ruiz De Velasco	BME Holding, S.A.	First Deputy Chairman
Jordi Gual Solé	Erste Group Bank, AG.	Member of the Supervisory Board
Jordi Gual Solé	Telefónica, S.A.	Director
María Amparo Moraleda Martínez	Solvay, S.A.	Director
María Amparo Moraleda Martínez	Airbus Group, S.E.	Director
María Amparo Moraleda Martínez	Vodafone Group PLC	Director
Marcelino Armenter Vidal	Naturgy Energy Group, S.A.	Director
Cristina Garmendia Mendizábal	Mediaset España Comunicación, S.A.	Director
Cristina Garmendia Mendizábal	Compañía de Distribución Integral Logística Holdings, S.A.	Director
Koro Usarraga Unsain	Vocento, S.A.	Director

The information on directors and positions held at other listed companies refers to year-end.

With regard to the position held by Jordi Gual Solé at Erste Group Bank, AG, his exact title is Member of the Supervisory Board. However, due to space restrictions when filling in the form, he is listed as Director.

The company has imposed rules on the maximum number of company boards on which its own directors may sit. Article 32.4 of the Regulations of the Board of Directors states that directors must observe the restrictions on board membership laid down by current law and regulations on the organisation, supervision and solvency of credit institutions.



## Operation and workings of the Board

(C.1.15, C.1.20, C.1.24, C.1.25, C.1.26, C.1.27, C.1.28, C.1.29 and C.1.35)

### Amendments to the Board Regulations

The Board of Directors, at a meeting held on 21 February 2019, resolved to amend article 15.4 of the Regulations of the Board of Directors so as to explicitly state that the minutes of the Appointments Committee and of the Remuneration Committee are to be delivered to all Board members, rather than simply remaining at their disposal at the Company's General Secretary's Office. This effectively makes those committees subject to the same rules as those governing the Audit and Control Committee and the Risks Committee.

In accordance with the provisions of article 529 of the Corporate Enterprises Act, the amended text of both was reported to the Comisión Nacional del Mercado de Valores (CNMV), executed in a public document and filed at the Companies Registry. After being filed at the Companies Registry on 3 July 2019, the unabridged texts were published by the CNMV and by CaixaBank, S.A. on its corporate website ([www.caixabank.com](http://www.caixabank.com)).

### Proxy voting

With respect to the rules on proxy voting, article 17 of the Regulations of the Board states that directors must personally attend Board meetings. However, when they are unable to do so in person, they shall endeavour to grant their proxy in writing, on a special basis for each meeting, to a fellow Board member, including the appropriate instructions therein. Non-executive directors may only grant a proxy to a fellow non-executive director, while independent directors may only grant a proxy to a fellow independent director.

Likewise, the internal regulations stipulate that the proxy shall be granted by any postal, electronic means or by fax, provided that the identity of the director is assured.



However, so that the proxyholder can vote accordingly based on the outcome of the debate by the Board, proxies are not typically granted with specific instructions and must always be given in strict accordance with legal requirements. This is consistent with the provisions of the Capital Enterprises Act governing the powers of the Chairman of the Board of Directors, who is responsible, among other matters, for encouraging debate and the active involvement of all directors at Board meetings, while safeguarding their right to form their own opinion and stance.

### Decision-making

Qualified majorities other than those established by law are not required for any specific decision.

The Board of Directors held 12 meetings, as well as an off-site working event on 26 September.

>>	NUMBER OF MEETINGS WHEN AT LEAST 80% OF DIRECTORS ATTENDED	<b>12</b>
>>	% OF ATTENDANCE OVER TOTAL VOTES DURING THE YEAR	<b>97.89%</b>
>>	NUMBER OF MEETINGS IN SITU OR REPRESENTATIONS MADE WITH SPECIFIC INSTRUCTIONS OF ALL DIRECTORS	<b>8</b>
>>	% OF VOTES ISSUED AT IN SITU MEETINGS OR WITH REPRESENTATIONS MADE WITH SPECIFIC INSTRUCTIONS OUT OF ALL VOTES CAST DURING THE YEAR	<b>97.89%</b>



NUMBER OF BOARD MEETINGS

**12**



NUMBER OF BOARD MEETINGS WITHOUT THE CHAIRMAN

**0**

In 2019, there were just four non-attendances by CaixaBank directors. Proxies given without specific instructions count as non-attendances. Director absences occur when directors are unable to attend. Proxies, when given, do not generally include specific instructions for the proxyholder, so that the proxyholder can adhere to the outcome of the discussion by the Board.

Therefore, the percentage of non-attendances to the total votes cast in 2019 was 2.11%, on the understanding that proxies given without specific instructions count as non-attendances.

Meetings held by the coordinating director with the other directors, where there was neither attendance nor representation of any executive director:

» **NUMBER OF MEETINGS** **4**

The Coordinating Director was not appointed at CaixaBank because it has an Executive Chairman, but rather as a further safeguard in the desconsolidación process with the former controlling shareholder. For this reason, he dedicates more time to the independent directors. In 2019 he held two meetings with the independent directors; one with the proprietary directors and one with the micro-proprietary directors. He reports to the Board of Directors on all such meetings and suggests and discusses improvements.

Meetings held by each Board committee:

» **NUMBER OF MEETINGS HELD BY THE EXECUTIVE COMMITTEE** **19**

» **NUMBER OF MEETINGS HELD BY THE AUDIT AND CONTROL COMMITTEE** **18**

» **NUMBER OF MEETINGS HELD BY THE APPOINTMENTS COMMITTEE** **8**

» **NUMBER OF MEETINGS HELD BY THE REMUNERATION COMMITTEE** **9**

» **NUMBER OF MEETINGS HELD BY THE RISKS COMMITTEE** **15**

» **NUMBER OF MEETINGS HELD BY THE INNOVATION, TECHNOLOGY AND DIGITAL TRANSFORMATION COMMITTEE** **1**

### Information

There is a procedure in place whereby directors may obtain the information needed to prepare for the meetings of the governing bodies with sufficient time.

Pursuant to article 22 of the Regulations of the Board of Directors, directors have the duty to demand and the right to obtain from the company any information they may need to discharge their duties. For such purpose, the director should request information on any aspect of the Company and examine its books, records, documents and further documentation. The right to information extends to investee companies provided that this is possible.

### The Board and audits (C.1.27, C.1.28, C.1.30, C.1.31, C.1.32, C.1.33 and C.1.34)

#### Relations with the market and the independence of external auditors

With regard to its relationship with market agents, the Company acts on the principles of transparency and non-discrimination enshrined in applicable legislation and those set out in the Regulations of the Board of Directors, which stipulate that the Board shall disclose price-sensitive information to the Spanish Securities Market Commission (CNMV) and post the relevant information on its corporate website to inform the public immediately with regard to any material information. As for the Company's relationship with analysts and investment banks, the Investor Relations department shall coordinate the Company's relationship with analysts, shareholders and institutional investors and manage their requests for information in order to ensure they are treated fairly and objectively.

In this regard, and pursuant to Recommendation 4 of the Good Governance Code of Listed Companies, at its meeting on 30 July 2015 the Board of Directors, under its general powers to determine the Company's general policies and strategies, resolved to approve the Policy on information, communication and contact with shareholders, institutional investors and proxy shareholders which is available on the Company's website.

Requests for information must be directed to the Chairman of the Board of Directors, if he holds executive status, and, otherwise, to the Chief Executive Officer, who will forward the request to the appropriate party in the Company. If the Chairman deems that the information is confidential, he will notify the Director [...] as well as of the director's duty of confidentiality.

However, documents must be approved by the Board. In particular, documents that cannot be fully analysed and discussed during the meeting due to their size are sent out to Board members ahead of the Board meeting in question.

Under this policy, and pursuant to the authority vested in the coordinating director appointed in 2017, he or she shall liaise as and when needed with investors and shareholders to hear their views and develop a balanced understanding of their concerns, especially those to do with the Company's corporate governance.

Meanwhile, the powers delegated to the Board of Directors legally and through the internal regulations specifically include the duty of supervising the dissemination of information and communications relating to the Company. Therefore, the Board of Directors is responsible for managing and supervising at the highest level the information distributed to shareholders, institutional investors and the markets in general. Consequently, the Board of Directors, through the corresponding bodies and departments, works to ensure, protect and facilitate the exercising of rights by shareholders, institutional investors and the markets in general in the defence of the corporate interest and in compliance with the following principles:

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Transparency, equality and non-discrimination, continuous information, affinity with the corporate interest, remaining at the cutting edge in the use of new technologies and compliance with the law and CaixaBank's internal regulations.

These principles apply to all information disclosed and the Company's communications with shareholders, institutional investors and relations with markets and other stakeholders, such as financial intermediaries, management companies and custodians of the Company's shares, financial analysts, regulatory and supervisory bodies, proxy advisers, information agencies and credit rating agencies.

The Company pays particular heed to the rules governing the processing of inside information and relevant information contained in applicable legislation and the Company's regulations on shareholder relations and communications with securities markets, as contained in CaixaBank's Code of Business Conduct and Ethics, the Internal Code of Conduct on Matters Relating to the Stock Market of CaixaBank, S.A. and the Regulations of the Board of Directors (also available on the Company's website).

The Audit and Control Committee submits recommendations to the Board of Directors (which are then laid before shareholders at the General Meeting) regarding the selection, appointment, re-election and replacement of the external auditor. It is also responsible for maintaining appropriate relations with the external auditor in order to receive information on any matters that might compromise its independence and any other matters related to the process of auditing the accounts. In all events, on an annual basis, the Audit and Control Committee must receive from the

external auditors a declaration of their independence with regard to the Company or entities directly or indirectly related to it, in addition to information on any non-audit services rendered to those entities by the aforementioned auditors or persons or entities related to them, as stipulated by auditing legislation. In addition, the Audit and Control Committee will issue annually, prior to the issuance of the audit report, a report containing an opinion on the independence of the auditor. This report must evaluate, without fail, any such non-audit services that may have been rendered, both individually and collectively, above and beyond statutory audit services and related to the regime of independence or the applicable audit regulations.

As an additional mechanism of ensuring the auditor's independence, article 45.4 of the Bylaws states that the General Meeting may not revoke the auditors until the period for which they were appointed terminated, unless it finds just cause. The Company has policies governing the relationship with the external auditor to guarantee compliance with applicable legislation and the independence of auditing work.

With respect to the concrete measures established to ensure the independence of external auditors, in 2018 CaixaBank's Board of Directors approved a policy governing relations with the external auditor. This policy aims to ensure that the process of appointing the account auditor of CaixaBank, S.A. and its Consolidated Group is compliant with the new regulatory framework, thus ensuring that it is an impartial and transparent process and that both the appointment and the relationship framework with the auditor are implemented in accordance with prevailing law and regulations.

Among other things, this Policy covers the principles that govern the selection, contracting, appointment, re-election and termination of the CaixaBank Account Auditor, as well as the relationship framework between both parties.

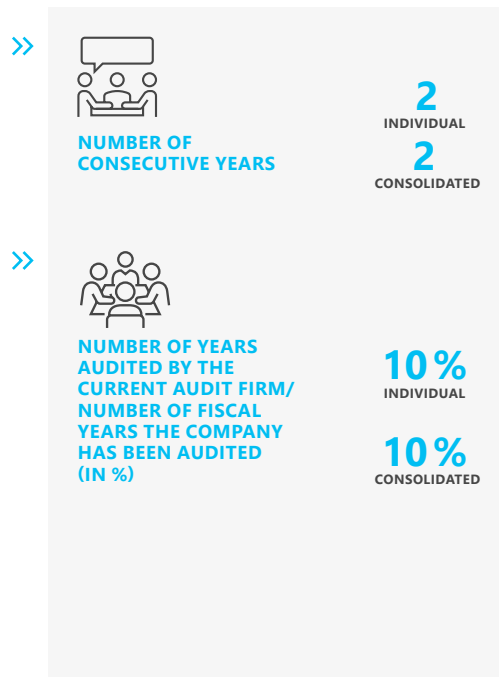
The audit firm performs the following non-audit work for the company and/or its group:

	COMPANY	GROUP COMPANIES	TOTAL
>> AMOUNT INVOICED FOR NON-AUDIT SERVICES (THOUSAND EUROS)	<b>532</b>	<b>625</b>	<b>1,157</b>
>> AMOUNT INVOICED FOR NON-AUDIT SERVICES/ AMOUNT FOR AUDIT WORK (IN %)	<b>32%</b>	<b>29%</b>	<b>30%</b>



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Number of consecutive years the current audit firm has been auditing the financial statements of the company and/or group.



The Audit and Control Committee is responsible for ensuring that the financial information is correctly drawn up. Its duties include the following, which are there to avoid a qualified audit report, among other objectives:

With regard to overseeing financial reporting:

- i. reporting to the Annual General Meeting about matters raised by shareholders that fall within the committee's remit and, in particular, on the result of the audit, explaining how this has contributed to the integrity of the financial information and the committee's role in this process.
- ii. overseeing the process of compiling and presenting mandatory financial information regarding the Company and, where relevant, the Group, reviewing the Company's accounts, compliance with related regulatory requirements, the adequate definition of the consolidation perimeter, and the correct application of generally accepted accounting criteria.

And, in particular, knowing, understanding and overseeing the effectiveness of the system of internal control over financial reporting (ICFR), drawing conclusions with regard to the system's level of trust and reliability, and reporting on any proposals to amend accounting principles and criteria raised by the management, in order to guarantee the integrity of accounting and financial reporting systems, including financial and operational control, and compliance with applicable legislation in this regard. The committee may submit recommendations or proposals to the Board of Directors that are designed to safeguard the integrity of the mandatory financial information;

- iii. ensuring that the Board of Directors submits the annual financial statements to the General Shareholders' Meeting, without qualified opinions or reservations in the audit report and that, in the event that reservations do exist, ensuring that the committee's Chairman and the auditors clearly explain the content and scope of those qualified opinions or reservations to shareholders.

- iv. reporting to the Board of Directors, in advance, on the financial information and related non-financial information that the Company must periodically release to the markets and its supervisory bodies;

The Company did not change its external auditor in 2019. The auditor's report on the financial statements for the preceding year does not contain a qualified opinion or any reservation. The individual and consolidated financial statements submitted to the Board for preparation were not previously certified. The above notwithstanding, note that as part of the internal control over financial reporting (ICFR) process, the financial statements for the year ended 31 December 2019 (which form part of the annual financial statements) are to be certified by the Company's Head of Financial Accounting, Control and Capital.

### Takeover bids (C.1.38)

The Company has not entered into any material agreements that come into force, are modified or are terminated in the event of a change in control of the company following a public takeover bid, and their effects.

### Selection (C.1.16, C.1.21, C.1.22, and C.1.23)

In accordance with article 529 decies of Royal Legislative Decree 1/2010, of 2 July, enacting the amended text of the Corporate Enterprises Act, and articles 5, 6 and 18 to 21 of the Regulations of the Board of Directors, director appointment proposals that the Board of Directors lays before the General Meeting, and the appointment resolutions carried by the Board itself by virtue of the co-option powers legally attributed to it, must be preceded by a corresponding recommendation from the Appointments Committee in the case of independent directors, and by a report in the case of all other directors. Director appointment or reappointment proposals must be accompanied by a supporting report from the Board of Directors, assessing the competence, experience and merits of the proposed nominee.

In addition, when exercising its powers to propose appointments to the General Shareholders' Meeting and co-opt directors to cover vacancies, the Board shall endeavour to ensure that external directors or non-exe-

cutive directors represent a majority over executive directors and that the latter should be the minimum strictly necessary.

The Board shall also seek to ensure that the majority group of non-executive directors includes holders of stable significant shareholdings in the company or their representatives, or those shareholders that have been proposed as directors even though their holding is not significant (proprietary directors), and persons of recognised experience who can perform their functions without being influenced by the company or its group, its executive team or significant shareholders (independent directors).

The definitions established in applicable regulations and detailed in article 19 of the Regulations of the Board of Directors are used to classify directors accordingly.

The Board will also strive to ensure that among its external directors, the proportion of proprietary and independent directors on the Board reflects the existing proportion of the Company's share capital represented by proprietary directors and the rest of the capital and that independent directors account for at least one third of all directors.

No shareholder may be represented on the Board of Directors by a number of proprietary directors exceeding 40% of total Board members, without prejudice to the right of all shareholders to be represented at the Company in proportion to their stake, in accordance with applicable law.

Directors shall remain in their posts for the term of office stipulated in the By-laws (which is four years) —for as long as the

General Meeting does not resolve to remove them and they do not stand down from office— and may be re-elected one or more times for periods of equal length. However, independent directors may not continue to serve as such for a continuous period exceeding 12 years.

Directors designated by co-option shall hold their post until the date of the next General Meeting or until the legal deadline for holding the General Meeting that is to decide whether to approve the financial statements for the previous financial year has passed. If the vacancy arises after the General Meeting is called but before it is held, the appointment of the director by co-option to cover the vacancy will take effect until the next General Meeting is held.

On 20 September 2018, the Board of Directors approved the policy on the selection, diversity and suitability assessment of directors, senior management members and key function holders at CaixaBank and its group (hereinafter, the "Policy"). The Policy is part of the Company's corporate governance system, governing key commitments and aspects of the Company and its Group in relation to the selection and appointment of directors.

In the director selection process, with respect to individual requirements, candidates to become directors, and current directors, must meet the suitability requirements needed to exercise their role, in accordance with the provisions of applicable regulations. In particular, they must have recognised business and professional repute, suitable knowledge and experience for performing their duties, and be able to exercise good governance at the Company.

Applicable law and regulations will also be taken into account when shaping the overall composition of the Board of Directors. In particular, the overall composition of the Board of Directors must incorporate sufficient knowledge, abilities and experience regarding the governance of credit institutions, to sufficiently understand the Company's activities, including the primary risks, and to ensure the effective capacity of the Board of Directors to take independent and autonomous decisions in the Company's interests.

The Appointments Committee, aided by the General Secretary and the Secretary of the Board and taking into account the balance of knowledge, experience, expertise and diversity required and in place on the Board of Directors, draws up and constantly updates a competency matrix, which is approved by the Board of Directors.

Where applicable, the results of applying the matrix may be used to identify future training needs or areas to strengthen in future appointments.

The selection procedure for members of the Board established in the Policy will be complemented, in any applicable areas, with the provisions of the Protocol on suitability assessment and appointments procedures for directors, senior management members and other key function

holders at CaixaBank (the "Suitability Protocol"), or equivalent internal standard in place at any time.

The Protocol establishes the Company's units and internal procedures involved in the selection and ongoing assessment of members of the Board of Directors, general managers and other senior executives, the heads of the internal control function and other key posts in CaixaBank, as defined under applicable legislation. Under the "Protocol", the Board of Directors, in plenary session, assesses the suitability of proposed candidates, based on a report from the Appointments Committee. Also, with regard to the procedure to assess the suitability of candidates prior to their appointment as Director, the Suitability Protocol also establishes procedures to continually evaluate Directors and to assess any unforeseeable circumstances which may affect their suitability for the post.

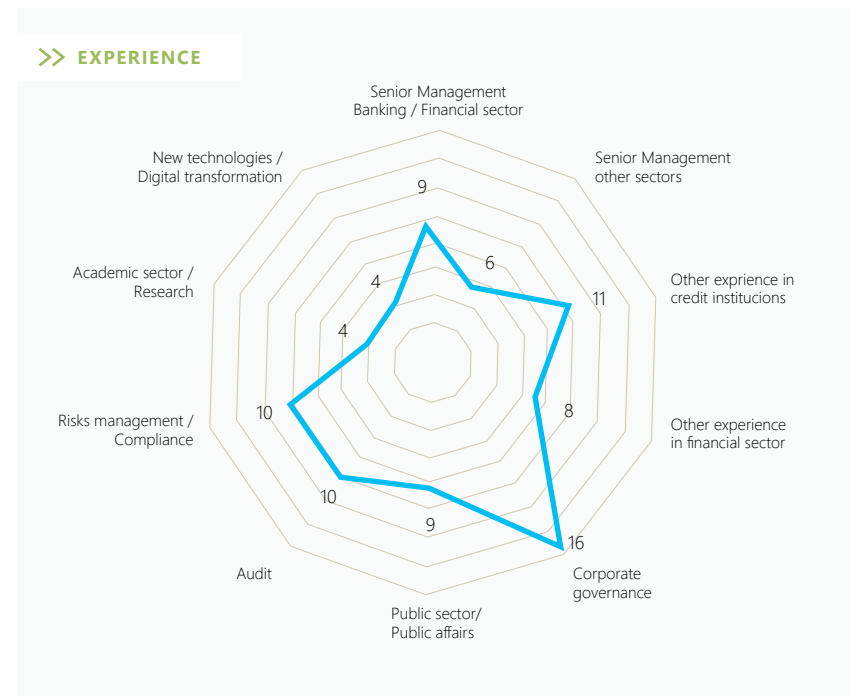
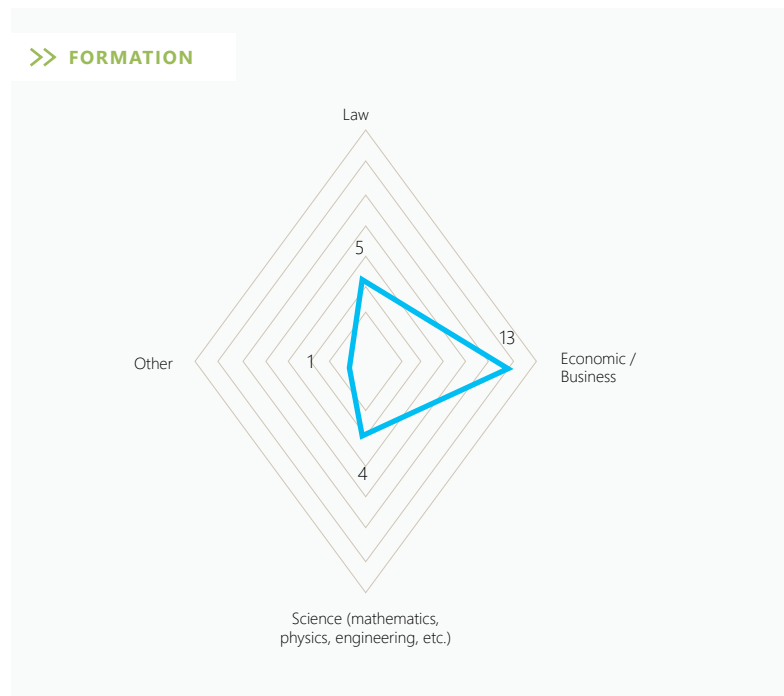
There are no specific requirements, other than those relating to directors, to be appointed as Chairman of the Board of Directors. Neither the By-laws nor the Regulations of the Board of Directors establish any age limit for serving as director, or any limited mandate or stricter requirements for independent directors beyond those required by law.

Directors shall step down when the period for which they were appointed has elapsed, when so decided by the General Meeting in exercise of its legal authority and powers under the By-laws, and when they resign.

When a director leaves office prior to the end of their term, they must explain the reasons in a letter to be delivered to all Board members.

Directors must also offer to tender their resignation to the Board of Directors in the situations described in due course (C.1.19), and shall then effectively tender their resignation if the Board sees fit.

**Matrix showing the knowledge, experience and diversity of the CaixaBank Board of Directors (December 2019)**



The matrix reveals that CaixaBank's Board of Directors has a satisfactory composition, with an adequate balance of knowledge and experience among its members, both in the financial sector and other relevant areas, to ensure the proper governance of the credit institution, as well as sufficient experience among members to ensure complementary points of view.

## Obligation to resign (C.1.19 and C.1.36)

Article 21.2 of the Regulations of the Board of Directors stipulates that directors must offer to tender their resignation to the Board of Directors and then tender their resignation if the Board so decides, in the following cases:

- a. when they depart the executive positions, posts or functions with which their appointment as director was associated;
- b. when they are subject to any of the cases of incompatibility or prohibition provided by law or no longer meet the suitability requirements according to applicable law and regulations;
- c. when they are indicted for an allegedly criminal act or are subject to disciplinary proceedings for serious or very serious misdemeanours instructed by the supervisory authorities;
- d. when their continued presence on the Board would threaten the Company's interests, or when the reasons for which they were appointed cease to exist. In particular, and in the case of proprietary directors, when the shareholder they represent transfers all of its stake. They must also tender their resignation when the shareholder in question lowers its shareholding to a level that requires a reduction in the number of proprietary directors;
- e. following a significant change in their professional circumstances or in the conditions that warranted their appointment as director; and
- f. when, due to events attributable to the director, his or her continued presence on the Board would cause serious damage to the Company's assets or reputation in the eyes of the Board.

Article 21.3 of the Regulations of the Board of Directors states that if an individual representing a legal entity director is caught by any of the circumstances listed above, that representative must offer to tender their resignation to the legal entity that appointed them. If the latter decides that its representative should remain in office as director, the legal person director must offer to tender its resignation to the Board of Directors.

All the foregoing without prejudice to the terms of Royal Decree 84/2015 of 13 February, implementing Act 10/2014, of 26 June on the organisation, supervision and solvency of credit institutions, on the requirements of standing and repute that directors must meet and the consequences of the subsequent failure to meet those requirements, as well as any other applicable regulations or guidelines given the company's activities.

## Defendants in legal proceedings (C.1.37)

No director has notified the company that he/she has been tried or notified that legal proceedings have been filed against him or her for any of the offences described in article 213 of the LSC.



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## Evaluation (C.1.17 and C.1.18)

Based on the findings of the 2018 evaluation report of the Board of Directors, in 2019 the Appointments Committee monitored all the organisational improvement measures explained below.

Aside from what we have discussed previously as the main corporate governance milestones in 2019 —such as the reduced size of the Board of Directors and the creation of the Innovation, Technology and Digital Transformation Committee, plus the fact that following the 2019 AGM female directors account for 37.50% of total Board membership— CaixaBank has made further progress in developing and implementing organisational practices and approaches to work that have made the Bank more efficient and enhanced the quality of its internal functioning and operation.

It should be noted that the Bank has made further progress with various technical tools and organisational aspects, such as streamlining agendas and structuring meetings, while also extending time frames in relation to work planning and organisation.

As regards committees, the Regulations of the Board of Directors were amended in 2019 to extend the obligation to send out minutes of the meetings of the Appointments Committee and the Remuneration Committee to all board members, as the Entity had already been doing in the case of the Audit and Control Committee, the Risks Committee and the Executive Committee.

## Description of the evaluation process and the areas evaluated

As stipulated in article 529.9 of the Corporate Enterprises Act and article 16 of the Regulations of the Board of Directors, the Board evaluates its performance annually. It is also compliant with Recommendation 36 of the current Good Governance Code of February 2015, which recommends that a regular self-assessment be carried out on the performance of the Board of Directors and its committees.

The Board of Directors conducted a self-assessment of its own functioning and operation in 2019, based on the self-assessment questionnaires approved by the Appointments Committee in 2018, with certain ad-hoc changes made. Since the 2019 assessment was based on the same self-assessment questionnaire used in 2018, with only minimal changes, we were able to include comparative results for the previous year.

The methodology used was largely one of analysing the responses to the questionnaires. The following aspects are addressed:

Operation of the Board of Directors (preparation, dynamic and culture; evaluation of the working tools made available to directors and of the self-assessment process for the Board of Directors); composition and functioning of the committees, performance of the Chairman, Chief Executive Officer, Independent Coordinator Director and the Secretary to the Board of Directors, as well as an individual peer assessment of each director.

Members of each committee are also sent a self-assessment form on the functioning and operation of their respective committee.

The results and conclusions reached, including recommendations, are contained in the document analysing the performance assessment of CaixaBank's Board of Directors and its committees for 2018, which was approved by the Board of Directors.

Broadly speaking, and in light of the responses received from directors as a result of the self-assessments and activity reports drawn up by each committee, the Board of Directors holds a positive view of the quality and efficiency of its own operation and that of its committees in 2019.



Total remuneration received by the Board of Directors (C.1.13. y C.1.39)

<p><b>&gt;&gt; 6,831</b></p> <p><b>REMUNERATION ACCRUED IN THE YEAR BY THE BOARD OF DIRECTORS (THOUSAND EUROS)<sup>1</sup></b></p>	<p><b>&gt;&gt; 5,546</b></p> <p><b>AMOUNT OF VESTED PENSION INTERESTS FOR CURRENT MEMBERS (THOUSAND EUROS)</b></p>	<p><b>&gt;&gt; 0</b></p> <p><b>AMOUNT OF VESTED PENSION INTERESTS FOR FORMER MEMBERS (THOUSAND EUROS)<sup>2</sup></b></p>
<p><sup>1</sup> The Remuneration Policy provides a breakdown of remuneration payable to directors "in their capacity as such" and to the Executive Director.</p> <p><sup>2</sup> No information is provided on consolidated pension rights for former directors, since the Company has no type of commitment (contribution or benefit) with former executive directors under the pensions system.</p>		

Director remuneration in 2019, as reported in this section, takes the following aspects into account:

At year-end 2019, the Board of Directors comprised a total of 16 members, with Gonzalo Gortázar acting as Chief Executive Officer and being the only Board member to discharge executive functions.

On 5 April 2019, the General Shareholders' Meeting agreed to reduce the number of directors by two, thus bringing the total number to sixteen. It also approved the appointment of Marcelino Armenter (proprietary director) and Cristina Garmendia (independent director) as new members of the Board of Directors. Meanwhile, the following directors departed the Board due their posts having expired: Alain Minc, Juan Rosell, Antonio Sáinz de Vicuña and Javier Ibarz.

Following the General Meeting, the Board of Directors resolved to restructure the various committees attached to the Board of Directors, doing so on the recommendation of the Appointments Committee and the Audit and Control Committee (referring to the composition of the Appointments Committee). The Board appointed Verónica Fisas (independent director) as a new member of the Remuneration Committee, and Xavier Vives (independent coordinating director) as a new member of the Appointments Committee. The Board of Directors also agreed to re-appoint the directors re-elected by shareholders at the General Meeting as members of the Board committees on which they had previously been sitting. Last but not least, the Audit and Control Committee agreed to appoint Koro Usarraga as its Chairman, while the Risks Committee appointed Eduardo Javier Sanchiz as its Chairman.

On 23 May 2019, the Board of Directors decided to set up a new Innovation, Technology and Digital Transformation Committee. It also agreed that Amparo Moraleda, Cristina Garmendia and Marcelino Armenter would sit on that committee, in addition to the Chairman and Chief Executive Officer.

The total remuneration of the Board of Directors does not include remuneration for seats held on other boards on the Company's behalf outside the consolidated group, which amounted to 246,000 euros, nor the amount of contributions made to savings schemes with non-vested economic rights during the year, which came to 509,000 euros.

**Agreements made between the company and its directors, executives or employees containing indemnity or golden parachute clauses in the event of resignation or dismissal or termination of employment without cause following a takeover bid or any other type of transaction**

**>> 32**  
**NUMBER OF BENEFICIARIES**

**TYPE OF BENEFICIARY**

Chief Executive Officer and three members of the Management Committee, five executive officers and 23 middle managers.

**DESCRIPTION OF AGREEMENT**

Chief Executive Officer: One year of the fixed components of his remuneration.

Management Committee members: indemnity clause equivalent to one annual payment of the fixed components of their remuneration, or the amount payable by law, whichever is higher. There are currently three committee members for whom the indemnity to which they are legally entitled remain less than one year of their salary.

Further, the Chief Executive Officer and the members of the Management Committee are entitled to one annual payment of their fixed remuneration, payable in monthly instalments, as consideration for their non-compete undertaking. This payment would be discontinued were this covenant to be breached.

Executive officers and middle managers: 28 executives and middle managers: between 0.1 and 1.5 annual payments of their fixed remuneration above that provided for at law. Executives and middle managers of Group companies are included in the calculation.



These contracts must always be communicated to and/or approved by the Board of Directors (not only in the situations and circumstances required by law). These clauses are also communicated to shareholders at the General Meeting.

The Board of Directors is responsible for approving the Remuneration Policy of the Board of Directors, the Identified Staff and the General Staff of the CaixaBank Group, subject to a preliminary report from the Remuneration Committee and in accordance with the system set out in the By-laws. The Board also approves the remuneration of directors within the limit set by the General Meeting and, in the case of executive directors, the additional remuneration payable for their executive duties and the other terms of their contracts. The Board approves the appointment and removal of senior managers, as well as the terms of their contract, including clauses on termination benefits.

It should be noted that the Board Remuneration Policy includes detailed information on the remuneration of directors, particularly the CEO, and is approved by the General Meeting. For the other managers (five beneficiaries) who do not qualify as senior management, and middle managers (23 beneficiaries), the impact of their dismissal generating the right to receive compensation would be immaterial since in these cases the clauses are absorbed by the legal compensation payable in such cases.

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## The Management Committee (C.1.14)

### >> MEMBERS (EXCLUDING CEO)

#### **JUAN ANTONIO ALCARAZ** Chief Business Officer

##### >> Education

Mr Alcaraz holds a degree in Business Sciences from Cuneif (Complutense University of Madrid) and a Master of Business Administration from the IESE Business School.

##### >> Work experience

He joined "la Caixa" in December 2007 and is now in charge of the following business units as Chief Business Officer: Retail Banking, Global Customer Experience and Specialized Consumer Segments (Imaginbank, Family, Senior, Agrobank, and Holabank).

He also heads: CaixaBank Digital Business and CaixaBank Business Intelligence.

He has served as General Manager of Banco Sabadell (2003-2007) and prior to that as Deputy General Manager of Santander and Central Hispano (1990-2003).

##### >> Other current positions

He is also the Chairman of CaixaBank Payments & Consumer and sits on the Board of Directors of SegurCaixa Adeslas. He is also Chairman of Asociación Española de Directivos, member of the Advisory Board of Foment del Treball, trustee of Fundació Tervallis, member of the Advisory Board of the International University of Catalonia and a member of RICS.

#### **XAVIER COLL** Chief Human Resources and Organisation Officer

##### >> Education

He holds a degree in Medicine from the University of Barcelona, a Master of Business Administration from the University of Chicago and a Master of Public Health from Johns Hopkins University. He was a recipient of the "la Caixa" Fulbright Scholarship.

##### >> Work experience

He joined the "la Caixa" in 2008 as Chief Human Resources Officer and currently sits on its Management Committee. He has over 30 years of experience in the international health sector, in multilateral development banking and in the financial industry.

Prior to joining "la Caixa" group, he was Director of the President's Office and Vice President of Human Resources at the World Bank and Director of Human Resources at the European Investment Bank.

#### **JORDI MONDÉJAR** Chief Risks Officer

##### >> Education

Mr Mondéjar holds a degree in Economic and Business Sciences from the University of Barcelona. He is a member of the Official Registry of Account Auditors.

##### >> Work experience

He worked at Arthur Andersen from 1991 through to 2000, where he specialised in financial audits at financial institutions and other regulated entities.

He joined "la Caixa" Group in 2000, serving as Head of Financial Accounting, Control and Capital prior to his appointment as Chief Risks Officer in 2016.

##### >> Other current positions

He sits on the Board of Directors of Sareb and is non-executive Chairman of Buildin-gcenter, S.A

#### **IÑAKI BADIOLA** Head of Corporate Institutional Banking and International Banking

##### >> Education

Mr Badiola holds a degree in Economic and Business Science from the Complutense University of Madrid and a Master in Business Administration from IE Business School.

##### >> Work experience

His track record in the financial industry spans more than 20 years and includes financial positions at various companies operating in the following sectors: technology (EDS), distribution (ALCAMPO), public administration (GISA), transportation (IFERCAT) and real estate (Harmonia).

He has previously served as Executive Manager of CIB and Corporate Manager of Structured Finance and Institutional Banking.

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### MATTHIAS BULACH

Head of Financial Accounting, Control and Capital

**>> Education**

Mr Bulach holds a degree in Economic Sciences from the University of St. Gallen and a Master in Business Administration from the IESE Business School.

**>> Work experience**

He joined "la Caixa" in 2006 as head of the Economic Analysis Office, carrying out strategic planning, analysing the banking and regulatory system and providing support to the Chairman's Office on the task of restructuring the financial sector. Prior to his appointment as Executive Director in 2016, he served as Corporate Manager of Planning and Capital. Before joining the Group, he was a Senior Associate at McKinsey & Company, where he specialised in the financial sector and in developing and deploying international projects.

**>> Other current positions**

He currently sits on the Supervisory Board of Erste Group Bank AG and on the Boards of Directors of CaixaBank Asset Management, CaixaBank Payments & Consumer and BuildingCenter S.A.



### JORGE FONTANALS

Executive Director of Resources

**>> Education**

Mr Fontanals holds a degree in Business Administration and completed an Advanced Management Program at the ESADE Business School.

**>> Work experience**

Prior to his appointment as Head of Resources in 2014, he served as Corporate Manager of IT at CaixaBank and before that he held various managerial positions relating to resources at both CaixaBank and other Group companies.

**>> Other current positions**

He currently sits on the Boards of Directors of CaixaBank Facilities Management, SILK Aplicaciones and SILC Inmobles.



### MARÍA LUISA MARTÍNEZ

Executive Director of Communication, Institutional Relations, Brand and CSR

**>> Education**

Ms Martínez holds a degree in Modern History from the University of Barcelona and in Information Sciences from Autonomous University of Barcelona. She has also completed the Senior Management Program (PADE) at IESE Business School.

**>> Work experience**

She joined "la Caixa" in 2001 to head up media relations. In 2008 she was appointed Head of Communication with responsibility for corporate communication and institutional management with the media. In 2014, she was appointed Corporate Head of Communication, Institutional Relations, Brand and CSR and she has served as Executive Manager of those same disciplines since 2016.

**>> Other current positions**

She is also president of Autocontrol (the self-regulatory organisation of the advertising industry in Spain); of Dircom Cataluña (professional association of communications executives and professionals); and sits on the Communication Committee of the Spanish Chamber of Commerce.



### JAVIER PANO

Chief Financial Officer

**>> Education**

Mr Pano holds a degree in Business Sciences and a Master of Business Administration from the ESADE Business School.

**>> Work experience**

He has been CaixaBank's CFO since July 2014 and is also Chairman of the ALCO and head of liquidity management and wholesale funding, having previously held positions of responsibility in the realm of capital markets.

Before joining "la Caixa" in 1993, he held various key positions at different companies.

**>> Other current positions**

He sits on the Board of Directors of both BPI and Cecabank.

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**MARISA RETAMOSA**  
Head of Internal Audit

**Education**

Ms Retamosa holds a Degree in Computer Science from the Polytechnic University of Catalonia. She is CISA (Certified Information System Auditor) and CISM (Certified Information Security Manager) certified by ISACA.

**Work experience**

She has been Corporate Manager of Security and Resources Governance, and previously served as Head of Security and Service Control in IT Services. She has also served as Head of the Resource Audit Division.

She joined "la Caixa " in 2000. Prior to that, she worked at Arthur Andersen (1995-2000), where she performed system and process audit and risk consulting activities.

**JAVIER VALLE**  
Executive Director of Insurance

**Education**

Mr Valle holds a degree in Business Studies and a Master in Business Administration from ESADE Business School. Community of European Management Schools (CEMS) at HEC Paris.

**Work experience**

Over the ten last years he has been General Manager at Bansabadell Vida, Bansabadell Seguros Generales and Bansabadell Pensiones, as well as CEO of Zurich Life. He was CFO of the Group Zürich in Spain and Director of Investments for Spain and Latin America.

**Other current positions**

He is managing director of VidaCaixa, deputy chairman and member of the Executive Committee and Governing Board of Unespa and director of the Consortium of Insurance Compensation and of ICEA.

**ÓSCAR CALDERÓN**  
General Secretary and Secretary to the Board of Directors

**Education**

Mr Calderón holds a degree in Law from the University of Barcelona and is a qualified state attorney.

**Work experience**

He has also served as state attorney before the High Court of Justice (Tribunal Superior de Justicia) of Catalonia, where he represented and defended the Spanish State in civil, criminal and employment cases and in adversary proceedings involving public bodies. He was a member of the Provincial Compulsory Purchase Tribunal (1999-2002). State Lawyer, Secretary of the Catalan Regional Administrative Court for Tax and Economic Appeals (2002-2003).

He joined "la Caixa" Group in 2004, serving as legal counsel attached to the General Secretary's Office of "la Caixa"; Deputy Secretary to the Board of Directors of Inmobiliaria Colonial (2005-2006); Secretary to the Board of Directors of Banco de Valencia (2013); and Deputy Secretary to the Board of Directors of "la Caixa" until June 2014. He was served as trustee and Deputy Secretary of "la Caixa" Foundation through to its dissolution in 2014, and as Secretary to the Board of Trustees of "la Caixa" Banking Foundation until 2017.

**Other current positions**

He is currently trustee and Secretary to the Board of Trustees of Fundación del Museo de Arte Contemporáneo de Barcelona (MACBA). He is also Secretary of Fundación de la Economía Aplicada (FEDEA).

Total remuneration accrued by senior management staff who are not also executive directors:

- |  |  |
|--|--|
| <p>» <b>JORGE MONDÉJAR LÓPEZ</b><br/>Chief Risks Officer</p>   | <p>» <b>JAVIER PANO RIERA</b><br/>Chief Financial Officer</p>                          |
| <p>» <b>FRANCESC XAVIER COLL ESCURSELL</b><br/>Chief Human Resources And Organisation Officer</p>                            | <p>» <b>JORGE FONTANALS CURIEL</b><br/>Head Of Resources</p>                           |
| <p>» <b>MARÍA LUISA MARTÍNEZ GISTAU</b><br/>Executive Director For Communication, Institutional Relations, Brand And CSR</p> | <p>» <b>ÓSCAR CALDERÓN DE OYA</b><br/>General And Board Secretary</p>                  |
| <p>» <b>JUAN ANTONIO ALCARAZ GARCÍA</b><br/>Chief Business Officer</p>   | <p>» <b>MATTHIAS BULLACH</b><br/>Head Of Financial Accounting, Control And Capital</p> |
| <p>» <b>IÑAKI BADIOLA GÓMEZ</b><br/>Executive Director Of CIB And International Banking</p>                                  | <p>» <b>MARISA RETAMOSA FERNÁNDEZ</b><br/>Head Of Internal Audit</p>                   |
| <p>» <b>JAVIER VALLE T-FIGUERAS</b><br/>Executive Director Of Insurance</p>  |  |



This amount includes total fixed, in-kind and short-term variable remuneration, insurance premiums and discretionary pension benefits and other long-term benefits assigned to members of the Senior Management. He has also been awarded a provisional incentive of 245,975 shares under the Provisional Incentive relating to the first cycle of the Conditional Annual Incentives Plan pegged to the 2019-2021 Strategic Plan, which was approved by shareholders at the Annual General Meeting held on 5 April 2019.

The remuneration received in 2019 by CaixaBank's Senior Management for representing the Company on the boards of listed and other companies, both within and outside the consolidated group, amounted to 1,305 thousand euros, as shown in the statements of profit or loss of the respective companies.

» **TOTAL SENIOR MANAGEMENT REMUNERATION (THOUSAND EUROS)** **10,234**

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>> **SHARES HELD BY MANAGEMENT COMMITTEE MEMBERS IN CAIXABANK:**

Altos Directivos no miembros del Consejo de Administración	% derechos de voto atribuidos a las acciones		% derechos de voto a través de instrumentos financieros		% total de derechos de voto	% derechos de todo que pueden ser transmitidos a través de instrumentos financieros	
	Directo	Indirecto	Directo	Indirecto		Directo	Indirecto
Juan Antonio Alcaraz García	0,003 %	0,000 %	0,005 %	0,000 %	0,008 %	0,000 %	0,000 %
Iñaki Badiola Gómez	0,001 %	0,000 %	0,002 %	0,000 %	0,003 %	0,000 %	0,000 %
Matthias Bulach	0,000 %	0,000 %	0,001 %	0,000 %	0,001 %	0,000 %	0,000 %
Óscar Calderón de Oya	0,001 %	0,000 %	0,001 %	0,000 %	0,002 %	0,000 %	0,000 %
Francesc Xavier Coll Escursell	0,001 %	0,000 %	0,002 %	0,000 %	0,003 %	0,000 %	0,000 %
Jorge Fontanals Curiel	0,000 %	0,000 %	0,002 %	0,000 %	0,002 %	0,000 %	0,000 %
M <sup>a</sup> Luisa Martínez Gistau	0,000 %	0,000 %	0,001 %	0,000 %	0,001 %	0,000 %	0,000 %
Jordi Modéjar López	0,001 %	0,000 %	0,002 %	0,000 %	0,003 %	0,000 %	0,000 %
Javier Pano Riera <sup>(1)</sup>	0,002 %	0,000 %	0,002 %	0,000 %	0,004 %	0,000 %	0,000 %
Marisa Retamosa Fernández	0,000 %	0,000 %	0,001 %	0,000 %	0,001 %	0,000 %	0,000 %
Javier Valle T-Figueras	0,000 %	0,000 %	0,000 %	0,000 %	0,000 %	0,000 %	0,000 %
<b>% total de derechos de voto en poder de Altos Directivos no miembros del Consejo de Administración</b>	<b>0,009 %</b>	<b>0,000 %</b>	<b>0,019 %</b>	<b>0,000 %</b>	<b>0,028 %</b>	<b>0,000 %</b>	<b>0,000 %</b>

**Board Committees (C.2)**

>> **EXECUTIVE COMMITTEE**

Name	Post	Category
Jordi Gual Solé	Chairman	Proprietary
Tomás Muniesa Arantegui	Member	Proprietary
Gonzalo Gortázar Rotaache	Member	Executive
María Verónica Fisas Vergés	Member	Independent
María Amparo Moraleda Martínez	Member	Independent
Francesc Xavier Vives Torrents	Member	Independent



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## Brief description

Article 39 of the By-laws and articles 12 and 13 of the Regulations of the Board of Directors describe the organisation and operation of the Executive Committee.

## Funtions. Organisation and operation (C.2.1)

The powers of the Executive Committee will be those that, in each case, are delegated by the Board, with the limitations set forth by Law, in the Company's Articles of Association and in these Regulations.

The composition of the Executive Committee, which reflects the composition of the Board and its internal rules, is determined by the Board of Directors.

The Chairman and Secretary of the Board of Directors will also be the Chairman and Secretary of the Executive Committee.

The designation of members of the Executive Committee and the Board's permanent delegation of powers to this particular committee will require the vote for of at least two thirds of Board members.

The Executive Committee meets whenever called by its Chairman or by the person substituting him if this is not possible – if the post is vacant or in cases of absence or impossibility, for example – and its meetings shall be taken to be quorate when the majority of its members are in attendance, either in person or by proxy.

The Executive Committee reports to the Board on the main business addressed and on the decisions reached at its meetings.

The Committee's resolutions are adopted by the majority of the members attending the meeting in person or by proxy and they are valid and binding with no need for subsequent ratification by the Board sitting in plenary, without prejudice to Article 4.5 of the Rules of the Board of Directors.

The Executive Committee has been delegated all of the responsibilities and powers available to it both legally and under the Company's By-laws. For internal purposes, the Executive Committee is subject to the limitations set forth in Article 4 of the Rules of the Board of Directors.

## Activities during the year

In 2019, the committee addressed a number of recurring matters, plus various one-off business concerns, either making a decision on the matter or hearing and taking note of the information received. The following table contains a summary of the main matters addressed over the course of 2019:

- Monitoring of earnings, results and other accounting aspects.
- Aspects relating to products and services and other business matters.
- Indexes and other aspects related to quality and reputation.
- Credit and surety activity.
- Position regarding foreclosed real estate assets and non-performing assets.
- Sales of debt portfolio and other aspects related to non-performing loans.
- Supervisory activity and disclosures to regulators.
- Subsidiaries and other.
- Organisational changes and restructuring measures.



## Regulation (C.2.3)

There are no specific regulations for the Board committees. The Executive Committee is governed by applicable legislation, the Company's By-laws and the Regulations of the Board of Directors. In aspects not specifically laid out for the Executive Committee, the operational rules governing the Board itself will be applied, by virtue of the Regulations of the Board available on the CaixaBank corporate website ([www.caixabank.com](http://www.caixabank.com)).

There is no express mention in the Company's By-laws that the committee must draw up an activities report. However, the Executive Committee approved its annual activity report at a meeting held in December 2019, including the performance assessment for 2019.

## >> AUDIT AND CONTROL COMMITTEE

Name	Post	Category
Koro Usarraga Unsain	Chairwoman	Independent
Eduardo Javier Sanchiz Irazu	Member	Independent
José Serna Masiá	Member	Proprietary



**% OF EXECUTIVE DIRECTORS**

**0.00**



**% OF PROPRIETARY DIRECTORS**

**33.33**



**% DE CONSEJEROS INDEPENDIENTES**

**66.67**

### Brief description

Article 40 of the By-laws and article 14 of the Regulations of the Board of Directors and applicable legislation describe the organisation and operation of the Audit and Control Committee.

### Functions. Organisation and operation

The Audit and Control Committee comprises exclusively non-executive directors, in the number determined by the Board of Directors, between a minimum of three (3) and a maximum of seven (7). Most of the members of the Audit and Control Committee shall be independent and one (1) of them shall be appointed on the basis of their knowledge and experience of accounting or auditing, or both.

The Board of Directors shall also ensure that members of the Audit and Control Committee, particularly its Chairperson, have sufficient knowledge and experience in accounting, auditing or risk management, and in any other areas required for the Audit and Control Committee to fulfil all of its duties.

Taken as a whole, members of the Audit and Control Committee, who are appointed based on the expertise and dedication to the matters entrusted to them, shall possess the pertinent technical knowledge in relation to the Entity's activity, and diversity will be encouraged wherever possible.

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The Audit and Control Committee shall meet ordinarily on a quarterly basis in order to review the mandatory financial information to be submitted to the authorities, as well as the information that the Board of Directors must approve and include within its annual public documentation. In such cases, the committee will count on the presence and support of the internal auditor and of the external auditor if any type of review report is issued. At least a part of these meetings will take place without the presence of the management team, so that they can discuss specific issues that arise from the reviews conducted.

The Audit and Control Committee appoints a Chairman from among its independent directors. The Chairman must be replaced every four (4) years but may be re-elected once a period of one (1) year has transpired from his or her departure. The Chairman of the Committee will act as a spokesperson at meetings of the Board of Directors and,

as the case may be, at the Company's General Shareholders' Meetings.

It shall also appoint a Secretary and may appoint a Deputy Secretary, neither of whom need be a committee member. In the event that such appointments are not made, the Secretary to the Board shall act as Secretary. The Secretary shall assist the committee's Chairman in planning its meetings, and gathering and handing out the necessary information sufficiently in advance, while taking minutes of such meetings.

The Audit and Control Committee will establish an annual work plan to include the committee's main activities during the year.

Members of the Company's management team or other employees may be required to attend the meetings of the Audit and Control Committee and to lend their assistance and allow the committee to access any information they may have when

the committee so requests. The committee may insist on this without the appearance of any other executive. The Committee may also require the Company's auditors to attend its meetings, along with other people, though only by invitation from the committee's Chairman, and only to deal with specific points of the agenda for which they have been convened.

The Audit and Control Committee has set up an effective and regular communication channel between the committee (normally acting through its chairman) and its usual stakeholders and contacts, such as the Company's management team and notably its finance department; the head of internal audits; and the main auditor responsible for account auditing. In particular, communication between the Audit and Control Committee and the external auditor must be smooth and continuous, in accordance with prevailing regulations on audit activity, and must not jeopardise the auditor's independence or the effectiveness with which it carries out audit work or processes.

The Audit and Control Committee must have adequate, relevant and sufficient access to any information or documentation held by the Company and may seek advice from external experts if it deems this necessary for the proper performance of its duties.

The Company provides the Audit and Control Committee with sufficient resources to fulfil its functions.

The committee will be validly convened when a majority of members are in attendance. Resolutions are carried by a majority of members physically in attendance or represented by proxy, and minutes are taken of the resolutions carried at each meeting. The minutes are then reported

to the Board of Directors sitting in plenary and a copy sent out or delivered to all Board members.

The committee's chairman reports to the Board on its activities and work, doing so at meetings scheduled for that specific purpose or at the immediately following meeting if the chairman deems this necessary.

It draws up an annual report on its performance, highlighting the main incidents to have occurred when discharging its duties (if any). The findings contained in this report may be used as an input when evaluating the Board of Directors. Furthermore, if the committee deems it appropriate, it will include suggested improvements in the report.

In particular, the Audit and Control Committee's report discusses significant activities carried out during the period, while also discussing those carried out with the support of external experts, all of which are posted on the Company's website sufficiently in advance of the Annual General Meeting.

The committee will meet as often as needed to fulfil its duties, and will be convened by the committee's Chairman, either at his/her own initiative or when requisitioned by the Chairman of the Board of Directors, or by two (2) members of the committee itself.

Notwithstanding any other tasks that may be assigned to the committee from time to time by the Board of Directors, the Au-



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dit and Control Committee shall have the following basic remit:

- reporting to the Annual General Meeting about matters raised by shareholders that fall within the committee's remit and, in particular, on the result of the audit, explaining how this has contributed to the integrity of the financial information and the committee's role in this process.
- overseeing the process of compiling and presenting mandatory financial information regarding the Company and, where relevant, the Group, reviewing the Company's accounts, compliance with related regulatory requirements, the adequate definition of the consolidation perimeter, and the correct application of generally accepted accounting criteria.
- ensuring that the Board of Directors submits the annual financial statements to the General Shareholders' Meeting, without qualified opinions or reservations in the audit report and that, in the event that reservations do exist, ensuring that the committee's Chairman and the auditors clearly explain the content and scope of those qualified opinions or reservations to shareholders.
- reporting to the Board of Directors, in advance, on the financial information and related non-financial information that the Company must periodically release to the markets and its supervisory bodies;
- overseeing the effectiveness of internal control systems, and discussing any weaknesses found in the internal control system that may have been detected during the audit with the auditor, all this without compromising its independence. For such purposes, and if appropriate, it may submit recommendations or proposals to the Board of Directors and set a deadline for follow-up;
- overseeing the efficiency of the internal audit, establishing and supervising a mechanism that allows employees of the Company or of the group to which it belongs, confidentially and, if deemed appropriate, anonymously, to report any potentially significant irregularities or breaches—especially financial and accounting irregularities—they may observe within the Company, receiving periodical information on its functioning, and proposing any actions it deems relevant for improvement and reducing the risk of irregularities in the future.

### Activities during the year

The committee analysed a number of recurring matters, such as those relating to the supervision of financial and non-financial reporting, supervision of internal auditing, compliance with corporate governance rules and fulfilment of the Treasury Shares Policy.

The committee paid particular attention to overseeing the process of drawing up the mandatory financial information and other relevant information for the year and releasing it to the market, as well as the non-financial information. The persons responsible for drawing up the information attended 15 of the 18 committee meetings held in 2019, enabling the committee to become fully familiar with the process of drawing up the interim financial information with sufficient prior notice, as well as the separate and consolidated annual financial statements.

The committee has heard about and approved the principles, assessment criteria, judgments and estimates and accounting practices applied by CaixaBank and has verified that all such matters are compliant with accounting regulations and criteria established by the competent regulatory and supervisory bodies. All this to ensure the integrity of the accounting and financial reporting systems, including financial and operational control, and compliance with prevailing legislation.

The committee set and pursued its objectives for 2019, as per its activities plan and focusing on the task of supervising the financial and non-financial information that the Entity is required to release; supervising the effectiveness of the internal control and risk control system, in coordination with the Risks Committee, especially the internal capital adequacy and liquidity assessment processes (ICAAP and ILAAP),

the Recovery Plan, the confidential consulting and whistle-blowing channel; and monitoring the Entity's most significant subsidiaries.

In addition, and as part of its ordinary remit, the committee discussed, examined, and took decisions or issued reports on the following matters:

- Financial and non-financial information.
- Risk management and control.
- Regulatory compliance.
- Internal Audit.
- Relationship with the financial auditor:
  - Independence of the financial auditor.
  - Assessment of the work of the financial auditor.
- Related-party transactions
- Communications with regulatory bodies

All committee members have been selected on the merits of their knowledge and experience in relation to accounting and/or auditing.

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Date of appointment of the chairperson:  
05/04/2019
- » EDUARDO JAVIER SANCHIZ IRAZU  
Member:  
06/04/2018
- » JOSÉ SERNA MASIÁ  
Member:  
23/03/2017

### Regulation (C.2.3)

There are no specific regulations for the Board committees. The organisation and duties of the Audit and Control Committee are detailed in the Regulations of the Board, which are available on the CaixaBank corporate website ([www.caixabank.com](http://www.caixabank.com)), including matters relating to the composition and structure of the committee.

In accordance with article 14.3 (e) of the Regulations of the Board of Directors and prevailing legislation, the Audit and Control Committee approved the annual report on its operation at a meeting held in December 2019, which includes its performance assessment for 2019 (available on the corporate website).

### » APPOINTMENTS COMMITTEE

Name	Post	Category
John S. Reed	Chairman	Independent
María Teresa Bassons Boncompte	Member	Proprietary
Xavier Vives Torrents	Member	Independent



#### Brief description

Article 40 of the By-laws and article 15 Regulations of the Board of Directors describe the organisation and operation of the Appointments Committee, which is also governed by applicable law and regulations.

### Funtions. Organisation and operation

The Appointments Committee comprises a number of non-executive directors determined by the Board of Directors, from a minimum of three (3) to a maximum of five (5) members. All members must be non-executive and the majority must be independent. Members of the Appointments Committee are appointed by the Board of Directors, on the recommendation of the Audit and Control Committee, and the committee's chairman is appointed from among the independent directors who sit on the committee.

The Appointments Committee is self-governing. It is required to elect a Chairman and may appoint a Secretary if it so wishes. If no secretary is appointed, the Secretary to the Board of Directors shall act as Secretary, or otherwise one of the Deputy Secretaries.

It meets as often as considered appropriate to ensure the sound performance of its duties. Meetings will be called by the committee's Chairman, either on his/her own initiative, or when requisitioned by two (2) or more committee members. It must also meet whenever the Board or its Chairman requests that a report be issued or a resolution carried.

The meeting notice shall be given by letter, telegram, fax, e-mail, or any other means that provides acknowledgement of receipt.

The Secretary of each committee is responsible for calling meetings and for filing the minutes and documents laid before the committee.

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Minutes are taken of the resolutions carried at each meeting and then reported to the Board sitting in plenary.

Committee meetings will be quorate and validly convened with the attendance, in person or by proxy, of the majority of its members and resolutions are carried by a majority of members who attend in person or by proxy.

It draws up an annual report on its operation and functioning, highlighting the main incidents to have occurred (if any) when discharging its duties. The findings contained in this report may be used as an input when evaluating the Board of Directors. Furthermore, if the committee deems it appropriate, it will include suggested improvements in the report.

Notwithstanding any other duties that the Board of Directors may ascribe to the committee, the Appointments Committee has the following core remit:

- Evaluating and proposing to the Board of Directors the assessment of skills, knowledge and experience required of Board members and key personnel at the Company.
- Submitting to the Board of Directors the proposals for the nomination of the independent Directors to be appointed by co-option or for submission to the decision of the Annual General Meeting, as well as the proposals for the reappointment or removal of such Directors by the Annual General Meeting;
- Reporting on the appointment and, as the case may be, dismissal of the Coordinating Director, the Secretary and the Deputy Secretaries for approval by the Board of Directors.
- Reporting on proposals for appointment or removal of senior executives, being able to effect such proposals directly in the case of senior managers which due to their roles of either control or support of the Board or its Committees, it is considered by the Committee that it should take the initiative. Proposing, if deemed appropriate, the basic terms of the contracts of senior executives other than their pay and remuneration, and reporting those terms once established.

- Examining and organising, under the supervision of the Coordinating Director and with the support of the Chairman of the Board of Directors, the succession of the latter and of the Company's chief executive officer and, as the case may be, sending proposals to the Board of Directors so that the succession process is suitably planned and takes place in orderly fashion.

- Reporting to the Board on gender diversity issues, ensuring that the procedures for selecting its members favour a diversity of experience and knowledge, and facilitate the selection of female directors, whilst establishing a representation target for the less represented sex on the Board of Directors as well as preparing guidelines on how this should be achieved. In any case, it must always ensure compliance with the diversity policy applied in relation to the Board of Directors, which will be specified in the Annual Corporate Governance Report.

- Periodically evaluating, at least once a year, the structure, size, composition and actions of the Board of Directors and of its committees, its Chairman, CEO and Secretary, making recommendations regarding possible changes to these. Here, the committee shall act under the direction of the Coordinating Director when appraising the Chairman's performance. Evaluating the composition of the Management Committee as well as its replacement lists to ensure proper coverage as members come and go.

- Periodically reviewing the Board of Directors selection and appointment policy in relation to senior executives and making recommendations.

- Supervising the Company's activities when it comes to corporate social responsibility and submitting to the Board any proposals it deems appropriate here.

### Activities during the year

As part of its ordinary remit, the committee discussed, scrutinised and took decisions or issued reports on the following matters: size and composition of the Board; assessment of suitability; appointments of directors, committee members and key function holders at the Company; verification of director categories; gender diversity; the policy for selecting directors, senior management and other key function holders; matters relating to diversity and sustainability and the corporate governance documentation to be submitted in relation to 2019, in accordance with article 15 of the Regulations of the Board of Directors.

In 2019, the committee supervised and controlled the sound operation of the Company's corporate governance system by monitoring the different succession plans in place (key positions on the Board and within the management team), while also proposing the creation of the Innovation, Technology and Digital Transformation Committee. To round off its activities in the year, the committee focused its attention on the self-evaluation of the Board (individual and collective); the evaluation of the Board's structure, size and composition; the evaluation of the functioning of the Board and its Committees; and the monitoring of the recommendations contained in the Good Governance Code of Listed Companies and the annual planning of director training.

## Regulation (C.2.3)

There are no specific regulations for the Board committees. The organisation and functions of the Appointments Committee are detailed in the Regulations of the Board, which are available on the CaixaBank corporate website ([www.caixabank.com](http://www.caixabank.com)), including matters relating to the composition and structure of the committee.

In accordance with the provisions of article 15.4 (vi) of the Regulations of the Board and prevailing legislation, the Appointments Committee approved its annual activity report at a meeting held in December 2019. This report includes a performance assessment in 2019 and is available on the corporate website.

## >> REMUNERATION COMMITTEE

Name	Post	Category
María Amparo Moraleda Martínez	Chairman	Independent
Verónica Fisas Vergés	Member	Independent
Alejandro García-Bragado Dalmau	Member	Proprietary



### Brief description

Article 40 of the By-laws and article 15 of the Regulations of the Board of Directors describe the organisation and operation of the Remuneration Committee, which is also governed by applicable law and regulations.

### Functions. Organisation and operation

The Remuneration Committee comprises a number of non-executive directors determined by the Board of Directors, from a minimum of three (3) to a maximum of five (5) members. All members must be non-executive and the majority must be independent. The committee's Chairman is appointed from among the independent directors who sit on the committee.

The Remuneration Committee is self-governing. It is required to elect a Chairman and may appoint a Secretary if it so wishes. If no secretary is appointed, the Secretary to the Board of Directors shall act as Secretary, or otherwise one of the Deputy Secretaries.

It meets as often as considered appropriate to ensure the sound performance of its duties. Meetings will be called by the committee's Chairman, either on his/her own initiative, or when requisitioned by two (2) or more committee members. It must also meet whenever the Board or its Chairman requests that a report be issued or a resolution carried.

The meeting notice shall be given by letter, telegram, fax, e-mail, or any other means that provides acknowledgement of receipt.



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The Secretary of each committee is responsible for calling meetings and for filing the minutes and documents laid before the committee.

Minutes are taken of the resolutions carried at each meeting and are then reported to the Board and made available to all Board members via the Board's Secretary's Office. In the interests of privacy and confidentiality, minutes are not sent out or delivered unless the Chairman of the committee decides to do so.

Committee meetings will be quorate and validly convened with the attendance, in person or by proxy, of the majority of its members and resolutions are carried by a majority of members who attend in person or by proxy.

It draws up an annual report on its performance, highlighting the main incidents to have occurred when discharging its duties (if any). The findings contained in this report may be used as an input when evaluating the Board of Directors. Furthermore, if the committee deems it appropriate, it will include suggested improvements in the report.

Notwithstanding any other duties that the Board of Directors may ascribe to the committee, the Remuneration Committee has the following core remit:

- Drafting the resolutions related to remuneration and, particularly, reporting and proposing to the Board of Directors the remuneration policy for the Directors and Senior Management, the system and amount of annual remuneration for Directors and Senior Managers, as well as the individual remuneration of the Executive Directors and Senior Managers, and the other conditions of their contracts, particularly financial, and without prejudice to the competences of the Appointments Committee in relation to any conditions that it has proposed not related to remuneration.
- Ensuring compliance with the remuneration policy for directors and Senior Managers and reporting on the basic terms set out in the contracts of those individuals and the compliance thereof.

- Reporting and preparing the general remuneration policy of the Company, particularly policies relating to the categories of staff whose professional activities have a significant impact on the Company's risk profile and also policies in place to prevent or manage conflicts of interest with the Company's customers.
- Analysing, formulating and periodically reviewing remuneration programmes, weighing their adequacy and performance and ensuring compliance.

### Activities during the year

The committee analyses recurring issues such as annual remuneration, salary policy and remuneration systems and corporate governance.

The committee also discussed, scrutinised, and took decisions or issued reports on the following matters that fall within its core remit:

- The remuneration policy, system and amount of annual remuneration for directors and senior managers, and the individual remuneration and other contractual terms and conditions of executive directors and senior managers.
- Reporting and recommending basic terms of contract for senior managers.

- General Remuneration Policy. Remuneration Policy for the Identified Staff.
- Analysing, drawing up and reviewing remuneration programmes.
- Advising the Board to submit remuneration reports or policies to the General Shareholders' Meeting. Reports to the Board on proposals and motions to be laid before the General Shareholders' Meeting.

### Regulation (C.2.3)

There are no specific regulations for the Board committees. The organisation and duties of the Remuneration Committee are set out in the Regulations of the Board of Directors, which are available on CaixaBank's corporate website ([www.caixabank.com](http://www.caixabank.com)), including matters relating to the composition and structure of the committee.

In accordance with article 15.4 (vi) of the Regulations of the Board and prevailing legislation, the Remuneration Committee approved its annual activity report at a meeting held in December 2019. This report includes a performance assessment in 2019 and is available on the corporate website.



>> **RISKS COMMITTEE**

Name	Post	Category
Eduardo Javier Sanchiz Irazu	Chairman	Independent
Koro Usarraga Unsain	Member	Independent
Fundación CajaCanarias representada por Doña Natalia Aznárez Gómez	Member	Proprietary

>> **HEAD OF RISK MANAGEMENT**

>> **JORDI MONDÉJAR LÓPEZ**  
**Director General de Riesgos**  
 22 de noviembre de 2016 <sup>(1)</sup>

<sup>1</sup> Miembro del Comité de Dirección desde 10 de julio de 2014.

**Brief description**

Article 40 of the By-laws and article 14 of the Regulations of the Board of Directors describe the organisation and operation of the Risks Committee.

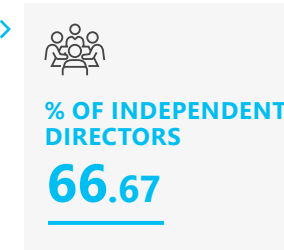
**Functions. Organisation and operation**

The Risks Committee comprises exclusively non-executive directors, all possessing the relevant knowledge, expertise and experience to fully understand and control the Company's risk strategy and appetite, in the number determined by the Board of Directors, between a minimum of three (3) and a maximum of six (6) members and with a majority of independent directors.

The committee meets as often as needed to fulfil its duties, and is convened by the committee's Chairman, either at his/her own initiative or when requisitioned by the Chairman of the Board of Directors, or by two (2) members of the committee itself.

The meeting notice shall be given by letter, telegram, fax, e-mail, or any other means that provides acknowledgement of receipt.

The Secretary is responsible for calling meetings and for filing the minutes and documents laid before the committee.



The committee will be validly convened when a majority of members are in attendance. Resolutions are carried by a majority of members physically in attendance or represented by proxy, and minutes are taken of the resolutions carried at each meeting. The minutes are then reported to the Board of Directors sitting in plenary and a copy sent out or delivered to all Board members.

The committee's Chairman reports to the Board on the activities and work performed by the committee, doing so at meetings specifically arranged for that purpose or at the immediately following meeting when the Chairman deems this necessary.

It draws up an annual report on its performance, highlighting the main incidents to have occurred when discharging its duties (if any). The findings contained in this report may be used as an input when evaluating the Board of Directors. Furthermore, if the committee deems it appropriate, it will include suggested improvements in the report.

The Entity shall ensure that the delegated Risks Committee is able to fully discharge its functions by having unhindered access to the information concerning the risk Entity's position and, if necessary, specialist outside expertise, including external auditors and regulators.

The Risks Committee may request the attendance of persons from within the organisation whose work is related to its functions, and it may obtain all necessary advice for it to form an opinion on the matters that fall within its remit. All such requests are channelled through the Secretary to the Board of Directors.

Notwithstanding any other tasks that the Board of Directors may ascribe to the committee from time to time, the Risks Committee shall have the following core remit:

- Advising the Board of Directors on the overall susceptibility to risk, current and future, of the Company and its strategy in this area, reporting on the risk appetite framework, assisting in the monitoring



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of the implementation of this strategy, ensuring that the Group's actions are consistent with the level of risk tolerance previously decided and implementing the monitoring of the appropriateness of the risks assumed and the profile established.

- Proposing to the Board the Group's risk policy.
- Working with the Board of Directors to determine the nature, quantity, format and frequency of the information concerning risks that the Board of Directors should receive and establishing the information that the committee should receive.
- Regularly reviewing exposures with its main customers and business sectors, as well as broken down by geographic area and type of risk.
- Examine the information and control processes of the Group's risk as well as the information systems and indicators.
- Appraising and making decisions in relation to regulatory compliance risk within the scope of its remit, broadly meaning the risk management of legal or regulatory sanctions, financial loss, material or reputational damage that the Company could sustain as a result of non-compliance with laws, rules, regulations, standards and codes of conduct, detecting any and monitoring risk of non-compliance and examining possible deficiencies in the principles of professional conduct.
- Reporting on new products and services or significant changes to existing ones.

### Activities during the year

As part of its ordinary remit, the committee discussed, scrutinised and reached decisions or issued reports on matters relating to Strategic Risk Processes (Risk Assessment and Risk Catalogue), the Risk Appetite Framework (RAF), the Recovery Plan, the Group's Risk Policy, the risk scorecard, the internal capital and liquidity adequacy assessment processes (ICAAP and ILAAP), monitoring of regulatory compliance and the Global Risks Committee, among other matters.

### Regulation (C.2.3)

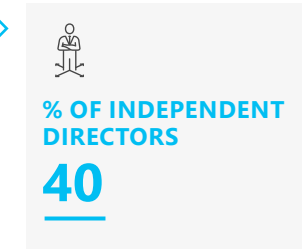
There are no specific regulations for the Board committees. The organisation and functions of the Risks Committee are detailed in the Regulations of the Board, which are available on the CaixaBank corporate website ([www.caixabank.com](http://www.caixabank.com)), including matters relating to the composition and structure of the committee.

In accordance with article 14.3 (e) of the Regulations of the Board of Directors and prevailing legislation, the Risks Committee approved the annual report on its operation at a meeting held in December 2019, which includes its performance assessment for 2019.



## >> COMISIÓN DE INNOVACIÓN, TECNOLOGÍA Y TRANSFORMACIÓN DIGITAL

Name	Post	Category
Jordi Gual Solé	Chairman	Proprietary
Gonzalo Gortázar Rotaeché	Member	Executive
María Amparo Moraleda Martínez	Member	Independent
Marcelino Armenter Vidal	Member	Proprietary
Cristina Garmendia Mendizábal	Member	Independent



## Funtions. Organisation and operation

The Innovation, Technology and Digital Transformation Committee will comprise a minimum of three (3) and a maximum of five (5) members.

The Chairman of the Board of Directors and the Chief Executive Officer will always sit on the committee. The other members are appointed by the Board of Directors, on the recommendation of the Appointments Committee, paying close attention to the knowledge and experience of candidates on those subjects that fall within the committee's remit, such as technology and innovation, information systems and cybersecurity.

The Chairman of the Board of Directors also chairs the Innovation, Technology and Digital Transformation Committee.

Meanwhile, the Secretary to the Board of Directors serves as Secretary of the Innovation, Technology and Digital Transformation Committee.

It meets as often as considered appropriate to ensure the sound performance of its duties. Meetings will be called by the committee's Chairman, either on his/her own initiative, or when requisitioned by two (2) or more committee members. It must also meet whenever the Board or its Chairman requests that a report be issued or a resolution carried.

The committee will be quorate and validly convened when the majority of its members attend in person or

by proxy. Resolutions are carried by a majority of members physically in attendance or represented by proxy, and minutes are taken of the resolutions carried at each meeting. The minutes are then reported to the Board of Directors sitting in plenary and a copy sent out or delivered to all Board members.






















Without prejudice to any other functions ascribed to it by the Board of Directors, the committee has the following core remit:

- Assisting the Board of Directors in identifying, monitoring and analysing new competitors, new business models, technological advances and main trends and initiatives relating to technological innovation, while studying those factors that make certain innovations more likely to succeed and increase their transformation capacity.
- Advising the Board of Directors on the implementation of the strategic plan in aspects relating to digital transformation and technological innovation (the digital strategy) and, in particular, reporting on plans and projects designed by CaixaBank in this field, as well as any new business models, products, customer relationships, and so on, that may be developed.
- Fostering a climate of debate and reflection to allow the Board of Directors to spot new business

opportunities emerging from technological developments, as well as possible threats.

- Supporting the Board of Directors in analysing the impact of technological innovation on market structure, the provision of financial services and customer habits. Among others aspects, the committee shall analyse the potential disruption of new technologies, the possible regulatory implications of their development, the impact in terms of cybersecurity and matters relating to protection of privacy and data usage.
- Stimulating discussion and debate on the ethical and social implications deriving from the use of new technologies within the banking and insurance business.
- Supporting the Risks Committee, on the latter's request, in monitoring technological risks and matters relating to cybersecurity.

**>> NUMBER OF FEMALE DIRECTORS WHO WERE MEMBERS OF BOARD COMMITTEES AT THE CLOSE OF THE PAST FOUR YEARS (C.2.2)**

	2019	2018	2017	2016
<b>Audit and Control Committee</b>	 1 (33.33%)	 1 (25.00%)	 1 (33.33%)	 1 (33.33%)
<b>Appointments Committee</b>	 1 (33.33%)	 1 (33.33%)	 2 (66.67%)	 2 (66.67%)
<b>Remuneration Committee</b>	 2 (66.67%)	 1 (33.33%)	 2 (66.67%)	 1 (33.33%)
<b>Risks Committee</b>	 2 (66.67%)	 2 (40.00%)	 1 (25.00%)	 1 (25.00%)
<b>Executive Committee</b>	 2 (33.33%)	 2 (25.00%)	 2 (25.00%)	 1 (14.29%)
<b>Innovation Committee</b>	 2 (40.00%)	-	-	-

With respect to the information on the participation of female directors on the Appointments Committee, the Remuneration Committee and the Risks Committee, it is important to note that up until 25 September 2014 there were just three committees attached to the Board of Directors, namely: the Appointments and Remuneration Committee, the Audit and Control Committee and the Executive Committee.

Thereafter, and pursuant to Act 10/2014 on the organisation, supervision and solvency of credit institutions, the CaixaBank Board of Directors resolved to change the Appointments and Remuneration Committee into an Appointments Committee, create a Remuneration Committee and a Risks Committee, and amend the Regulations of the Board of Directors accordingly to incorporate the provisions of the new Law and establish the duties of the new Board Committees. There are therefore a total of five Board committees, namely: the Appointments Committee, the Remuneration Committee, the Risks Committee, the Audit and Control Committee and the Executive Committee.

On 23 May 2019, the Board of Directors agreed to set up a new Innovation, Technology and Digital Transformation Committee. It also agreed that Amparo Moraleda, Cristina Garmendia and Marcelino Armenter would sit on that committee, in addition to the Chairman and Chief Executive Officer.



## D. Related-Party And Intragroup Transactions

### Procedure for approval of related-parties transactions (D.1)

The Board of Directors, as a plenary body, shall approve, subject to a report from the Audit and Control Committee, all transactions that the Company or companies in its group perform with directors, in accordance with the law, or when the authorisation of those transactions rests with the Board of Directors; with shareholders holding (individually or in concert with others) a significant stake, including shareholders represented on the Board of Directors of the Company or group companies; or with persons related to them (Related-Party Transactions).

The operations that simultaneously meet the following three characteristics will be exempt from the need for this approval:

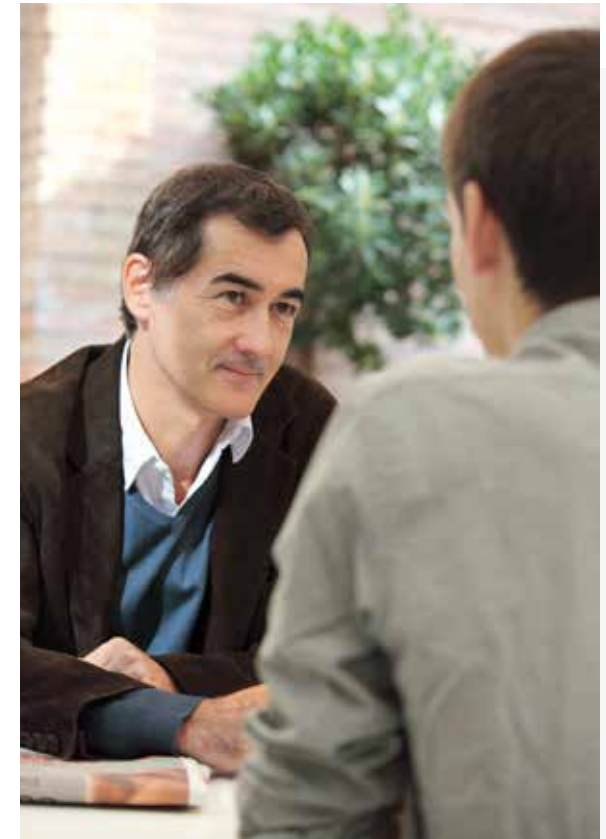
- a. where they are governed by standard-form agreements applied on an across-the-board basis to a large amount of clients;
- b. where they are carried out at generally-established prices or rates by whoever is acting as the administrator of the good or service in question; and
- c. where the amount involved is no more than 1% of the Company's annual revenue.

Therefore, the Board of Directors or, in its absence, other duly authorised bodies or persons (for reasons of urgency, duly justified and in the scope of the authorisation conferred. In these cases the decision must then be ratified at the first Board meeting held following its approval) shall approve related-party transactions subject to

a favourable report from the Audit and Control Committee. Any directors affected by the approval of these transactions shall abstain from the debate and voting on the transactions. V

On the subject of relations with significant shareholders who hold an equity interest of over 30%, Act 26/2013, on savings banks and banking foundations, imposes the obligation on banking foundations to approve a financial participation management protocol, governing, among other matters, the general rules and criteria for performing transactions between the banking foundation and the investee credit institution, as well as the mechanisms for preventing possible conflicts of interest. Accordingly, "la Caixa" Banking Foundation approved its Protocol for managing its ownership interest in CaixaBank.

Following the decision reached by the Governing Council of the European Central Bank on 26 September 2017, confirming that CriteriaCaixa no longer exercises control or dominant influence over CaixaBank and therefore does not belong to the same group, and as per the terms of the Management Protocol, "la Caixa" Banking Foundation, as parent of "la Caixa" Group, CriteriaCaixa, as a direct shareholder of CaixaBank, and CaixaBank, as a listed company, entered into a new Internal Relations Protocol on 22 February 2018 (available on the corporate website), which, among other matters, sets out the general rules and procedure for performing transactions or providing services at arm's length, and identifies the services that companies of "la Caixa" Banking Foundation Group provide or may provide to companies of the



CaixaBank Group, and, likewise, those that companies of the CaixaBank Group provide or may provide to companies of "la Caixa" Banking Foundation Group. The Protocol describes the situations and terms for approving transactions, which generally rests with the Board of Directors. In certain cases stipulated in Clause 3.4 of the

Protocol, certain intragroup transactions will be subject to prior approval from CaixaBank's Board of Directors, which will rely on a preliminary report from the Audit Committee. The same rules will apply for all other signatories of the Protocol.

## Significant transactions with CaixaBank's significant shareholders (D.2)

Name of significant shareholder	Name of company within the group	Nature of the relationship	Type of transaction	Amount (thousand euros)
CRITERIA CAIXA, S.A.U.	CAIXABANK, S.A.	Corporate	Dividends and other profit distributed	239,254
CRITERIA CAIXA, S.A.U.	CAIXABANK, S.A.	Commercial	Other instruments that might entail a transfer of resources or obligations between the Company and the related party	846,070

## Significant transactions with CaixaBank directors or managers (D.3)

There are no significant transactions, either because of their amount or subject matter, entered into between the Company or entities within its group and directors or managers of the Company.

Note 41 to the consolidated financial statements shows all the balances held with managers and directors in 2019.

## Material transactions carried out with other entities belonging to the same group, provided that these are not eliminated in the preparation of the consolidated financial statements and do not form part of the company's ordinary business activities (and transactions conducted with entities established in tax havens) (D.4)

There are no material transactions carried out by the company with other entities belonging to the same group, provided that these are not eliminated in the preparation of the consolidated financial statements and do not form part of the company's ordinary business activities in terms of their purpose and conditions.

Nor are there any intragroup transactions conducted with entities established in countries or territories which are considered to be tax havens.

Note 41 to the consolidated financial statements shows the balances with CaixaBank Group associates and joint ventures in aggregate form as well as additional breakdowns for 2019.

## Significant transactions with other related parties (D.5)

There are no further transactions beyond those carried out in the ordinary course of business and on an arm's length basis.

Note 41 to the consolidated financial statements shows all the balances held with managers and directors in 2019.

## Mechanisms in place to detect, determine and resolve potential conflicts of interest between the company and/or its group and its directors, senior management or significant shareholders (D.6)

### Directors and managers

Article 29 of the Regulations of the Board of Directors regulates the non-compete duty of company directors. This non-compete prohibition can only be waived if the Company is not expected to incur damages or it is expected that it will be indemnified for an amount equal to the benefits expected to be obtained from the exemption or waiver. Any director granted such a non-compete waiver by the General Meeting must abide by the terms and safeguards contained in the waiver resolution and must invariably abstain from taking part in discussions and voting on matters in which they are caught by a conflict of interest, all the foregoing in accordance with applicable law and regulations.

Article 30 of the Regulations imposes the general obligation on directors to take the necessary steps to avoid situations that could generate a conflict of interest between the Company and the directors or their related parties. Directors must invariably inform the Board of Directors of any situation that might entail, whether directly

or indirectly, a conflict between them and their related parties and the Company. Any such situation will be disclosed in the notes to the financial statements.

Further, article 3 of the Code of Conduct on Matters relating to the Securities Market of CaixaBank stipulates that Concerned Persons shall include members of the Board of Directors, and senior executives and members of the Company's Management Committee. Section VII of the Regulation establishes the Company's Policy on Conflicts of Interest, while article 43 states the duties in place in the event of personal or family-related conflicts of interest among those subject to the policy, including to always act with freedom of judgement, with loyalty to CaixaBank, its shareholders and customers, to abstain from intervening in or influencing decisions that may affect people or companies with which there are conflicts of interest, and to inform Regulatory Compliance of any such incidents.

With a view to strengthening transparency and good governance at the Company, and in accordance with the Management Protocol for the Financial Participation of "la Caixa" Banking Foundation, "la Caixa" Banking Foundation (as parent of its group), CriteriaCaixa (as the direct shareholder of CaixaBank) and CaixaBank (as a listed company) entered into a new internal relations protocol, which is available on the Company's corporate website.

### Significant shareholders

The new Protocol, currently in force, pursues the following main objectives: managing related-party transactions derived from the execution of transactions or the provision of services; establishing mechanisms in a bid to avoid conflicts of interest; granting a right of first refusal in favour of "la Caixa" Banking Foundation in the event that CaixaBank decides to sell Monte de Piedad; governing the basic principles of a potential collaboration between CaixaBank and "la Caixa" Banking Foundation on matters relating to CSR; regulating the proper flow of information so that "la Caixa" Banking Foundation, Criteria and CaixaBank may draw up their financial statements and comply with their regular reporting

and supervisory obligations. The Protocol lays down the procedures to be followed by CaixaBank and "la Caixa" Banking Foundation with regard to, inter alia, conflicts of interest, their relationship with significant shareholders, related-party transactions and the use of inside information, pursuant to prevailing legislation at all times.

## Listed Group companies in Spain (D.7)

In Spain, the Bank is the only listed company belonging to the CaixaBank Group.

## E. Risk Management and Control Systems

This section contains the information required under heading E in the form of a references table, providing direct access to relevant information on each of the issues raised.

### Circular 2/2018, of 12 June, of the Spanish National Securities Market Commission (CNMV)

### Location

#### And risk management and control systems

<p><b>E.1</b> Explain the scope of the company's Risk Management and Control System, including tax compliance risk.</p>	<p>See section <b>3.2. Risk governance, management and control</b> of Note 3 to the <b>AFS</b>.</p>
<p><b>E.2</b> Identify the bodies within the company responsible for creating and executing the Risk Management and Control System, including tax compliance risk.</p>	<p>See section <b>3.2. Risk governance, management and control - 3.2.1 Governance and organisation</b> in Note 3 to the <b>CFS</b>; section C.2. Committees attached to the Board of Directors explained in this document and the section on <b>Tax transparency</b> in the <b>CMR</b>.</p>
<p><b>E.3</b> State the primary risks, including tax compliance risks, and those deriving from corruption (with the scope of these risks as set out in Royal Decree Law 18/2017), to the extent that these are significant, which may affect the achievement of business objectives.</p>	<p>See section <b>3.2. Risk governance, management and control - 3.2.2 Strategic risk management processes</b> - Corporate Risk Catalogue described in Note 3 to the <b>CFS</b> and sections on Responsible and ethical behaviour, Risk Management and Transparency – <b>Tax transparency</b> in the <b>CMR</b>.</p>
<p><b>E.4</b> State whether the entity has a risk tolerance level, including tolerance for tax compliance risk.</p>	<p>See section <b>3.2. Risk governance, management and control - 3.2.2 Strategic risk management processes</b> - Risk Appetite Framework and <b>3.2.3. Risk culture</b> described in Note 3 to the <b>CFS</b>.</p>
<p><b>E.5</b> State which risks, including tax compliance risks, have materialised during the year.</p>	<p>See Performance, results and activity and Risk management – Main milestones in 2019 in the <b>CMR</b>; sections <b>3.3</b> to <b>3.17</b> (description of each risk of the Corporate Risk Catalogue) in Note 3 and section <b>23.3. Provisions for procedural matters and disputes for taxes outstanding</b> in Note 23 to the <b>CFS</b>.</p>
<p><b>E.6</b> Explain the response and monitoring plans for all major risks, including tax compliance risks, of the company, as well as the procedures followed by the company in order to ensure that the board of directors responds to any new challenges that arise.</p>	<p>See section <b>3.2. Risk governance, management and control - 3.2.4. Internal control framework</b> and sections <b>3.3</b> to <b>3.17</b> (description of each risk in the Corporate Risk Catalogue) in Note 3 to the <b>CFS</b>, the section on <b>Corporate governance</b> (Code of Business Conduct and Ethics of CaixaBank), <b>Responsible behaviour and ethics and Responsible practices and Tax transparency</b> in the <b>CMR</b>.</p>

**CFS** - Consolidated annual financial statements of the CaixaBank Group for 2019

**CMR** - Consolidated Management Report of the CaixaBank Group for 2019

## F. Systems for Risk Management and Internal Control over financial reporting (ICFR)

### Environment for internal control over financial reporting

#### Governance and bodies in charge

The CaixaBank **Board of Directors** has formally assumed responsibility for the existence of a suitable and effective ICFR system, and has delegated its design, implementation and functioning to the Bank's **Executive Division of Financial Accounting, Control and Capital**.

Article 40.3 of the CaixaBank Articles of Association establishes that the **Audit and Control Committee** is responsible for the following functions, inter alia:

- **Oversee the effectiveness of the Company's internal control**, the internal audit and risk management systems, and discuss any significant weakness in the internal control system detected during the audit with the accounts auditors.
- **Oversee the mandatory financial information preparation and presentation process.**

The **Audit and Control Committee** has taken on the role of overseeing the ICFR system. Its oversight activity seeks to ensure ICFR's continued effectiveness, gathering sufficient evidence of its correct design and operation.

The **Global Risk Committee** is responsible for knowing and analysing the most relevant events and changes in the policies and methodologies regarding the admission, monitoring, mitigation and management of impairment or incidents of all risks within the scope of monitoring and management (as well as the reliability of financial information, among others), approved by the corresponding committees, and for monitoring the impact on the Bank's different departments.

The **Risks Committee** is responsible for advising the Board of Directors on the global risk propensity, present and future, and its strategy, reporting on the framework of risk appetite, assisting in the surveillance of this strategy's application, ensuring that the Group's actions are consistent with the previously decided level of risk tolerance, and monitoring the level of suitability of the risks assumed with the established profile.

This allocation of responsibilities has been disseminated to the organisation through the **'Internal Control over Financial Reporting'** policy (hereinafter, ICFR Policy) and the related **Standard** (hereinafter, "ICFR Standard").





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The **ICFR Policy** has been approved by the Board of Directors. It describes the most general aspects of ICFR such as the financial reporting to be covered, the applicable internal control model, policy supervision, custody and approval, etc.

For its part, the **ICFR Standard** has been approved by the Company's Management Committee. This establishes the **Function of Internal Control over Financial Reporting** (hereinafter, **ICFR**), responsible for:

- **Ensuring** that the practices and processes conducted by the Company to prepare the financial information **ensure its reliability** and compliance with applicable regulations.
- **Assessing whether the financial information** drawn up by the different companies of the CaixaBank Group **complies with the following principles**:
  - i. The transactions, facts and other events presented in the financial information exist and were recorded at the right time (existence and occurrence).
  - ii. The information includes all transactions, facts and other events in which the bank is the affected party (completeness).
  - iii. The transactions, facts and other events are recorded and measured in accordance with applicable standards (valuation).
  - iv. Transactions, facts and other events are classified, presented and disclosed in the financial information in accordance with applicable standards (presentation, disclosure and comparability).
  - v. The financial information shows, at the corresponding date, the entity's rights and obligations through the corresponding assets and liabilities, in accordance with applicable standards (rights and obligations).

Both regulations allow for disseminating a common methodology in the Group. All CaixaBank Group entities that have an ICFR model act in a coordinated manner.

Following the takeover of BPI in 2017, a project was undertaken to standardise the methodology applied by BPI, leading to implementation of its own ICFR system in 2019.

Both the ICFR Policy and the ICFR Standard describe the **internal control model of the 3 lines of defence** applicable to the ICFR system, in line with regulatory guidelines and best practices in the industry:

## >> INTERNAL CONTROL MODEL OF THE 3 LINES OF DEFENCE

### First Line of Defence:

The **First Line of Defence** comprises the business units and their support functions, which are the risk-taking areas. They are responsible for developing and maintaining effective controls over their businesses, and for identifying, managing and measuring, controlling, mitigating and reporting the main risks regarding the Reliability of Financial Reporting.

Furthermore, they are responsible for the processes monitored by the ICFR Unit, helping to identify risks and controls and the formal establishment and descriptive documentation of the activities and controls which affect the generation of financial information.

### Second Line of Defence:

The **Second Line of Defence** acts independently from the business units and support area, and performs risk identification, measurement, monitoring and reporting, establishes management policies and control procedures, and is responsible for reviewing application thereof by the First Line of Defence. The ICFR Function, which is focused on covering the risk in "Reliability of financial reporting", falls under this line.

### Third Line of Defence:

The **Third Line of Defence**, which consists of the Internal Audit unit, is responsible for assessing the effectiveness and efficiency of risk management and the internal control systems, applying principles of independence and objectivity.

## Organisational Structure and Functions

Review and approval of the organisational structure and lines of responsibility and authority are carried out by the CaixaBank **Board of Directors**, through the **Management Committee** and the **Appointments Committee**.

The **Organisation** area designs the organisational structure of CaixaBank and proposes to the Bank's governing bodies any suitable changes. Then, the **General Human Resources and Organisation Division** proposes the people to be appointed to carry out the duties defined.

The **lines of responsibility and authority** for drawing up the Bank's financial information are clearly defined. It also has a comprehensive plan which includes, amongst other issues, the allocation of tasks, key dates and the various revisions to be carried out by each of the hierarchical levels. Both the above-mentioned lines of authority and responsibility and planning have been duly documented and all of those people taking part in the financial reporting process have been informed of the same.

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The Bank operates a “**Policy on disclosure and verification of financial information**” approved by the Board of Directors, the main objectives of which are:

- Define the **scope of information to disclose** and criteria related to control and verification of financial information.
- Provide the Bank with a **reference framework** that allows management of the reliability risk of the financial information to be disclosed, standardising control and verification criteria.
- Define the **governance framework** to be followed both for information to disclose and for verification of documentation.

Under this Policy, verification of information to be disclosed is structured around three main points:

- **Suitability and quality of information.** That is, when information is disclosed, it meets the specifications in current regulations with respect to criteria, content and type of information to be disclosed, and it is also subject to a control environment that can provide a reasonable degree of assurance with regard to quality.
- Compliance with internal **governance** prior to disclosure of information.
- Compliance with **periodicity and disclosure deadlines.**

**Annual review of compliance with the Policy** is conducted on the basis of attestations (within the ICFR system) by the persons in charge of drawing up and/or reviewing the information and by means of direct review by the Divisions of Financial Internal Control, Structural Risks and Regulated Models, and Non-Financial Risks. The results are reported to the relevant Governance Bodies.

## Code of Ethics and Principles of Action and other internal policies

### Code of Ethics and Principles of Action

CaixaBank has a **Code of Ethics and Principles of Action**, which is the highest-level standard in the Bank's internal regulations hierarchy, approved by its Board of Directors. This establishes the values (leadership, trust and social commitment) and ethical principles behind its actions, which must govern the activity of all employees, executives and members of the Board of Directors. These principles are as follows: compliance with laws and regulations at all times, respect, integrity, transparency, excellence, professionalism, confidentiality and social responsibility.

As the Code establishes, CaixaBank undertakes to provide its customers with accurate, truthful and understandable information on its operations, the terms and conditions of products and services, and fees and procedures for filing claims and resolving incidents.

Moreover, CaixaBank provides shareholders and institutional investors with all relevant financial and corporate information in accordance with current regulations and in compliance with CaixaBank's information, communication and contact policy for shareholders, institutional investors and proxy firms.

The Code of Ethics is available on CaixaBank's website ([www.caixabank.com](http://www.caixabank.com)).

Derived from the values and ethical principles stipulated in the Code of Ethics, CaixaBank has put in place **Standards of Conduct** regarding specific issues. Some of the most relevant aspects of this are:

### Penal Compliance Corporate Policy

Approved by the Board of Directors, this lays out the **CaixaBank Penal Prevention Model**. Its objective is to prevent and avoid crimes within the organisation, following the stipulations of the Criminal Code, in relation to the criminal responsibility of the corporate person. Through this Policy, the Bank strengthens its model of organisation, prevention, management and control, which is designed according to the culture of

compliance that articulates decision-making at all tiers of CaixaBank.

### Anticorruption Policy

As a policy approved by the CaixaBank Board of Directors, the Anticorruption Policy is designed to prevent the Bank and its external collaborators, directly or through intermediaries, from engaging in conduct **that may be against the law** or the core principles of CaixaBank as set out in the Code of Ethics.

The Policy sets rules on accepting and giving gifts, travel and entertainment expenses, relations with political and government institutions, sponsorships, donations, and at-risk suppliers. Furthermore, it details the types of conduct, practices and activities that are prohibited, in order to avoid situations that could constitute extortion, bribery, facilitation payments or influence peddling.

### General Conflict of Interest Corporate Policy - CaixaBank Group

Approved by the Board, this Policy sets out to furnish a global benchmark framework for CaixaBank Group companies, stating, in a standard harmonised way, the general principles and procedures of action to be taken to **address any real or potential conflicts of interest** arising in the course of their respective activities and services.

### Internal Regulation on Market Conduct (RIC)

This Regulation, approved by the CaixaBank Board of Directors, is designed to adapt the actions of CaixaBank and companies of the CaixaBank Group, along with their boards of directors and management, employees and agents, to the **standards of conduct** contained in Regulation 596/2014 of the European Parliament, the Law on the Securities Market and its implementing regulations, which are applicable to **activities related to the securities market**. The overall purpose is to promote transparency in markets and to protect, at all times, the legitimate interests of investors.

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All covered persons must understand, comply with, and enforce this Regulation and the current legislation of the securities market related to their specific area of activity. Other stakeholders may also access it on the CaixaBank website.



### Telematic Code of Conduct

The Code is designed to set clear and transparent rules on the use of resources provided by CaixaBank to its employees in the context of the performance of their job duties; ensure the **proper use of the technical and IT resources** owned by CaixaBank as regards information security; raise employee awareness of the need for proper use of the communications network and improved distribution of collective resources; and raise awareness regarding the security of IT and communications equipment inside and outside the Bank's premises.

In addition to these rules, CaixaBank has a **range of internal policies and standards** of various kinds, covering the corresponding areas. In Compliance, policies can be classified into risk-related categories:

#### >> CATEGORÍAS DE POLÍTICAS SEGÚN TAXONOMÍA DE RIESGO



Customer protection



Markets



Employee activities



Data protection, privacy and regulatory reporting



Internal governance



Money laundering and terrorist financing



Sanctions



AEOI initiatives (tax compliance)

In particular, we should highlight an internal standard on Regulatory Compliance, which describes the content and scope of application of a range of internal regulations that must be adhered to by CaixaBank employees. This includes matters regarding confidential query and whistleblowing channels.

The **degree of internal dissemination of the Code of Ethics and Standards of Conduct** is universal. Specifically:

- All **new employees** are given a document setting out the Code of Ethics and the main Standards of Conduct. Once the content is explained, the employee declares that /she has read, understands and accepts each of the terms thereof, manifesting his/her acceptance and undertaking to adhere to them.
- In addition, in 2019 we continued to run training events for new CaixaBank employees at head office, including time devoted to compliance matters.
- As with the Code of Ethics, the Standards of Conduct are available on the corporate **Intranet**.

Some Standards of Conduct are also available on the Bank's corporate website.

- **Training** is also carried out each year on the Code of Ethics and the Standards of Conduct, specifically through CaixaBank's own e-learning platform, which includes a final test. This guarantees continual monitoring of courses taken by the Bank's employees.

As in previous years, a range of training courses were defined for 2019 for employees, which are mandatory and regulatory, i.e. they are linked to the receipt of variable remuneration.

Among planned training, we highlight the course on **"Code of Ethics, Anticorruption Policy and Conflicts of Interest"**. The course was designed to explain the key points of the Code of Ethics, the Anticorruption Policy and the Conflict of Interest Policy from the standpoint of employees.

- In parallel to all the above, and in response to the needs at any given time to continue working on the dissemination of CaixaBank values and principles, **notices and briefing notes** are sent out. For example, in the framework of complying with the Code of Ethics, there is an annual notice regarding Gifts.

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Meanwhile, depending on the area where there has been a breach to the Code of Ethics and/or Code of Conduct, the body responsible for analysing it and proposing corrective actions and potential sanctions varies. These include:

- **Corporate Penal Risk Management Committee:** A high-level body with autonomous powers of initiative and control, with the capacity to raise consultations, request information, propose measures, begin investigations or carry out any process required in relation to crime prevention and managing the Penal Prevention Model. The Committee analyses conduct reported in complaints of potential criminal offences. If disciplinary measures are required as a result of the analysis conducted, it is transferred to CaixaBank's Incidents Committee.

The Corporate Penal Risk Management Committee reports to the Global Risk Committee, and, if relevant, to the Risk Committee.

- The **RIC Committee:** A collegiate body that analyses potential breaches, and proposes corrective actions and sanctions. Likewise, any queries regarding the content of the RIC can be forwarded to the RIC Committee Secretary or the Corporate Regulatory Compliance Division, depending on the issue.

## Whistleblowing channel for reporting financial irregularities

CaixaBank has put in place a range of **confidential whistleblowing channels** for communications relating to the matters within the scope of the Code of Ethics, the Anticorruption Policy, the Penal Risk Prevention Model, the Internal Rules of Conduct on matters relating to the Stock Market and any other internal CaixaBank policy or standard.

A **query** is understood as a confidential request by an employee for clarification of specific questions, as a result of the interpretation or application of the concepts laid forth in the policies and standards mentioned earlier.

A **complaint** is a confidential notification by an employee to make the Bank aware of a potential breach of those rules, policies or standards.

In 2019, the channels specified above have been for the **exclusive use of the Bank's employees**. If the queries/complaints are put forward by customers, they must be processed through the customer services channels established by CaixaBank, whether internal or official.

Queries and complaints are personal, and can only be put forward by the interested parties themselves, and not on behalf of a group or third party.

Access to such channels is internal. They are available on the Corporate Intranet. We should also highlight the significant effort of the organisation in disseminating and raising awareness of the channels, including in the **training courses** that detail the mandatory use of said

channels when the circumstances arise. One example is the course on "Code of Ethics, Anticorruption Policy and Conflicts of Interest".

Queries received through these channels are received and managed by **Regulatory Compliance**, apart from those relating to the Code of Telematic Conduct, which are handled by **Security and Governance**. As for complaints, they are managed by Regulatory Compliance. Periodically, Regulatory Compliance reports to the Audit and Control Committee.

The channels have established a range of guarantees. These include:

- **Confidentiality:** It is expressly forbidden to disclose to third parties any kind of information concerning the content of queries or complaints. This information will only be known to the individuals directly involved in handling the case.
- **Protection of the reporting party's identity:** The identity of the individual reporting or communicating the possible breach will be protected, and in no event will it be revealed to the party being reported.

Regulatory Compliance will provide the name of the reporting party to other departments or areas only when this information is strictly necessary in order to investigate the report, and in all such cases the prior consent of the reporting party will be sought.

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- **Prohibition on reprisals:** CaixaBank expressly prohibits and does not tolerate reprisals against individuals reporting a possible breach of the Bank's rules of conduct or against those aiding/involved in the investigation, provided they have acted in good faith and played no part in the reported event. CaixaBank will take appropriate measures to ensure that complainants and persons submitting queries are protected.
- **Sharing of the same workplace:** If a complainant and the person complained of share the same workplace, the Bank will determine whether or not steps should be taken accordingly.
- **Incompatibilities:** In the event that any individual involved in reporting a possible breach through the confidential channels is related by kinship, marriage, or consanguinity to any person tasked with handling, investigating, or deciding on the case, the latter will be barred from taking part and will be replaced with a person not under his or her authority.
- **Rights of person reported:** The person reported must be informed of the complaint against him or her as soon as suitable checks have been made and a case file has been opened for processing.

CaixaBank will notify the person reported of the complaint and its subject matter within one month.

In 2019, a project was undertaken to introduce best practices for whistleblowing channel access and management: a **new channel for enquiries and whistleblowing**. CaixaBank regards the channel as a key element of **preventing and rectifying breaches** and detecting and preventing criminal conduct.

The key features of the new channel are:

- **New environment:** implementation of the new tool accessible internally and over the Internet, 24 hours a day, 365 days a year, using corporate and personal devices.
- **Wider scope of users:** in addition to employees, the channel will be open to Directors of the Bank, temporary staff, agents and suppliers.
- **Anonymous whistleblowing:** whistleblowers can use the channel in their own name or anonymously.
- **Processing partly outsourced:** to ensure that the entire process is transparent and effective, examination of complaints is partly outsourced to an independent expert.

The launch of the new query and whistleblowing channel is planned for the **first quarter of 2020**.



## Training

CaixaBank and its subsidiaries provide an **ongoing training plan** on accounting and financial topics, tailored to the job positions and duties of employees involved in preparing and reviewing financial information.

In 2019, training focused on the following topics:



Accounting



Audit



Internal Control



Legal/Tax



Risk Management



Regulatory Compliance

These training actions were aimed mainly at the staff of the Financial Accounting, Control and Capital Division, the Audit, Control and Compliance Division, the Non-Performing Loans, Recoveries and Assets Division, and members of the Bank's senior management. An estimated 67,939 hours of this type of training was provided.

With respect to **ICFR** training, an **online training course** was launched in the last quarter of 2019. 39 employees Intervention and Accounting, Corporate Information and Control of Investees, Planning and Capital and Risks, among others, have been certified in addition to the 87 who were trained in 2018 and the 498 between 2013 and 2017.

This course is intended to raise awareness among all employees either directly or indirectly involved in preparing financial information of the importance of establishing mechanisms which guarantee the reliability of the same, as well as their duty to ensure compliance with applicable regulations. The course is structured in two blocks:

- The **first section** covers ICFR standards, with particular reference to the CNMV's guidelines issued in June 2010.
- **Next**, the **second section** covers the methodology established at the CaixaBank Group to ensure compliance with all prevailing ICFR regulatory requirements.

Financial Accounting, Control and Capital (FACC) also subscribes to various national and international accounting and financial publications, journals and websites. These are checked regularly to ensure that the bank takes into account any developments when preparing financial information. FACC is also a member of and attends meetings of international and domestic bodies and working parties that discuss matters relating to accounting standards and financial issues. Other areas of the Bank are also present in these forums.

In the framework of the **CaixaBank Strategic Plan for 2019-2021**, announced on 27 November 2018, a new strategic element is to 'Encourage an agile, collaborative culture focused on people'. During this period, talent and diversity will take centre stage by ensuring that talent can develop its potential through meritocracy, diversity and empowerment. The Bank will also define and deploy the best value proposition for employees – improving the employee experience – and focus on the key attributes of agility and collaboration.

As in 2018, professional development programmes and courses for the various business areas were drawn up in accordance with **business segmentation** and the profiles and skills of potential participants and the objectives set.

In 2015, the **Risks School** was set up, in collaboration with the Instituto de Estudios Bursátiles (IEB), the Universidad Pompeu Fabra (UPF) and the Universitat Oberta de

Catalunya (UOC). The main purpose of this initiative is to support the training of critical professional skills and promote a decentralised management model so that employees increasingly have the necessary skills to approve lending transactions.

The Risks School has four different levels and training is adapted to the various profiles of CaixaBank employees according to their professional functions and requirements. It offers virtual content on the Virtaula corporate platform which is complemented with classroom-based sessions with internal training staff. The training is accredited by external experts from UPF.

In 2019, 196 employees were certified within the basic programme, 739 people completed the retail postgraduate diploma course, and 285 staff members were awarded the first business banking postgraduate diploma. A further 600 employees are currently in training. Over the coming years it is expected that all CaixaBank employees will receive training in the four levels offered by the Risks School.



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Another important initiative is CaixaBank's agreement with the Universidad Pompeu Fabra (UPF) Barcelona School of Management and the CISI (Chartered Institute for Securities & Investment) whereby both institutions **certify the training taken by the Bank's employees** with a single demanding exam, in accordance with European regulations on specialist training for bank employees. This training initiative is aimed at branch managers and Premier Banking managers as well as CaixaBank Private banking advisers, directors and centre managers and so that they are able to **offer customers the best possible service**. With this, CaixaBank is anticipating the prevailing EU regulations and is also the first Spanish financial institution to certify employee training with a post-graduate university diploma in Financial Advice. In 2019, 165 employees, comprising branch managers, Premier Banking managers and Private Banking staff, completed the **postgraduate diploma in financial advice** in a new form: trainees must first complete the financial reporting and advice post-graduate course (CIAF), explained below, and then move on to the remainder of the programme to obtain the full diploma. 493 employees are currently taking this course. In addition, 7,458 employees obtained the qualification in its previous

format as a postgraduate diploma via a single examination.

In 2016, the Group signed an agreement with the UPF Barcelona School of Management to accredit employees with the **postgraduate course in financial reporting and advice** (CIAF). This course is shorter than the last one, but meets the MiFID II advisory requirements, and is taken by Commercial Assistant Managers, as well as employees in the Business Banking segment. In its two editions, finished in 2019, 1,578 employees were certified. Currently, 2,214 employees are taking new editions that will end in late 2019 or early 2020.

As to the new **training** required by the Bank of Spain on the new **Property Lending Contracts Act**, CaixaBank has created a training programme in partnership with UPF consisting of 53 teaching hours. In 2019, the course was passed by 9,842 employees, and a further 7,534 employees are currently in training. The course has a wider scope than employees directly facing customers, embracing staff involved in any process touching on this type of product.

In 2019, specific training was also provided to executives in the **Rethink management development programme**, in three areas: C1 programme for junior executives and C2 programme for senior executives, with broader scope and greater dedication, and programmes focused on strengthening specific skills. Talent identification and management programmes were also available.

In 2019, **training provided to Directors of the Bank** involved a tighter focus on managing banking risk and new technologies, alongside single-topic sessions for some Board committees.

This year, the Board of Directors discussed strategic issues regarding digitisation, business units and governance, and held an offsite event on banking risk and new technologies.

For their part, some of the Board committees held a range of **sessions and specific events** within their meetings to look at risk and solvency issues, as follows:

- Three joint single-topic sessions for the Audit and Control Committee and the Risks Committee, looking in detail at solvency issues (such as ICAAP, ILAAP and the CaixaBank Group's Recovery Plan) and key points relating to the Group's insurance business.
- Two work sessions run by the Audit and Control Committee to discuss **internal audit** topics, and a third session to provide training on the Group's **deferred tax assets**.
- A single-topic work session of the Risks Committee to provide members with training on **Credit Risk Models**, in addition to 15 single-topic presentations within the Risks Committee's agenda, with a special focus on catalogue risks.

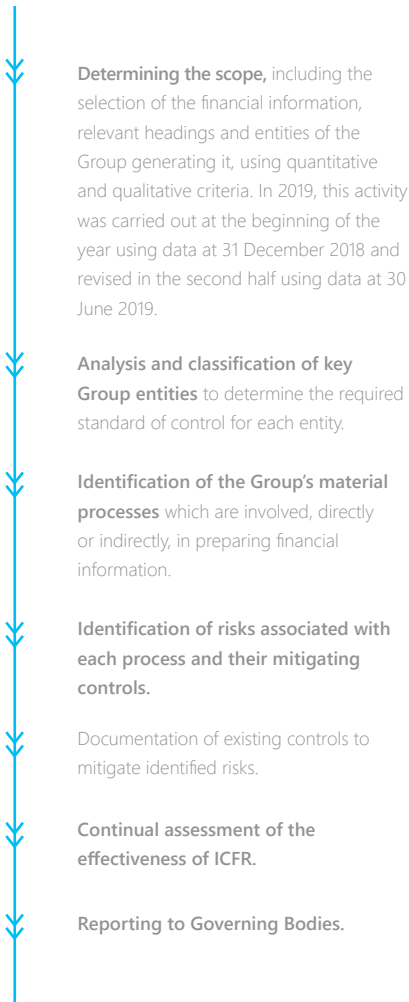
Finally, in 2019 we provided 19 training sessions – with a total duration of 40 hours – to **newly appointed Directors**, so that they could acquire a clear understanding of the structure, business model, risk profile and internal governance of CaixaBank and its Group, with a special focus on the applicable regulatory framework. They were also given a file containing the key documents on the internal regulations of the Bank and the industry. Such training was in all cases internal, provided by Bank executives.

In addition, Financial Accounting, Control and Capital (FACC), the main area involved in the preparation of financial information, during 2019 provided training and classroom workshops on different topics that are relevant to the performance of their duties, mainly related to **developments in accounting standards**, and internal training sessions for sharing knowledge among different management teams.

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## Risk assessment in financial reporting

The **risk identification** process followed by the Company is as follows:



**Determining the scope**, including the selection of the financial information, relevant headings and entities of the Group generating it, using quantitative and qualitative criteria. In 2019, this activity was carried out at the beginning of the year using data at 31 December 2018 and revised in the second half using data at 30 June 2019.

**Analysis and classification of key Group entities** to determine the required standard of control for each entity.

**Identification of the Group's material processes** which are involved, directly or indirectly, in preparing financial information.

**Identification of risks associated with each process and their mitigating controls.**

Documentation of existing controls to mitigate identified risks.

**Continual assessment of the effectiveness of ICFR.**

**Reporting to Governing Bodies.**

As indicated in the ICFR Standard, the Bank has a methodology for **identifying processes, relevant areas and risks associated to financial reporting**, including error or fraud.

The ICFR Standard sets out the methodology to identify the key areas and significant processes associated with financial reporting relating to the identification of risks, based on:

- establishing specific guidelines for **responsibilities** and implementation and updating;
- establishing the **criteria** to be followed and **information sources** to be used in the identification process;
- establishing criteria to be followed to identify relevant **subsidiaries** with regard to ICFR.

The ICFR Function periodically, at least once a year, reviews all the risks within the ICFR scope and all control activities designed to mitigate these. This process is carried out in conjunction with all the areas involved. However, if, during the course of the year, unidentified circumstances arise that could affect the preparation of financial information, the ICFR function must evaluate the existence of risks in addition to those already identified.

Risks relate to potentially material errors (intentional or otherwise) in relation to financial reporting objectives, which must comply with the following principles:

- Transactions, facts and other events presented in the financial information in fact exist and were recorded

at the right time (**existence and occurrence**).

- The information includes all transactions, facts and other events in which the Bank is an affected party (**completeness**).
- Transactions, facts, or other events are reported and measured in accordance with applicable standards (**measurement**).
- Transactions, facts and other events are classified, presented and disclosed in financial reporting in accordance with applicable standards (**presentation, disclosure and comparability**).
- Financial information shows, at the corresponding date, the rights and obligations through the corresponding assets and liabilities, in accordance with applicable standards (**rights and obligations**).

The risk identification process takes into account both routine transactions and less frequent transactions which are potentially more complex, as well as the effects of other types of risks (operational, technological, financial, legal, reputational, environmental, etc.). The Bank also has an analysis procedure in place implemented by the various business areas involved in corporate transactions and non-recurring or special transactions, with all accounting and financial impacts being studied and duly reported.

The impact of risks on the reliability of the reporting of financial information is analysed in each of the processes entailed in its preparation.

The governance and management bodies receive regular information on the main risks inherent in financial reporting, while the Audit and Control Committee monitors the generation, preparation and review of financial reporting via the Internal Audit function and the opinion of both External Audit and Supervisory Bodies.



## Procedures and activities for control over financial reporting

### Procedures for reviewing and authorising financial reporting

The preparation and review of financial information is carried out by the **Executive Division of Financial Accounting, Control and Capital**, which requests collaboration from all Bank departments and companies of the Group, in order to get further details on any information that it deems necessary.

Financial reporting is a key element of the process of oversight and decision-making by the highest Governance and Management Bodies of the Bank. Therefore, the preparation and review of financial reporting must be based on **suitable human and technical resources** that enable the Bank to provide true, accurate and clear information about its business in accordance with prevailing laws and regulations.

In particular, the professional experience of the personnel involved in reviewing and authorising the financial information is of a suitable standard and all are appointed in the light of their **knowledge and experience in accounting, auditing or risk management**. Likewise, by establishing control mechanisms, the technical measures and IT systems ensure that the financial information is reliable and complete.

Financial reporting is monitored by the various hierarchical levels within Financial Accounting, Control and Capital and, where applicable, double checked with other areas of the Bank. Finally, the key financial information disclosed to the market is examined and, if applicable, approved by the highest-ranking governing bodies (the Board of Directors and the Audit and Control Committee) and the bank's management.

With regard to activities and control procedures directly related to transactions which may have a material impact on the financial statements, the Bank has in place a process whereby it **constantly reviews all documentation concerning the activities** carried out, any risks inherent in financial reporting and the controls needed to mitigate critical risks. This ensures that all documentation is complete and up to date.

In this respect, the following information is detailed in the **documentation on critical processes and control activities** of financial information:

- Associated **processes and subprocesses**.
- **Risks** of financial information along with their Financial Assertions and the possibility of Risk due to Fraud. In this respect, we highlight that the risks are specified according to risk categories and models that form part of the Bank's **Corporate Risk Catalogue**, produced by the Executive Division of Corporate Risk Management Function & Planning.
- **Control activities** implemented to mitigate risk, with these characteristics:

- >> **Classification**  
Key / Standard
- >> **Purpose**  
Preventive / Detective / Corrective
- >> **Automation**  
Manual / Automatic / Semiautomatic
- >> **Frequency**  
How often the control is executed
- >> **Evidence**  
Evidence/proof that the control is working correctly
- >> **Certification**  
According to the frequency of control, the period(s) in the year when certification is conducted
- >> **System**  
IT applications or programmes used in the control activity
- >> **COSO Component**  
Type of control activity according to COSO classification (*Committee of Sponsoring Organisations of the Treadway Commission*)
- >> **Financial assertions**  
existence and occurrence; completeness; valuation; presentation, disclosure and comparability; rights and obligations.
- >> **Person responsible for the control**  
Person who ensures the control is executed correctly
- >> **Control executor**  
Person responsible for implementing the control



All activities and controls are designed to guarantee that all transactions carried out are correctly recorded, valued, presented and itemised.

To assess the effectiveness of existing controls, CaixaBank has an **internal bottom-up certification process of key controls**. The objective is to guarantee the reliability of financial reporting when made public to the market.

The persons responsible for each of the key controls submit attestations guaranteeing their **effective execution** during the period in question. The process is carried out at least quarterly although there are also ad-hoc non-standard attestations where controls of financial reporting are carried out during different periods.

The Financial Accounting, Control and Capital Executive Manager informs the **Management Committee** and the **Audit and Control Committee** of the outcome of this attestation process. This result is also passed on to the **Board of Directors**.

In 2019, the Bank conducted the **attestation process on a quarterly basis**. No material weaknesses were detected.

Attestations were also conducted at times other than standard quarter-ends for certain financial information to be made public to the markets. Again, no material weaknesses were detected.

**Internal Audit** performs supervisory functions, as described in section 5.

The preparation of the financial statements requires senior executives to make certain **judgements, estimates and assumptions** in order to quantify assets, liabilities, income, expenses and obligations. These estimates are based on the best information available at the date the financial statements are prepared, using generally-accepted methods and techniques and observable and tested data and assumptions.

The procedures for reviewing and approving the judgements and estimates are outlined in the ICFR Policy and the ICFR Standard. The Board of Directors and the Management Committee are responsible for approving this information.

This year the Bank has addressed the following:

- The criterion to temporarily allocate income obtained from secondary activities provided to the profit and loss account.
- The measurement of goodwill and intangible assets.
- The term of the lease agreements and the discount rate used in the measurement of the lease liabilities.
- The fair value of assets, liabilities and contingent liabilities in the context of the purchase price allocation in business combinations.
- Impairment losses on financial assets, and of the fair value of guarantees associated thereto, according to their classification in accounts, which entail the need to make judgements regarding: i) the consideration of 'a significant increase in credit risk' (SICR), ii) the definition of default; and iii) the incorporation of forward-looking information.
- The measurement of investments in joint ventures and associates.
- The determination of share of the profit or loss of investments in associates.
- The actuarial assumptions used to measure liabilities under insurance contracts.
- The classification, useful life of and impairment losses on property, plant and equipment and intangible assets.
- Impairment losses on non-current assets and disposal groups classified as held for sale.
- The actuarial assumptions used to measure post-employment liabilities and obligations.
- The measurement of the provisions required to cover labour, legal and tax contingencies.
- The income tax expense determined based on the

income tax rate expected for the full year and the capitalisation and recoverability of tax assets.

- The fair value of certain financial assets and liabilities.

## Procedures for IT systems

The IT systems which give support to processes regarding the preparation of financial information are subject to internal control policies and procedures which guarantee completeness when preparing and publishing financial information.

Specifically these are policies regarding:

### Information Security Management System

CaixaBank has an **Information Security Management System (ISMS)** based on international best practices. This ISMS has obtained, and each year renews, ISO 27001:2013 certification by the British Standards Institution (BSI). This system defines, amongst other policies, those for accessing IT systems and the internal and external controls which ensure all of the policies defined are correctly applied.

### Operational and business continuity

The Bank has in place an **IT Contingency Plan** to deal with serious situations to guarantee its IT services are not interrupted. It also has strategies in place to enable it to recover information in the shortest time possible. This IT Contingency Plan has been designed and operates according to ISO 27031:2011. Ernst&Young has certified that the regulatory governance body for Technological Contingency at CaixaBank has been designed, developed and is operating in accordance with this regulation.

The British Standards Institution (BSI) has certified that CaixaBank's Business Continuity Management System is ISO 22301:2012 compliant. These certifications attest:

- CaixaBank management's commitment to business continuity and technological contingency.
- The existence of business continuity and technological contingency management best practices.
- A cyclical process based on continuous improvement.
- That CaixaBank has deployed and operates business continuity and technological contingency

management systems which are compliant with international standards.

Which offer:

- **Assurance** to our customers, investors, employees and society in general that the Bank is able to respond to serious events that may affect business operations.
- **Compliance with the recommendations** of regulators, the Bank of Spain, MiFID and Basel III.
- **Advantages** in terms of the Bank's image and reputation.
- **Annual audits, both internal and external**, which ensure we keep our systems up to date.

### Information technology (IT) governance

CaixaBank's information and technology (IT) governance model ensures that its **IT services are aligned with the Bank's business strategy** and comply with all regulatory, operational and business requirements. IT governance is an essential part of overall governance and encompasses organisational structures and guidelines to ensure that the IT services support and facilitate the fulfilment of strategic objectives. The Regulations on Information Technology (IT) Governance at CaixaBank is implemented on the basis of requirements specified in the standard 'ISO 38500:2008 - Corporate Governance of Information Technology', in accordance with the technical guide contained in the technical report 'ISO 38502:2014 - Governance of IT Governance - Framework and model'. The certification of the model was updated by Deloitte Advisory, S.L. in December 2018.

CaixaBank's IT services have been designed to meet the business' needs, guaranteeing the following:

- Segregation of duties;
- Change management;

- Incident management;
- IT quality management;
- Risk management; operational, reliability of financial reporting, etc.;
- Identification, definition and monitoring of indicators (scorecard);
- Existence of governance, management and monitoring committees;
- Regular reporting to management;
- Rigorous internal controls which include annual internal and external audits.

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## Procedures for overseeing the management of outsourced activities and independent experts

The CaixaBank Group has a **Cost, Budget Management and Purchasing Policy**, approved by the Management Committee on 18 June 2018, which defines the global reference framework for the companies of the Group, and details the general principles and procedures regarding the definition, management, execution and control of the budget for CaixaBank's operational and investment costs.



This policy is detailed in the **Group's internal regulations** which mainly regulate processes regarding:

- Budget drafting and approval**
- Budget execution and demand management**
- Procurement and commissioning**
- Payment of invoices to suppliers**

Most of the processes carried out between Group entities and suppliers are managed and recorded by programs which include all activities. The Efficiency Committee is responsible for ensuring that the budget is applied in accordance with internal regulations.

To ensure correct cost management, the CaixaBank Efficiency Committee has delegated duties to two committees:

- **Expenditure and Investments Committee (CGI):** reviews and ratifies all expenses and investment proposed by the various areas and subsidiaries in projects. It queries the need for and reasonableness of expenditure by means of a profitability and/or efficiency analysis from the standpoint of the Bank.
- **Purchasing Board:** oversees achieving maximum savings in contracting goods and services, encouraging equal opportunities among suppliers. The Bank's Code of Business Conduct and Ethics stipulates that assets must be purchased and services engaged objectively and transparently, avoiding situations that could affect the impartiality of the people involved. Hence all procurement must be based on at least 3 competing bids submitted by different suppliers. Purchases above a given threshold must be managed by the specialist team of buyers for the given category: IT, Professional Services, Marketing, Facilities or Building Works.

The CaixaBank Group has a **Suppliers' Portal** offering quick and easy communication between suppliers and Group companies. This channel allows suppliers to submit all the necessary documentation when bidding for contracts or processing their standard-approval for eligibility. This not only ensures compliance with internal procurement regulations but also makes management and control easier.

CaixaBank has an **Outsourcing Policy** which establishes the methodological framework and criteria to take into account when outsourcing services. The policy determines the roles and responsibilities of each activity and states that all outsourcing must be assessed according to its criticality and risk, as well as defining various control and supervision levels according to its classification. The policy was updated in 2019 to bring it into line with the new regulatory framework.

The wording of the new policy on outsourcing governance, in conjunction with the second line of defence for non-financial risks, ensures:

- CaixaBank senior management's **commitment** to outsourcing governance.
- Compliance with outsourcing management initiative **best practices**.
- A cyclical process based on **continuous improvement**.

Formalisation of this Policy means:

- Our customers, investors, employees and other stakeholders **trust** in the decision-making and control process for outsourcing initiatives.
- **Compliance** with the recommendations of regulators, such as the Bank of Spain, MiFID and Basel III.
- **Advantages** in terms of the Bank's image and reputation.

CaixaBank has increased its control efforts even further, and ensures that future outsourcing does not represent a loss of supervision, analysis and enforcement capacities of the service or activity in question.

The following procedure is followed when there is a new outsourcing initiative:

- **Analysis** of the applicability of the outsourcing model to the supplier.
- Assessment of the **outsourcing decision** by measuring criticality, risks and the outsourcing model.
- **Approval** of the risk inherent in the initiative by a collegial internal body.
- **Engagement** of the supplier.
- **Transfer of service to** external supplier.
- **Oversight and monitoring** of the activity or service rendered.

All outsourced activities are subject to controls largely based on **performance indicators**. Each person in charge of an outsourced activity shall request that the supplier report all indicators and keep these up-to-date. These are then reviewed internally on a periodical basis.

In **2019**, valuation and calculation **services** commissioned from independent experts mainly concerned the following:

- Certain internal audit and technology services
- Certain financial consultancy and business intelligence services
- Certain marketing and various procurement services

- Certain IT and technology services
- Certain financial services
- Certain financial, fiscal and legal advisory services
- Certain processes related to Human Resources and various procurement services
- Certain processes related to Information Systems

## Reporting and communications

### Accounting policies

Sole responsibility for specifying and communicating the Group's accounting principles rests with the **Accounting Policies and Regulation Department**, which reports to Financial Accounting, Control and Capital (FACC).

Its responsibilities include **monitoring and analysing regulations** applicable to the Group, for their interpretation and subsequent application in financial reporting, uniformly across all companies that comprise the Group; it also **continually updates** accounting criteria applied for any new kind of contract or operation, or any regulatory change.

Furthermore, the Department **analyses and studies the accounting implications** of individual transactions, to anticipate impacts and ensure the correct

accounting process is applied in the consolidated financial statements, and resolves any questions or conflicts surrounding accounting matters that are not included in a cost sheet, or where there are any doubts regarding their interpretation. At least monthly, accounting queries that have been concluded by the Department are shared with the rest of the Financial Accounting, Control and Capital Division, explaining the technical arguments that support them or the interpretations made, as well as issues currently being analysed.

In the **process for creating new products**, through participation in the Groups' Product Committee, the Department analyses the accounting implications of the products, on the basis of their characteristics, whereby this analysis

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leads to the creation or update of a cost sheet, detailing all the potential events which a contract or transaction may involve. In addition, the main characteristics of administrative operation, tax regulations and accounting criteria and standards are described. Additions and amendments to the accounting circuits are notified immediately to the Organisation and most can be consulted on the Entity's intranet.

This Department also participates in and supports the **Regulation Committee of the CaixaBank Group** regarding accounting regulations. In the event of any regulatory change that must be implemented in the Group, the Department communicates this in writing to the Departments or Group subsidiaries affected, and participates or leads the implementation projects for such changes wherever relevant.

These activities prompted the **drafting and ongoing maintenance of a manual on accounting policies**, which establishes the accounting standards, principles and criteria adopted by the Group. This manual guarantees the comparability and quality of the financial information of all companies of the Group, and is complemented by the queries received by the Department.

Communication with operation managers is permanent and fluid.

Additionally, the Policies and Regulation Department is responsible for developing **training activities** in the organisation's relevant business departments, on accounting news and notifications.

## Mechanisms for financial reporting

CaixaBank has internally-developed IT tools that ensure the completeness and homogeneity of **financial information capturing and elaboration processes**. All of these applications have IT contingency mechanisms which guarantee that the data is held and can be accessed in any circumstances.

We should emphasise that the Company is currently undergoing a project to improve the **architecture of accounting information**, with a view to increase quality, completeness, immediacy and access to data provided by business applications. The various IT applications are gradually being including in the scope of the project which currently includes a very significant materiality of balances.

## Oversight of the operation of the system for internal control over financial reporting

Notwithstanding the risk management and control functions of the **Board of Directors**, the **Audit and Control Committee** is entrusted with overseeing the **process for preparing and submitting regulated financial information** and the effectiveness of the Bank's internal control and risk management systems and discussing with auditors any significant weaknesses in the internal control system identified during the course of the audit.

The duties and activities of the Audit and Control Committee include those related to overseeing the process for preparing and submitting financial information as described in section 1.1.

As part of its duty to oversee the process for preparing and submitting regulated financial information, the Audit and Control Committee carries out, inter alia, the following activities:

- **Review of the Annual Internal Audit Plan** and assessment of whether the Plan has sufficient scope

For the purposes of preparing **consolidated financial reporting**, both CaixaBank and the companies that comprise the Group use specialised tools to deploy data capture, analysis and preparation mechanisms with standard formats. The accounts plan, which is incorporated in the consolidation application, has been defined to comply with requirements of the various regulators.

With respect to the Systems used for **ICFR management**, the Company has the **SAP Governance, Risk and Compliance (SAP GRC)** tool in place, in order to guarantee its completeness, reflecting the existing risks and controls. The application also supports the Corporate Risk Catalogue and Operational Risk Indicators (KRIs), for which the Executive Corporate Risk Management Function & Planning Division is responsible.

to provide appropriate coverage for the main risks to which the Bank is exposed. Subsequently, the Annual Plan is laid before the Board of Directors.

- **Review and assessment of the conclusions** of the audits carried out and the impact on financial reporting, where applicable.
- **Ongoing monitoring** of corrective action, prioritising each one.

The Internal Audit function, represented by the Management Committee's Executive Division for Audit, is governed by the principles contained in the Internal Audit Regulations of the CaixaBank Group, approved by the CaixaBank Board of Directors.

CaixaBank's internal audit is an **independent and objective activity** for assurance and enquiry designed to add value and improve operational performance. Internal audit contributes to achieving the strategic objectives

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of the CaixaBank Group by providing a systematic and disciplined approach to evaluating and improving risk control and management processes and corporate governance. Its objective is to guarantee effective and efficient supervision of the internal control system through ongoing assessment of the organisation's risks and controls. In addition, the Internal Audit function supports the Audit and Control Committee in its supervisory role by submitting regular reports on the outcome of internal audit engagements.

Internal Audit has **auditors working in various audit teams** which specialise in reviewing the main risks to which the Bank is exposed. One of these teams is the Financial Audit, Investees and Regulatory Compliance Division where specialists oversee processes at Financial Accounting, Control and Capital, which is responsible for preparing the bank's financial and accounting information. The Annual Internal Audit Plan takes a multiyear approach to review the risks and controls in financial reporting for all auditing engagements where these risks are relevant.

In each review Internal Audit:

- ↓ Identifies the **necessary controls** to mitigate the risks inherent in the process under review.
- ↓ Analyses the **effectiveness and efficiency** of the existing controls on the basis of their design.
- ↓ Verifies that these **controls are applied**.
- ↓ **Reports** the findings of the review and issues an opinion on the control environment.
- ↓ **Recommends** corrective actions.

Internal Audit has developed a **specific work programme to review ICFR**, focusing on the scheduled review of relevant processes (transversal and business) defined by the Internal Control over Financial Reporting team, which is complemented by a review of existing controls in audits of other processes. Currently, this work programme is completed by reviewing proper attestation and evidence of effective execution of a sample of controls, selected according to ongoing audit indicators. Based on this, the Internal Audit function publishes an annual global report that includes an assessment of the performance of ICFR during the year.

The annual assessment of ICFR at 31/12/2019 focused on:

- Review of **application of the Reference Framework** defined in the document "Internal Control over Financial Reporting in Listed Companies" published by the CNMV as a standard of best practices in this area.
- Verification of **application of the Internal Control over Financial Reporting Policy and Standard** to ensure that ICFR across the Group is suitable and effective.
- Assessment of the **internal bottom-up attestation of key controls**.
- Evaluation of the **specifications of the relevant processes, risks and controls** in financial reporting.

Furthermore, in 2019, Internal Audit carried out a range of reviews of the generation and presentation of financial information, focused on financial-accounting areas, corporate risk management, financial instruments, information systems, and the insurance business, among others.

The Audit and Control Committee and executive team will be informed of the results of the ICFR evaluation. The evaluation reports set out action plans specifying corrective measures and their criticality

for mitigating risks in financial reporting, and deadlines for resolution.

The Bank has in place a **procedure for regular discussions with its statutory auditor**. Senior management is kept permanently informed of the conclusions reached during the review of the financial statements. The statutory auditor assists the Audit and Control Committee by reporting on the audit plan, the preliminary findings on publication of the financial statements and the final findings, as well as, if applicable, any weaknesses encountered in the internal control system, prior to authorisation for issue of the financial statements. Also, when reviewing the interim financial information, the Audit and Control Committee shall be informed of the work carried out and the conclusions reached.

In addition, and within its areas of activity, Internal Audit's reviews conclude with the issue of a report evaluating the relevant risks and the effectiveness of internal control of the processes and the transactions analysed. It also evaluates the possible control weaknesses and shortcomings and formulates recommendations to correct them. **Internal Audit reports** are sent to senior management. The Audit and Control Committee receives a monthly report on the activities carried out by Internal Audit, with specific information on all significant weaknesses identified in the course of reviews during the reporting period.

Internal Audit **constantly oversees the fulfilment of recommendations**, focusing particularly on high-risk weaknesses, with regular reports. This monitoring information, as well as the relevant incidents identified in the Audit reviews, are reported to the Audit and Control Committee and senior management.

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## External auditor report

In accordance with the recommendation concerning the Auditor's Report included in the guidelines on the information relating to Internal Control over Financial Reporting in Listed Companies published by the National Securities Market Commission on its website, the auditor of the financial statements of CaixaBank has reviewed the information on internal control over financial reporting system. The final report concludes that, as a result of the procedures applied regarding information on ICFR, there are no relevant inconsistencies or incidents.

This report is attached as an Appendix to this Annual Corporate Governance Report.





## G. Extent of compliance with Corporate Governance Recommendations

1

That the Articles of Association of listed companies do not limit the maximum number of votes that may be cast by one shareholder or contain other restrictions that hinder the takeover of control of the company through the acquisition of shares on the market.

Complies  Explanation

2

That when the parent company and a subsidiary are listed on the stock market, both should publicly and specifically define:

- a) The respective areas of activity and possible business relationships between them, as well as those of the listed subsidiary with other group companies.
- b) The mechanisms in place to resolve any conflicts of interest that may arise.

Complies  Complies partially  Explanation  Not applicable

This recommendation is not deemed to be applicable to CaixaBank, since the bank is the only listed company within its group.

3

That, during the course of the ordinary General Shareholders' Meeting, complementary to the distribution of a written Annual Corporate Governance Report, the chairman of the Board of Directors makes a detailed oral report to the shareholders regarding the most material aspects of corporate governance of the company, and in particular:

- a) Changes that have occurred since the last General Shareholders' Meeting.
- b) Specific reasons why the company did not follow one of more of the recommendations of the Code of Corporate Code and, if so, the alternative rules that were followed instead.

Complies  Complies partially  Explanation



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4

That the company has defined and promoted a policy of communication and contact with shareholders, institutional investors and proxy advisers that complies in all aspects with rules preventing market abuse and gives equal treatment to similarly situated shareholders.

And that the company has made such a policy public through its web page, including information related to the manner in which said policy has been implemented and the identity of contact persons or those responsible for implementing it.

Complies  Complies partially  Explanation

5

That the Board of Directors should not propose to the General Shareholders' Meeting any proposal for delegation of powers allowing the issuance of shares or convertible securities without pre-emptive rights in an amount exceeding 20% of equity at the time of delegation.

And that whenever the Board of Directors approves any issuance of shares or convertible securities without pre-emptive rights the company immediately publishes reports on its web page regarding said exclusions as referenced in applicable company law.

Complies  Complies partially  Explanation

The Board of Directors, in its meeting dated 10 March 2016, agreed to propose at the Annual General Meeting on 28 April the ratification of an agreement to delegate powers in favour of the Board of Directors in order to issue bonds, preference shares and any other fixed income securities or instruments of a similar nature which are convertible into CaixaBank shares, or which directly or indirectly give the right to the subscription or acquisition of the company's shares, including warrants. The proposed delegation expressly included the power to disapply the pre-emptive subscription right of shareholders. This proposal was approved at the Annual General Meeting held on 28 April 2016.

The capital increases that the Board of Directors may approve under this authorisation to carry out the conversion of shares in whose issuance the pre-emptive subscription right has been disapplied are not subject to the maximum limit of 20% of the share capital that the Annual General Meeting of 23 April 2015 unanimously agreed for any capital increases that the Board of Directors may approve (the legal limit of 50% of the capital at the time of the approval does apply).

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 Act 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. Therefore, different capital categories are contemplated that must be covered by specific instruments. Despite the Company's adequate capital situation, it was deemed necessary to adopt an agreement that allows instruments to be issued that may be convertible in certain cases. To the extent that the issuance of these instruments implies the need to have an authorised capital that, at the time of its issuance, covers a possible convertibility and in order to provide the company with greater flexibility, it was deemed suitable for the capital increases that the Board approves to be carried out under the delegation agreement in this report in order to address the conversion of shares in whose issuance the pre-emptive subscription right has been excluded, not being subject to the maximum limit of 20% of the capital which is applicable to all other capital increases that the Board is authorised to approve.

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6

That listed companies which draft the reports listed below, whether under a legal obligation or voluntarily, publish them on their web page with sufficient time before the General Shareholders' Meeting, even when their publication is not mandatory:

- a) Report regarding the auditor's independence.
- b) Reports regarding the workings of the audit committee and the appointments and remuneration committee.
- c) Report by the audit committee regarding related-party transactions.
- d) Report on the corporate social responsibility policy.

Complies  Complies partially  Explanation

7

That the company reports in real time, through its web page, the proceedings of the General Shareholders' Meetings.

Cumple  Explicue

8

That the audit committee ensures that the Board of Directors presents financial statements in the audit report for the General Shareholders' Meeting which do not have qualifications or reservations and that, in the exceptional circumstances in which qualifications may appear, that the chairman of the and the auditors clearly explain to the

shareholders the content and scope of said qualifications or reservations.

Complies  Complies partially  Explanation

9

That the company permanently maintains on its web page the requirements and procedures for certification of share ownership, the right of attendance at the General Shareholders' Meetings, and the exercise of the right to vote or to issue a proxy.

And that such requirements and procedures promote attendance and the exercise of shareholder rights in a non-discriminatory fashion.

Complies  Complies partially  Explanation

10

That when a verified shareholder has exercised his right to make additions to the agenda or to make new proposals to it with sufficient time in advance of the General Shareholders' Meeting, the company:

- a) Immediately distributes the additions items and new proposals.
- b) Publishes the attendance card credential or proxy form or form for distance voting with the changes such that the new agenda items and alternative proposals may be voted upon under the same terms and conditions as those proposals made by the Board of Directors.

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- c) Submits all of these items on the agenda or alternative proposals to a vote and applies the same voting rules to them as are applied to those drafted by the Board of Directors including, particularly, assumptions or default positions regarding votes for or against.
- d) That after the General Shareholders' Meeting, a breakdown of the results of said additions or alternative proposals is communicated.

Complies  Complies partially  Explanation  Not applicable

With regard to section c), the Board agrees that there are different presumptions about the direction of the vote for proposals submitted by shareholders and those submitted by the Board (as established in the Regulations of the Company's General Meeting), opting for the presumption of a vote in favour of agreements proposed by the Board of Directors (because the shareholders absent for the vote have had the opportunity to record their absence so their vote is not counted and they can also vote early in another direction through the mechanisms established for that purpose) and for the presumption of a vote against agreements proposed by shareholders (since there is a probability that the new proposals will deal with agreements that are contradictory to the proposals submitted by the Board of Directors and it is impossible to attribute opposite directions for their votes to the same shareholder. Additionally, shareholders who were absent have not had the opportunity to assess and vote early on the proposal).

Although this practice does not reflect the wording of Recommendation 10, it does better achieve the final objective of Principle 7 of the Good Governance Code which makes express reference to the Corporate Governance Principles of the OECD, which outline that the procedures used in Shareholders' Meetings must ensure the transparency of the count and the adequate registration of votes, especially in situations of voting battles, new items on the agenda and alternative proposals, because it is a measure of transparency and a guarantee of consistency when exercising voting rights.

11

That, in the event the company intends to pay for attendance at the General Shareholders' Meeting, it establish in advance a general policy of long-term effect regarding such payments.

Complies  Complies partially  Explanation  Not applicable

12

That the Board of Directors completes its duties with a unity of purpose and independence, treating all similarly situated shareholders equally and that it is guided by the best interests of the company, which is understood to mean the pursuit of a profitable and sustainable business in the long term, and the promotion of continuity and maximisation of the economic value of the business.

And that in pursuit of the company's interest, in addition to complying with applicable law and rules and in engaging in conduct based on good faith, ethics and a respect for commonly accepted best practices, it seeks to reconcile its own company interests, when appropriate, with the interests of its employees, suppliers, clients and other stakeholders, as well as the impact of its corporate activities on the communities in which it operates and the environment.

Complies  Complies partially  Explanation

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**13**

That the Board of Directors is of an adequate size to perform its duties effectively and collegially, and that its optimum size is between five and fifteen members.

Complies  Explanation

At 31 December 2019, the Board of Directors comprised a total of 16 members.

In line with best corporate governance practices, the General Shareholders' Meeting held on 5 April 2019 resolved to reduce the number of Board members by two (2), thus bringing the total number of Board members to sixteen (16). This number is within the limits stipulated in the by-laws and is close to the recommendation contained in the Code of Good Governance (that Boards should have between five and fifteen members). Meanwhile, and given its status as a credit institution, CaixaBank has six (6) Board committees, four (4) of which are compulsory and two (2) voluntary. The most recent of these were set up in 2019. It is therefore believed that the Board's current composition is suited to its current workload.

It should also be noted that the Board's current size and composition is justified by the need to incorporate a certain number of independent directors and also to comply with the shareholders' agreement stemming from the merger with Banca Cívica, which will remain in force until August 2020.

With all this in mind, the Board is believed to have the right number of members to ensure its maximum effectiveness and involvement of directors, with a wide range of opinions.

**14**

That the Board of Directors approves a selection policy for directors that:

- a) Is concrete and verifiable.
- b) Ensures that proposals for appointment or re-election are based upon a prior analysis of the needs of the Board of Directors.
- c) Favours diversity in knowledge, experience and gender.

That the resulting prior analysis of the needs of the Board of Directors is contained in the supporting report from the appointments committee published upon a call from the General Shareholders' Meeting submitted for ratification, appointment or re-election of each director.

And that the selection policy for directors promotes the objective that by the year 2020 the number of female directors accounts for at least 30% of the total number of members of the Board of Directors.

The appointments committee will annually verify compliance with the selection policy of directors and explain its findings in the Annual Corporate Governance Report.

Complies  Complies partially  Explanation

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That proprietary and independent directors constitute a substantial majority of the Board of Directors and that the number of executive directors is kept at a minimum, taking into account the complexity of the corporate group and the percentage of equity participation of executive.

Complies  Complies partially  Explanation

16

That the percentage of proprietary directors divided by the number of non-executive directors is no greater than the proportion of the equity interest in the company represented by said proprietary directors and the remaining share capital.

This criterion may be relaxed:

- a) In companies with a high market capitalisation in which interests that are legally considered significant are minimal.
- b) In companies where a diversity of shareholders is represented on the Board of Directors without ties among them.

Complies  Explanation

17

That the number of independent directors represents at least half of the total number of directors.

Nonetheless, when the company does not have a high level of market capitalisation or in the event that it is a high cap company with one shareholder or a group acting in a coordinated fashion who together control more than 30% of the company's equity, the number of independent directors represents at least one third of the total number of directors.

Complies  Explanation

18

That companies publish and update the following information regarding directors on the company website:

- a) Professional profile and biography.
- b) Any other Boards to which the director belongs, regardless of whether the companies are listed, as well as any other remunerated activities engaged in, regardless of type.
- c) Category of directorship, indicating, in the case of individuals who represent significant shareholders, the shareholder that they represent or to which they are connected.
- d) The date of their first appointment as a director of the company's Board of Directors, and any subsequent re-election.
- e) The shares and options they own.

Complies  Complies partially  Explanation

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That the Annual Corporate Governance Report, after verification by the appointments committee, explains the reasons for the appointment of proprietary directors at the proposal of the shareholders whose equity interest is less than 3%. It should also explain, where applicable, why formal requests from shareholders for membership on the Board meeting were not honoured, when their equity interest is equal to or exceeds that of other shareholders whose proposal for proprietary directors was honoured.

Complies  Complies partially  Explanation  Not applicable

20

That proprietary directors representing significant shareholders must resign from the Board if the shareholder they represent disposes of its entire equity interest. They should also resign, in a proportional fashion, in the event that said shareholder reduces its percentage interest to a level that requires a decrease in the number of proprietary directors representing this shareholder.

Complies  Complies partially  Explanation  Not applicable

21

That the Board of Directors may not propose the dismissal of any independent director before the completion of the director's term provided for in the Articles of Association unless the Board of Directors finds just cause and a prior report has been prepared by the appointments committee. Specifically, just cause is considered to exist if the director takes on new duties or commits to new obligations that would interfere with his or her ability to dedicate the time necessary for attention to the duties attendant to his or her post, fails to complete the tasks inherent to his or her post, or enters into any of the circumstances which would cause the loss of independent status in accordance with applicable law.

The dismissal of independent directors may also be proposed as a result of a public share offer, joint venture or similar transaction entailing a change in the shareholder structure of the company, provided that such changes in the structure of the Board are the result of the proportionate representation criteria provided for in Recommendation 16.

Complies  Explanation

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That companies establish rules requiring that directors inform the Board of Directors and, where appropriate, resign from their posts, when circumstances arise which may damage the company's standing and reputation. Specifically, directors must be required to report any criminal acts with which they are charged, as well as the consequent legal proceedings.

And that should a director be indicted or tried for any of the offences set out in company law legislation, the Board of Directors must investigate the case as soon as possible and, based on the particular situation, decide whether the director should continue in his or her post. And that the Board of Directors must provide a reasoned written account of all these events in its Annual Corporate Governance Report.

Complies  Complies partially  Explanation

23

That all directors clearly express their opposition when they consider any proposal submitted to the Board of Directors to be against the company's interests. This particularly applies to independent directors and directors who are unaffected by a potential conflict of interest if the decision could be detrimental to any shareholders not represented on the Board of Directors.

Furthermore, when the Board of Directors makes significant or repeated decisions about which the director has serious

reservations, the director should draw the appropriate conclusions and, in the event the director decides to resign, explain the reasons for this decision in the letter referred to in the next recommendation.

This recommendation also applies in the case of the secretary of the Board of Directors, despite not being a director.

Complies  Complies partially  Explanation  Not applicable

24

That whenever, due to resignation or any other reason, a director leaves before the completion of his or her term, the director should explain the reasons for this decision in a letter addressed to all the directors of the Board of Directors. Irrespective of whether the resignation has been reported as a relevant fact, it must be included in the Annual Corporate Governance Report.

Complies  Complies partially  Explanation  Not applicable

25

That the appointments committee ensures that non-executive directors have sufficient time in order to properly perform their duties.



And that the Board rules establish the maximum number of company Boards on which directors may sit.

Complies  Complies partially  Explanation

26

That the Board of Directors meet frequently enough so that it may effectively perform its duties, at least eight times per year, following a schedule of dates and agenda established at the beginning of the year and allowing each director individually to propose items do not originally appear on the agenda.

Complies  Complies partially  Explanation

According to the provisions of Article 7.2 of the Regulations of the Board of Directors, the Chairman is vested with ordinary powers to draw up the agenda for such meetings and steer discussions and deliberations.

However, any director may request that further items be included on the agenda.

27

That director absences only occur when absolutely necessary and are quantified in the Annual Corporate Governance Report. And when absences occur, that the director appoints a proxy with instructions.

Complies  Complies partially  Explanation

To help prevent unavoidable absences leading to de facto changes in the balance of the Board of Directors, the law allows directors to grant a proxy upon a fellow director (for non-executive directors, the proxy must be granted to a fellow non-executive director), as set out in Principle 14 of the Good Governance Code and in the corporate By-laws (article 37) and the Regulations of the Board of Directors (article 17), which states that directors must personally attend Board meetings. However, when they are unable to do so in person, they shall endeavour to grant their proxy in writing, on a special basis for each meeting, to a fellow Board member, including the appropriate instructions therein. Non-executive directors may only delegate a proxy to a fellow non-executive director, while independent directors may only delegate to a fellow independent director.

It should also be noted that CaixaBank's Corporate Governance Policy states that in relation to the duty of directors to attend Board meetings, and in the event of their unavoidable absence, directors shall endeavour to grant their proxy in writing, and separately for each meeting, to a fellow Board member. Every attempt must be made to ensure that each and every director attends at least 80% of Board meetings. As such, proxies are a comparative rarity at CaixaBank.

The Board of Directors considers, as good corporate governance practice, that when directors are unable to attend meetings, proxies are not generally delegated with specific instructions. This does not amend, de facto, the balance of the Board given that delegations may only be made by non-executive directors to other non-executive directors, and independent directors may only delegate to other independent directors, while directors are always required to defend the company's corporate interest regardless of their director status.

Moreover, and reflecting the freedom of each director who may also delegate with the appropriate instructions as suggested in the Board's Regulations, the decision to delegate without instructions represents each director's freedom to consider what provides most value to their proxy, and they may finally decide on the grounds that they want to give their proxy freedom to adapt to the result of the Board meeting debate. This, in addition, is in line with the law on the powers of the Chairman of the Board of Directors, who is given, among others, the responsibility of encouraging a good level of debate and the active involvement of all directors, safeguarding their right to adopt any position or stance they see fit.

Therefore, the freedom to appoint proxies with or without specific instructions, at the discretion of each director, is considered good practice and, specifically, the absence of instructions is seen as facilitating the proxy's ability to adapt to the content of the debate.

28

That when directors or the secretary express concern regarding a proposal or, in the case of directors, regarding the direction in which the company is headed and said concerns are not resolved by the Board of Directors, such concerns should be included in the minutes, upon a request from the protesting party.

Complies  Complies partially  Explanation  Not applicable

29

That the company establishes adequate means for directors to obtain appropriate advice in order to properly fulfil their duties including, should circumstances warrant, external advice at the company's expense.

Complies  Complies partially  Explanation

30

That, without regard to the knowledge necessary for directors to complete their duties, companies make refresher courses available to them when circumstances require.

Complies  Complies partially  Explanation

31

That the agenda for meetings clearly states those matters about which the Board of Directors are to make a decision or adopt a resolution so that the directors may study or gather all relevant information ahead of time.

When, under exceptional circumstances, the chairman wishes to bring urgent matters for decision or resolution before the Board of Directors which do not appear on the agenda, prior express agreement of a majority of the directors shall be necessary, and said consent shall be duly recorded in the minutes.

Complies  Complies partially  Explanation

32

That directors shall be periodically informed of changes in equity ownership and of the opinions of significant shareholders, investors and rating agencies of the company and its group.

Complies  Complies partially  Explanation

33

That the chairman, as the person responsible for the efficient workings of the Board of Directors, in addition to carrying out his duties required by law and the Articles of Association, should prepare and submit to the Board of Directors a schedule of dates and matters to be considered; organise and coordinate the periodic evaluation of the Board as well as, if applicable, the chief executive of the company, should be responsible for leading the Board and the effectiveness of its work; ensuring that sufficient time is devoted to considering strategic issues, and approve and supervise refresher courses for each director when circumstances so dictate.

Complies  Complies partially  Explanation



34

That when there is a coordinating director, the Articles of Association or the Board rules should confer upon him the following competencies in addition to those conferred by law: chairman of the Board of Directors in the absence of the chairman and deputy chairmen, should there be any; reflect the concerns of non-executive directors; liaise with investors and shareholders in order to understand their points of view and respond to their concerns, in particular as those concerns relate to corporate governance of the company; and coordinate a succession plan for the chairman.

Complies  Complies partially  Explanation  Not applicable

35

That the secretary of the Board of Directors should pay special attention to ensure that the activities and decisions of the Board of Directors take into account the recommendations regarding good governance contained in this Code of Good Governance and which are applicable to the company.

Complies  Explanation



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That the Board of Directors meet in plenary session once a year and adopt, where appropriate, an action plan to correct any deficiencies detected in the following:

- a) The quality and efficiency of the Board of Directors' work.
- b) The workings and composition of its committees.
- c) Diversity of membership and competence of the Board of Directors.
- d) Performance of the chairman of the Board of Directors and the chief executive officer of the company.
- e) Performance and input of each director, paying special attention to those in charge of the various Board committees.

In order to perform its evaluation of the various committees, the Board of Directors will take a report from the committees themselves as a starting point and for the evaluation of the Board, a report from the appointments committee.

Every three years, the Board of Directors will rely upon the assistance of an external advisor for its evaluation, whose independence shall be verified by the appointments committee.

Business relationships between the external adviser or any member of the adviser's group and the company or any company within its group shall be specified in the Annual Corporate Governance Report.

The process and the areas evaluated shall be described in the Annual Corporate Governance Report.

Complies  Complies partially  Explanation

37

That if there is an executive committee, the proportion of each different director category must be similar to that of the Board itself, and its secretary must be the secretary of the Board.

Complies  Complies partially  Explanation  Not applicable

38

That the Board of Directors must always be aware of the matters discussed and decisions taken by the executive committee and that all members of the Board of Directors receive a copy of the minutes of meetings of the executive committee.

Complies  Complies partially  Explanation  Not applicable

39

That the members of the audit committee, in particular its chairman, are appointed in consideration of their knowledge and experience in accountancy, audit and risk management issues, and that the majority of its members be independent directors.

Complies  Complies partially  Explanation

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**40**

That under the supervision of the audit committee, there must be a unit in charge of the internal audit function, which ensures that information and internal control systems operate correctly, and which reports to the non-executive chairman of the Board or of the audit committee.

Complies  Complies partially  Explanation

**41**

That the person in charge of the group performing the internal audit function should present an annual work plan to the audit committee, reporting directly on any issues that may arise during the implementation of this plan, and present an activity report at the end of each year.

Complies  Complies partially  Explanation  Not applicable

**42**

That in addition to the provisions of applicable law, the audit committee should be responsible for the following:

1. With regard to information systems and internal control:

- a) Supervise the preparation and integrity of financial information relative to the company and, if applicable, the group, monitoring compliance with governing rules and the appropriate application of consolidation and accounting criteria.

- b) Ensure the independence and effectiveness of the group charged with the internal audit function; propose the selection, appointment, re-election and dismissal of the head of internal audit; draft a budget for this department; approve its goals and work plans, making sure that its activity is focused primarily on material risks to the company; receive periodic information on its activities; and verify that senior management takes into account the conclusions and recommendations of its reports.
- c) Establish and supervise a mechanism that allows employees to report confidentially and, if appropriate, anonymously, any irregularities with important consequences, especially those of a financial or accounting nature, that they observe in the company.

2. With regard to the external auditor:

- a) In the event that the external auditor resigns, examine the circumstances which caused said resignation.
- b) Ensure that the remuneration paid to the external auditor for its work does not compromise the quality of the work or the auditor's independence.
- c) Insist that the company file a relevant fact with the CNMV when there is a change of auditor, along with a statement on any differences that arose with the outgoing auditor and, if applicable, the contents thereof.
- d) Ensure that the external auditor holds an annual meeting with the Board of Directors in plenary session in order to make a report regarding the tasks accomplished and regarding the development of its accounting and risks faced by the company.
- e) Ensure that the company and the external auditor comply with applicable rules regarding the rendering of services other than auditing, proportional limits on the auditor's billing, and all other rules regarding the auditor's independence.

Complies  Complies partially  Explanation

43

That the audit committee may require the presence of any employee or manager of the company, even without the presence of any other member of management.

Complies  Complies partially  Explanation

44

That the audit committee be kept abreast of any corporate and structural changes planned by the company in order to perform an analysis and draft a report beforehand to the Board of Directors regarding economic conditions and accounting implications and, in particular, any exchange ratio involved.

Complies  Complies partially  Explanation  Not applicable

45

That the risk management and control policy identify, as a minimum:

- a) The various types of financial and non-financial risks (among those operational, technological, legal, social, environmental, political and reputational) which the company faces, including financial or economic risks, contingent liabilities and other off balance sheet risks.
- b) Fixing of the level of risk the company considers acceptable.
- c) Means identified in order to minimise identified risks in the event they transpire.

- d) Internal control and information systems to be used in order to control and manage identified risks, including contingent liabilities and other off balance sheet risks.

Complies  Complies partially  Explanation

46

That under the direct supervision of the audit committee or, if applicable, of a specialised committee of the Board of Directors, an internal control and management function should exist delegated to an internal unit or department of the company which is expressly charged with the following responsibilities:

- a) Ensure the proper functioning of risk management and control systems and, in particular, that they adequately identify, manage and quantify all material risks that may affect the company.
- b) Actively participate in the creation of the risk strategy and in important decisions regarding risk management.
- c) Ensure that the risk management and control systems adequately mitigate risks as defined by policy issued by the Board of Directors.

Complies  Complies partially  Explanation

47

That members of the appointment and remuneration committee – or of the appointments committee and the remuneration committee if they are separate – are chosen taking into account the knowledge, ability and experience necessary to perform the duties they are called upon to carry out and that the majority of said members are independent directors.

Complies  Complies partially  Explanation

48

That high market capitalisation companies have formed separate appointments and remuneration committees.

Complies  Complies partially  Explanation

49

That the appointments committee consult with the chairman of the Board of Directors and the chief executive of the company, especially in relation to matters concerning executive directors.

And that any director may ask the appointments committee to consider potential candidates he or she considers appropriate to fill a vacancy on the Board of Directors.

Complies  Complies partially  Explanation



50

That the remuneration committee exercises its functions independently and that, in addition to the functions assigned to it by law, it should be responsible for the following:

- a) Propose basic conditions of employment for senior management.
- b) Verify compliance with company remuneration policy.
- c) Periodically review the remuneration policy applied to directors and senior managers, including remuneration involving the delivery of shares, and guarantee that individual remuneration be proportional to that received by other directors and senior managers.
- d) Oversee that potential conflicts of interest do not undermine the independence of external advice rendered to the Board.
- e) Verify information regarding remuneration paid to directors and senior managers contained in the various corporate documents, including the Annual Report on Director Remuneration.

Complies  Complies partially  Explanation

51

That the remuneration committee consults with the chairman and the chief executive of the company, especially in matters relating to executive directors and senior management.

Complies  Complies partially  Explanation

52

That the rules regarding composition and workings of supervision and control committees appear in the rules governing the Board of Directors and that they are consistent with those that apply to mandatory committees in accordance with the recommendations above, including:

- a) That they are comprised exclusively of non-executive directors, with a majority of them independent.
- b) That their chairmen be independent directors.
- c) That the Board of Directors select members of these committees taking into account their knowledge, skills and experience and the duties of each committee; discuss their proposals and reports; and detail their activities and accomplishments during the first plenary session of the Board of Directors held after the committee's last meeting.
- d) That the committees be allowed to avail themselves of outside advice when they consider it necessary to perform their duties.
- e) That their meetings be recorded and the minutes be made available to all directors.

Complies  Complies partially  Explanation  Not applicable



53

That verification of compliance with corporate governance rules, internal codes of conduct and social corporate responsibility policy be assigned to one or split among more than one committee of the Board of Directors, which may be the audit committee, the appointments committee, the corporate social responsibility committee in the event that one exists, or a special committee created by the Board of Directors pursuant to its powers of self-organisation, which at least the following responsibilities shall be specifically assigned thereto:

- a) Verification of compliance with internal codes of conduct and the company's corporate governance rules
- b) Supervision of the communication strategy and relations with shareholders and investors, including small- and medium-sized shareholders.
- c) The periodic evaluation of the suitability of the company's corporate governance system, with the goal that the company promotes company interests and take into account, where appropriate, the legitimate interests of other stakeholders.



- d) Review of the company's corporate social responsibility policy, ensuring that it is orientated towards value creation.
- e) Follow-up of social responsibility strategy and practice, and evaluation of degree of compliance.
- f) Supervision and evaluation of the way relations with various stakeholders are handled.
- g) Evaluation of everything related to non-financial risks to the company, including operational, technological, legal, social, environmental, political and reputational.
- h) Coordination of the process of reporting on diversity and reporting non-financial information in accordance with applicable rules and international benchmarks.

Complies  Complies partially  Explanation

54

That the corporate social responsibility policy include principles or commitments which the company voluntarily assumes regarding specific stakeholders and identifies, as a minimum:

- a) The objectives of the corporate social responsibility policy and the development of tools to support it.
- b) Corporate strategy related to sustainability, the natural environment and social issues.
- c) Concrete practices in matters related to: shareholders, employees, clients, suppliers, social issues, the natural environment, diversity, fiscal responsibility, respect for human rights, and the prevention of unlawful conduct.
- d) Means or systems for monitoring the results of the application of specific practices described in the immediately preceding paragraph, associated risks, and their management.

- e) Means of supervising non-financial risk, ethics, and business conduct.
- f) Communication channels, participation and dialogue with stakeholders.
- g) Responsible communication practices that impede the manipulation of data and protect integrity and honour.

Complies  Complies partially  Explanation

55

That the company reports, in a separate document or within the management report, on matters related to corporate social responsibility, following internationally recognised methodologies.

Complies  Complies partially  Explanation

56

That director remuneration be sufficient in order to attract and retain directors who meet the desired professional profile and to adequately compensate them for the dedication, qualifications and responsibility demanded of their posts, while not being so excessive as to compromise the independent judgment of non-executive directors.

Complies  Explanation

57

That only executive directors receive remuneration linked to corporate results or personal performance, as well as remuneration in the form of shares, options or rights to shares or instruments whose value is indexed to share value, or long-term savings plans such as pension plans, retirement accounts or any other retirement plan.

Shares may be given to non-executive directors under the condition that they maintain ownership of the shares until they leave their posts as directors. The foregoing shall not apply to shares which the director may need to sell in order to meet the costs related to their acquisition.

Complies  Complies partially  Explanation

58

That as regards variable remuneration, the policies incorporate limits and administrative safeguards in order to ensure that said remuneration is in line with the work performance of the beneficiaries and are not based solely upon general developments in the markets or in the sector in which the company operates, or other similar circumstances.

And, in particular, that variable remuneration components:

- a) Are linked to pre-determined and measurable performance criteria and that such criteria take into account the risk undertaken to achieve a given result.
- b) Promote sustainability of the company and include non-financial criteria that are geared towards creating long term value, such as compliance with rules and internal operating procedures and risk management and control policies.
- c) Are based upon balancing short-, medium- and long-term objectives, permitting the reward of continuous achievement over a period of time long enough to judge creation of sustainable value such that the benchmarks used for evaluation are not comprised of one-off, seldom occurring or extraordinary events.

Complies  Complies partially  Explanation  Not applicable

59

That a material portion of variable remuneration components be deferred for a minimum period of time sufficient to verify that previously established performance criteria have been met.

Complies  Complies partially  Explanation  Not applicable

60

That remuneration related to company results takes into account any reservations which may appear in the external auditor's report which would diminish said results.

Complies  Complies partially  Explanation  Not applicable

61

That a material portion of variable remuneration for executive directors depends upon the delivery of shares or instruments indexed to share value.

Complies  Complies partially  Explanation  Not applicable

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That once shares or options or rights to shares arising from remuneration schemes have been delivered, directors are prohibited from transferring ownership of a number of shares equivalent to two times their annual fixed remuneration, and the director may not exercise options or rights until a term of at least three years has elapsed since they received said shares.

The foregoing shall not apply to shares which the director may need to sell in order to meet the costs related to their acquisition.

Complies  Complies partially  Explanation  Not applicable

The prohibition on directors transferring ownership of a number of shares equivalent to two times their fixed annual remuneration within three years of acquiring those shares is not applied as such at CaixaBank. There is no provision governing this matter, although executive directors (who are the only directors entitled to receive share-based remuneration) are expressly prohibited from transferring shares received under their remuneration package, no matter the amount, until 12 months have elapsed from receiving them.

The purpose established in Principle 25 that director remuneration be conducive to achieving business objectives and the company's best interests is also achieved through the existence of malus and clawback clauses, and via the remuneration structure for executive directors, whose remuneration in shares (corresponding to half their variable remuneration and in relation to long-term incentive plans) is not only subject to a lock-up period but is also deferred. Moreover, this variable remuneration constitutes a limited part of their total remuneration, thus complying fully with the prudential principles of not providing incentives for risk-taking while being suitably aligned with the Company's objectives and its sustainable growth.

The Annual General Meeting of 6 April 2017 approved the Remuneration Policy for the Board of Directors, extending the deferral period from three to five years applicable from 2018 onward (this change was made to comply

with the EBA Guidelines on sound remuneration policies). The policy was maintained in the Amendments to the Remuneration Policy of the Board of Directors approved at the Annual General Meetings of 6 April 2018 and 5 April 2019. Meanwhile, the long-term incentive plans were ratified at the Annual General Meetings held on 23 April 2015 and 5 April 2019.

63

That contractual arrangements include a clause which permits the company to seek reimbursement of variable remuneration components in the event that payment does not coincide with performance criteria or when delivery was made based upon data later deemed to be inaccurate.

Complies  Complies partially  Explanation  Not applicable

64

That payments made for contract termination shall not exceed an amount equivalent to two years of total annual remuneration and that it shall not be paid until the company has verified that the director has fulfilled all previously established criteria for payment.

Complies  Complies partially  Explanation  Not applicable

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# H. Further information of interest

## Ethical principles or good practices to which CaixaBank adheres:

### INTERNATIONAL



Body responsible for promoting the principles of the United Nations. CaixaBank has held the presidency since 2012.



Promotes sustainable finance and the integration of environmental and social aspects in the business (2018).



Defines the role and responsibilities of the financial sector to guarantee a sustainable future (2019).



The pension plan management company, VidaCaixa (2009), the management company of Group assets, CaixaBank Asset Management (2016) and BPI Gestão de Activos (2019), are signatories.



Pursues achievement of the ODS goals through the promotion of impact investments. CaixaBank Asset Management holds the presidency of the Spanish National Board (2019).



Promotes microfinances as a tool to fight against social and financial exclusion in Europe via self-employment and the creation of micro-businesses.



Entity that represents savings banks and retail banking in Europe. CaixaBank teams participate in several committees.



Public commitment to ensure that its policies promote gender equality (2013).



Principles that promote integrity in the green and social bonds market (2015).



Iniciativa del Financial Stability Board que promueve la divulgación de las exposiciones climáticas de las empresas (2018).



Initiative that fosters the dialogue with worldwide companies that have the highest levels of greenhouse gas emissions (2018).



Commitment to ESG\* risk assessment in project financing of over 7 million euros (2007).



Global and collaborative initiative of companies committed to using 100% renewable energy (2016).



CaixaBank is the first European bank to become a member of this United Nations body responsible for promoting responsible, sustainable and universally accessible tourism (2019).

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**DOMESTIC**

**»» laCaixa™**  
Partnership with the "la Caixa", the first Social Action Project in Spain and one of the largest foundations of the world.

**»» IESE**  
Commitment to foster, promote and spread new CSR ideas (2008).

**»» Cátedra AgroBank**  
Chair to promote innovation and sustainability in the agrobusiness industry (2016).

**»» Observatorio de los ODS**  
Monitors compliance with ODS by Spanish companies (2017). Created by "la Caixa" in collaboration with the Democratic Leadership and Governance Chair of ESADE (2017).

**»» ceca**  
Company that represents to the savings banks in Spain. CaixaBank teams participate in several committees.

**»» Grupo Español Crecimiento Verde**  
Promotes economic growth linked to a low-carbon economy through public-private partnerships, of which CaixaBank is a founding partner (2016).

**»» finresp2**  
These intend to ensure that enough private capital is allocated to sustainable investors. Subscribed to the United Nations' European network of centres for sustainability (2019).

**»» seres**  
Promotes the commitment of companies to improve society by acting responsibly. CaixaBank is on the Board of Trustees and the Advisory Board (2011).

**»» Forética**  
Promotes the integration of social, environmental and governance issues in the management of companies (2010).

CaixaBank is also a signatory to the UN Women's Empowerment Principles (since 2014); the United Nations Global Compact (since 2012); the Diversity Charter (since 2011); "Más mujeres, mejores empresas" ("More women, better companies") (renewed in 2019); "EJE&CON" (since February 2019); and the Generation and Talent Observatory (since 2016). Since 2015, CaixaBank has been compliant with and committed to the Code of Good Tax Practices drawn up within the framework of the Large Companies Forum in collaboration with the Spanish tax authorities. Furthermore, CaixaBank, through its London branch, has voluntarily subscribed to the Code of Practice on Taxation for Banks, organised and enforced by the tax authorities of the United Kingdom.

**»» ICC**  
Defends the CSR and the fight against corruption of Spanish companies (2019).

**»» finanzas para todos**  
Signatory to the Financial Education Plan promoted by the Bank of Spain and the Spanish Securities Market Regulator (CNMV), whose objective to improve society's knowledge of financial affairs (2010).

**»» DIRSE**  
Spanish association of Social Responsibility professionals. CaixaBank is a member of the Board (2011).

**»» IESE PPP for CITIES**  
Collaboration agreement to develop concrete proposals that aid the financing and full implementation of Smart City proposals: more inclusive and sustainable cities, both as regards society as a whole and the entire planet (2019).

CaixaBank has been adhered to the programme of voluntary agreements to reduce greenhouse gas emissions since 2009. It also actively takes part in the carbon footprint and offsetting registry kept by the Spanish Ministry for the ecological transition and the demographic challenge and has voluntarily pledged to monitor its emissions and roll out measures to further reduce its footprint, beyond its minimum legal obligations.

**»» RECOGNITION BY THE MAIN SUSTAINABILITY INDEXES AND RATING AGENCIES**

	(0-100)	(CCC-AAA)	(0-100)	(1-5)	(D-/A+)	(D-/A)	
<b>2019</b>	<b>81</b>	<b>A</b>	<b>74</b>	<b>3,8</b>	<b>C</b>	<b>A-</b>	<b>Robust</b>
<b>2018</b>	<b>79</b>	<b>A</b>	<b>74</b>	<b>4</b>	<b>C</b>	<b>A-</b>	<b>Robust</b>
	Only 25 banks are included worldwide		Outperformer		Prime	Leadership	

CaixaBank also adheres to the OECD Guidelines for Multinational Enterprises, which foster sustainable and responsible business conduct.

Last but not least, in 2015 CaixaBank signed the Code of Good Practices of the Spanish Government for the viable restructuring of mortgage debts on primary residences, which aims to protect families at risk of exclusion.

CaixaBank's DNA

Strategic lines

Non-financial information statement

Glossary

Independent Verification Report

Annual Corporate Governance Report for 2019

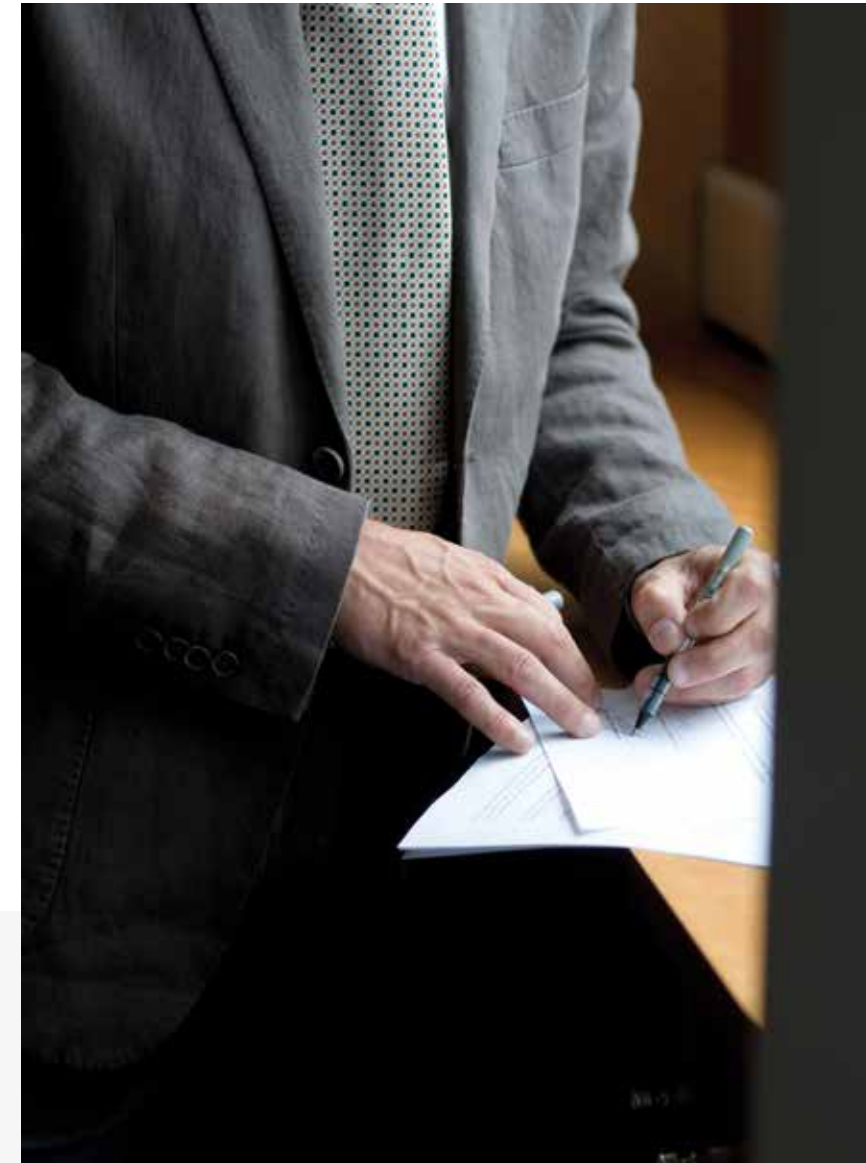
This annual corporate governance report was authorised for issue by the company's Board of Directors at a meeting held on:

20/02/2020

State if any directors have voted against or abstained from approving this report.

Yes  No

The English version is a translation of the original in Spanish and is provided for information purposes only. In case of discrepancy, the original version in Spanish shall prevail.



**CAIXABANK, S.A.**

Auditor's report on "Information regarding the  
Internal Control System over Financial Reporting (ICSFR)"  
of CaixaBank, S.A. for the 2019 financial year





*This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.*

## Auditor's report on "Information regarding the Internal Control System over Financial Reporting (ICSFR)" of CaixaBank, S.A. for the 2019 financial year

To the Board of Directors of CaixaBank, S.A.,

In accordance with the request of the Board of Directors of CaixaBank, S.A. ("the Company") and our engagement letter dated 8 November 2019, we have applied certain procedures in respect of the attached "Information regarding the Internal Control System over Financial Reporting" ("ICSFR"), included in Annual Corporate Governance Report in section "*F. Internal control and risk management systems in relation to the process of issuing financial information (ICSFR)*" of CaixaBank, S.A. for the 2019 financial year, which includes a summary of the Company's internal control procedures relating to its annual financial information.

The Board of Directors is responsible for adopting the necessary measures to reasonably ensure the implementation, maintenance and supervision of an appropriate internal control system, and for developing improvements to that system and preparing and establishing the content of the accompanying Information regarding the ICSFR.

In this regard, it should be borne in mind that, regardless of the quality of the design and operating efficiency of the internal control system used by the Company in relation to its annual financial information, only a reasonable, but not absolute, degree of assurance may be obtained in relation to the objectives it seeks to achieve, due to the limitations inherent in any internal control system.

In the course of our audit work on the consolidated annual accounts and in accordance with Spanish Auditing Standards, the sole purpose of our evaluation of the Company's internal control system is to enable us to establish the scope, nature and timing of our audit procedures in respect of the Company's annual accounts. Accordingly, our internal control evaluation, performed for the purposes of our audit, is not sufficient in scope to enable us to issue a specific opinion on the effectiveness of such internal control over the regulated annual financial information.

For the purposes of the present report, we have exclusively applied the specific procedures described below, as indicated in the "*Guidelines concerning the auditor's Report on the Information regarding the Internal Control System over Financial Reporting for listed entities*" published by the National Securities Market Commission (hereinafter NSMC) on its web site, which sets out the work to be performed, the scope of such work and the content of this report. In view of the fact that, in any event, the scope of the work resulting from these procedures is reduced and substantially less than the scope of an audit or review of the internal control system, we do not express an opinion on the effectiveness thereof, its design or operational efficiency, in relation to the Company's annual financial information for the 2019 financial year described in the accompanying Information regarding the ICSFR. Had we applied additional procedures to those determined by the aforementioned Guidelines, or had we performed an audit or review of the internal control system in relation to the regulated annual financial information, other matters could have come to light in respect of which you would have been informed.

In addition, provided that this special work neither constitutes an account audit it is not even submitted to the Law of Account audit, we do not express an opinion of audit in the terms foreseen in the mentioned regulation.

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The procedures applied were as follows:

1. Reading and understanding the information prepared by the Company in relation to the ICSFR – as disclosed in the Directors' Report – and the evaluation of whether such information includes all the information required as per the minimum content set out in Section F regarding the description of the ICSFR, in the model of the Annual Corporate Governance Report, as established in Circular nº 5/2013 of the NSMC, dated June 12, 2013, as modified by Circular nº 7/2015 of the NSMC dated December 22, 2015 and in Circular nº 2/2018 of the NSMC dated June 12, 2018.
2. Making enquiries of personnel in charge of preparing the information mentioned in point 1 above in order to: (i) obtain an understanding of the preparation process; (ii) obtain information that enables us to assess whether the terminology used is in line with the framework of reference; (iii) obtain information as to whether the control procedures described have been implemented and are functioning in the Company.
3. Review of supporting documentation explaining the information described in point 1 above and which mainly comprises the information made directly available to the persons responsible for preparing the information on the ICSFR. Such documentation includes reports prepared by the internal audit function, senior management and other internal and external specialists in support of the functions of the Audit and Control Committee.
4. Comparison of the information described in point 1 above with our knowledge of the Company's ICSFR, obtained by means of the application of the procedures performed within the framework of the audit engagement on the consolidated annual accounts.
5. Reading the minutes of meetings of the Board of Directors, Audit and Control Committee and other committees of the Company, for the purposes of evaluating the consistency between the matters dealt with therein in relation to the ICSFR and the information described in point 1 above.
6. Obtaining a representation letter concerning the work performed, duly signed by the persons responsible for the preparation and drafting of the information mentioned in point 1 above.

As a result of the procedures applied in relation to the Information regarding the ICSFR, no inconsistencies or incidents have been identified which could affect such information.

This report has been prepared exclusively within the framework of the requirements of article 540 of the revised Spanish Companies Act and Circular nº 5/2013 of the NSMC, dated June 12, 2013, as modified by Circular nº 7/2015 of the NSMC, dated December 22, 2015 and by Circular nº 2/2018 of the NSMC dated June 12, 2018, for the purposes of describing the ICSFR in Annual Corporate Governance Reports.

PricewaterhouseCoopers Auditores, S.L.

PRICEWATERHOUSECOOPERS AUDITORES, S.L.

Original in Spanish signed by  
Ramón Aznar Pascua

21 February, 2020