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**ISSUER'S PARTICULARS**

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Financial year-end:

31/12/2018

Tax code:

A-08663619

Corporate name:

**CAIXABANK, S.A.**

Registered office:

CL. PINTOR SOROLLA N.2-4  
(VALENCIA)

**A. OWNERSHIP STRUCTURE**

A.1 Complete the following table on the company's share capital.

Date of last amendment	Share capital (€)	Number of shares	Number of voting rights
14/12/2016	5,981,438,031.00	5,981,438,031	5,981,438,031

Indicate whether different types of shares exist with different associated rights.

Yes  
 No

At the close of the financial year, the share capital of CaixaBank was 5,981,438,031 euros, represented by 5,981,438,031 shares each with a face value of 1 euro, belonging to a single class and series, with identical political and economic rights, and represented through book entries. The company responsible for carrying its accounting records is the 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).

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 communicated the issuance of preferential shares, eventually convertible into new issue shares of CaixaBank (AT1) with the exclusion of pre-emptive rights for an amount of 1.25 billion euros.

The preference shares are perpetual, although they may be redeemed under specific circumstances at the option of CaixaBank and, in all cases, are convertible into ordinary 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 the time of the conversion (as of today, the face value of the share is one euro (€1)).

A.2 Details of direct and indirect owners of significant holdings at the end of the financial year, excluding directors:

Name or corporate name of the significant shareholder	% voting rights attributed to shares		% voting rights through financial instruments		total % of voting rights
	Direct	Indirect	Direct	Indirect	
INVESCO LIMITED	0.00	1.99	0.00	0.00	1.99
BLACKROCK, INC	0.00	2.91	0.00	0.17	3.08
LA CAIXA BANKING FOUNDATION	0.00	40.00	0.00	0.00	40.00

Details of indirect holding:

Name or corporate name of the indirect owner	Name or corporate name of the direct owner	% of voting rights attributed to shares	% of voting rights through financial instruments	total % of voting rights
INVESCO LIMITED	INVESCO ASSET MANAGEMENT LIMITED	1.91	0.00	1.91
INVESCO LIMITED	INVESCO ADVISER, INC	0.03	0.00	0.03
INVESCO LIMITED	INVESCO MANAGEMENT, S.A.	0.04	0.00	0.04
BLACKROCK, INC	OTHER CONTROLLED ENTITIES BELONGING TO THE BLACKROCK GROUP, INC	2.91	0.17	3.08
LA CAIXA BANKING FOUNDATION	CRITERIA CAIXA, SAU	40.00	0.00	0.00

Indicate the most significant movements in the shareholder structure during the year:

**Most significant movements**

Shareholder Date Description of the transaction Transaction

BLACKROCK, INC 09/11/2018 The holding has fallen below 3% of the share capital INVESCO LIMITED 21/11/2018 The holding has fallen below 2% of the share capital INVESCO LIMITED 07/11/2018 The holding has exceeded 2% of the share capital INVESCO LIMITED 29/10/2018 The holding has fallen below 2% of the share capital INVESCO LIMITED 25/10/2018 The holding has exceeded 2% of the share capital INVESCO LIMITED 06/09/2018 The holding has fallen below 2% of the share capital INVESCO LIMITED 05/06/2018 The holding has exceeded 2% of the share capital

With regard to the ownership situation of the "La Caixa" Banking Foundation in CaixaBank, it must be noted that at the close of the 2018 financial year, Fundación Bancaria Caja de Ahorros y Pensiones de Barcelona ('la Caixa') directly holds 3,493 shares and through CriteriaCaixa (a company 100% controlled by the Banking Foundation), 2,392,575,212 CaixaBank shares.

With respect to the situation of the stake of BlackRock, INC, it should be noted that its total holding at the close of the financial year was 3.088%, corresponding to the result of adding 2.915% of indirect voting rights through shares to the 0.173% of indirect voting rights through financial instruments. And with respect to Invesco Limited, at the close of the financial year, their stake was 1.994% of indirect voting rights through shares.

In relation to movements of the most significant share structure movements during 2018, as well as the notifications of Invesco Limited which appear in section A.2 of this Report, it should be noted that BlackRock, INC has made additional communications that were presented voluntarily, and which do not result in threshold crossings, which is why they are not included in section A.2, however, they can be consulted on the CNMV website.

A.3. In the following tables, list the members of the Board of Directors (hereinafter, "directors") with voting rights on company shares:

Name or corporate name of the director	% of voting rights attributed to shares		% of voting rights through financial instruments		total % of voting rights	% voting rights that can be transmitted through financial instruments	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
ANTONIO SÁINZ DE VICUÑA Y BARROSO	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IGNACIO GARRALDA RUIZ DE VELASCO	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ALAIN MINC	0.00	0.00	0.00	0.00	0.00	0.00	0.00
JOSÉ SERNA MASIÁ	0.00	0.00	0.00	0.00	0.00	0.00	0.00
KORO USARRAGA UNSAIN	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EDUARDO JAVIER SANCHIZ IRAZU	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MARÍA VERÓNICA FISAS VERGÉS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
JUAN ROSELL LASTORTRAS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOMÁS MUNIESA ARANTEGUI	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ALEJANDRO GARCÍA-BRAGADO DALMAU	0.00	0.00	0.00	0.00	0.00	0.00	0.00
JORDI GUAL SOLÉ	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FRANCESC XAVIER VIVES TORRENTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MARÍA AMPARO MORALEDA MARTÍNEZ	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Name or corporate name of the director	% of voting rights attributed to shares		% of voting rights through financial instruments		total % of voting rights	% voting rights that can be transmitted through financial instruments	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
GONZALO GORTÁZAR ROTAECHE	0.01	0.00	0.00	0.00	0.01	0.00	0.00
CAJA CANARIAS FOUNDATION	0.64	0.00	0.00	0.00	0.64	0.00	0.00
JOHN S. REED	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MARÍA TERESA BASSONS BONCOMPTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
JAVIER IBARZ ALEGRÍA	0.00	0.00	0.00	0.00	0.00	0.00	0.00
% of total voting rights held by the Board of Directors						0.65	

Details of indirect holding:

Name or corporate name of the director	Name or corporate name of the direct owner	% of voting rights attributed to shares	% of voting rights through financial instruments	total % of voting rights	% of voting rights that can be transmitted through financial instruments
JOSÉ SERNA MASIÁ	MARÍA SOLEDAD GARCÍA CONDE ANGOSO	0.00	0.00	0.00	0.00
JUAN ROSELL LASTORTRAS	CIVISLAR, S.A.	0.00	0.00	0.00	0.00
JUAN ROSELL LASTORTRAS	CONGOST PLASTICS, S.A.	0.00	0.00	0.00	0.00

**A.4** Where applicable, indicate any family, commercial, contractual or business relationships between owners of significant shareholdings, insofar that they are known by the company, unless they are insignificant or arise from ordinary trading or exchange activities, except for those detailed in section A.6:

Related-party name or corporate name	Type of relationship	Brief description
No data		

**A.5** Indicate, as applicable, any commercial, contractual or corporate relationships between owners of significant shareholdings, and the company and/or its group, unless they are insignificant or arise from ordinary trading or exchange activities.

Related-party name or corporate name	Type of relationship	Brief description
LA CAIXA BANKING FOUNDATION	Commercial	There are commercial and contractual relationships which derive from ordinary trading or exchange activities, the regulating principles of which are between "La Caixa" Banking Foundation, Criteria and CaixaBank. In accordance with the provisions of the Financial Participation Management Protocol, the Banking Foundation, as the parent 'La Caixa' Group, Criteria, as a direct shareholder, and CaixaBank, as a listed company, entered into a new Internal Relations Protocol on 22 February 2018, whose primary objectives are, inter alia, to manage related operations, the right of first refusal on El Monte de Piedad, collaboration in CSR, and the proper flow of information that allows the 'La Caixa' Banking Foundation, Criteria and CaixaBank to draw up their financial statements and meet periodical information and supervision obligations with regulatory and redress bodies.
LA CAIXA BANKING FOUNDATION	Contractual	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 Protocol between "La Caixa" Banking Foundation, Criteria and CaixaBank. In accordance with the provisions of the Financial Participation Management

Related-party name or corporate name	Type of relationship	Brief description
		Protocol, the Banking Foundation, as the parent company of the 'La Caixa' Group, Criteria, as a direct shareholder, and CaixaBank, as a listed company, entered into a new Internal Relations Protocol on 22 February 2018, whose primary objectives are, inter alia, to manage related operations, the right of first refusal on El Monte de Piedad, collaboration in CSR, and the proper flow of information that allows the 'La Caixa' Banking Foundation, Criteria and CaixaBank to draw up their financial statements and meet periodical information and supervision obligations with regulatory and redress bodies.

**A.6.** Describe the relationships, unless insignificant for the two parties, that exist between significant shareholders or shareholders represented on the Board and directors, or their representatives in the case of corporate directors.

Explain, as applicable, how the significant shareholders are represented. Specifically, state those directors appointed to represent significant shareholders, those whose appointment was proposed by significant shareholders and/or companies in its group, specifying the nature of such relationships or ties. In particular, mention the existence, identity and post of directors, or their representatives, as the case may be, of the listed company, who are, in turn, members of the Board of Directors or their representatives of companies that hold significant shareholdings in the listed company or in group companies of these significant shareholders.

Name or corporate name of the related director or representative	Name or corporate name of the significant related shareholder	Corporate name of the company of the group of the significant shareholder	Description of relationship/post
ALEJANDRO GARCÍA-BRAGADO DALMAU	LA CAIXA BANKING FOUNDATION	CRITERIA CAIXA, SAU	Deputy chairman I of the Board of Directors of Criteria Caixa, S.A.U. Member of the Board of Directors of Saba Infraestructuras, S.A.
IGNACIO GARRALDA RUIZ DE VELASCO	MUTUA MADRILEÑA AUTOMOVILISTA SOCIEDAD DE SEGUROS A PRIMA FIJA (Fixed Premium Insurance Company)	MUTUA MADRILEÑA AUTOMOVILISTA SOCIEDAD DE SEGUROS A PRIMA FIJA (Fixed Premium Insurance Company)	Chairman and Managing Director of Mutua Madrileña Automovilista, Fixed Premium Insurance Company.
NATALIA AZNÁREZ GÓMEZ	CAJA NAVARRA BANKING FOUNDATION	CAJA CANARIAS FOUNDATION	Director of the Caja Canarias Foundation.

Name or corporate name of the related director or representative	Name or corporate name of the significant related shareholder	Corporate name of the company of the group of the significant shareholder	Description of relationship/post
	CAJA CANARIAS FOUNDATION AND CAJA DE BURGOS FOUNDATION		
CAJA CANARIAS FOUNDATION	CAJA NAVARRA BANKING FOUNDATION, CAJA CANARIAS FOUNDATION AND CAJA DE BURGOS FOUNDATION	CAJA NAVARRA BANKING FOUNDATION, CAJA CANARIAS FOUNDATION AND CAJA DE BURGOS FOUNDATION	N.A.

**A.7.** Indicate whether the company has been notified of any shareholders' agreements pursuant to articles 530 and 531 of the Corporate Enterprises Act ("LSC"). Provide a brief description and list the shareholders bound by the agreement, as applicable.

[  ] Yes  
[  ] No

Shareholders bound by agreement	% of share capital	Brief description of agreement	Expiration date of the agreement, if there is one
CAJA DE BURGOS FOUNDATION, BANKING FOUNDATION, CAJA NAVARRA BANKING FOUNDATION, CAJA CANARIAS FOUNDATION, LA CAIXA FOUNDATION	40.63	Following the merger by absorption of Banca Cívica by CaixaBank, the shareholders: The 'La Caixa' Banking Foundation, and Caja Navarra (now the Caja Navarra Banking Foundation), Cajasol (now the Cajasol Foundation), Caja Canarias (now the Caja Canarias Foundation) and Caja de Burgos (now Caja de Burgos, Banking Foundation) (hereinafter, 'the Foundations'), entered into the Shareholders' Agreement on 1 August 2012, whose objective is to regulate the relationships of 'the Foundations' and the 'La Caixa' Banking Foundation, as shareholders of CaixaBank, and their reciprocal cooperative relationships, as well as with CaixaBank, with a view to strengthen their respective activities around the latter and support the 'La Caixa' Banking Foundation.	1 August 2020 See the Note in Section H.

Indicate whether the company is aware of the existence of any concerted actions among its shareholders. Where applicable, briefly describe them:

Yes  
 No

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

Expressly indicate any amendments to or termination of such agreements or concerted actions during the year.

On 29 October 2018, a communication was made through a Material Fact, stating that all parties had signed the amendments of the Integration Agreement between CaixaBank and Banca Cívica, S.A., and the CaixaBank Shareholders Agreement. The main purpose of the amendment is to clarify its content in relation to certain commitments undertaken by the '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 represented a reduction in the holding of the Banking Foundation, and the subsequent loss of control in CaixaBank.

Furthermore, on 4 October 2018, via the modification agreement entered into by 'the Foundations' and the 'La Caixa' Banking Foundation, the Agreement was modified, after the Cajasol Foundation declared its will to nullify the Integration Agreement between CaixaBank, S.A. and Banca Cívica S.A., once six years have passed since it was signed.

Modifications 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 validity of the commitments regarding the combined Social Work of the Foundations and the 'La Caixa' Banking Foundation has been maintained, with the same content and scope as before, with the exception of the commitments between Cajasol and the 'La Caixa' Banking foundation, whereby, in this case, only the commitments made on the date of said document remain in force, up to the end date thereof.

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

**A.8** State whether any individual or company exercises or may exercise control over the company in accordance with Article 5 of the Spanish Securities Market Act. If so, identify them:

Yes  
 No

**A.9** Complete the following tables on the company's treasury stock. At

year end:

Number of shares held directly	Number of shares held indirectly(*)	& of total share capital
2,608,240	204,314	0.04

(\*) Through:

Name or corporate name of direct shareholder	Number of shares held directly
CAIXABANK ASSET MANAGEMENT, SGIIC, S.A.U	6,905
VIDACAIXA, S.A. DE SEGUROS Y REASEGUROS	26,880
MICROBANK	2,971
BPI	167,558
<b>Total</b>	<b>204,314</b>

**A.10** Give details of the applicable conditions and time periods governing any resolutions of the General Shareholders' Meeting to issue, buy back and/or transfer treasury stock:

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 acquisition may be made in the form of a sale, swap, dation in payment or any other legally admissible form, on one or more occasions, providing 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 Company's Annual General Meeting. In addition, and for the purposes of article 146.1, section a, paragraph 2 of the Corporate Enterprises Act, a resolution is made to expressly authorise the acquisition of shares in the Company by any of the subsidiaries, in the same terms as set out herein.

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 so deems appropriate. All of the above with the remaining limits and requirements of the Corporate Enterprises Act and other applicable legislation. The unused portion of the previous authorisation granted at the Annual General Meeting held on 19 April 2012 was thereby revoked.

On 28 January 2016, the Board of Directors agreed to set the criteria for intervention in securities held in treasury on the basis of a new alerts system in accordance with the authorisation contemplated in article 46 of the Internal Rules of Conduct to define the discretion in managing the securities held in treasury shares by the ring-fenced area.

**A.11** Estimated floating capital:

	%
Estimated floating capital	54.21

**A.12** State whether there are any restrictions (articles of association, legislative or of any other nature) placed on the transferability of shares and/or any restrictions on voting rights. In particular, state the existence of any type of restriction that may inhibit a takeover attempt of the company through acquisition of its shares on the market, and any regimes for the prior authorisation or notification that may be applicable, under sector regulations, to acquisitions or transfers of the company's financial instruments.

Yes  
 No

**A.13** Indicate whether the General Shareholders' Meeting has agreed to take neutralisation measures to prevent a public takeover bid by virtue of the provisions of Act 6/2007.

Yes  
 No

If applicable, explain the measures adopted and the terms under which these restrictions may be lifted.

**A.14** State if the company has issued shares that are not traded on a regulated EU market.

Yes  
 No

If so, identify the various classes of shares and, for each class of shares, the rights and obligations they confer:

## **B. GENERAL SHAREHOLDERS' MEETING**

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**B.1** Indicate the quorum required for constitution of the General Shareholders' Meeting established in the company's Articles of Association. Describe how it differs from the system of minimum quorums established in the LSC:

Yes  
 No

**B.2** Indicate and, as applicable, describe any differences between the company's system of adopting corporate resolutions and the framework set forth in the LSC.

Yes  
 No

**B.3** Indicate the rules governing amendments to the company’s Articles of Association. In particular, indicate the majorities required to amend the Articles of Association and, if applicable, the rules for protecting shareholders’ rights when changing the Articles of Association.

CaixaBank’s Articles of Association establish the same limits and conditions as those set forth in the Corporate Enterprises Act. The provisions of the Corporate Enterprises Act shall be applied to protect shareholders’ rights when changing the Articles of Association.

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. Notwithstanding the above, it should be mentioned 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.

**B.4** Give details of attendance at General Shareholders’ Meetings held during the year of this report and the two previous years:

Date of general meeting	Datos de asistencia				Total
	% attending in person	% by proxy	% remote voting		
			Electronic mean	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

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

**B.5** State whether any point on the agenda of the General Shareholders’ Meetings during the year has not been approved by the shareholders for any reason:

Yes  
 No

**B.6** State whether the Articles of Association contain any restrictions requiring a minimum number of shares to attend General Shareholders’ Meetings, or on distance voting:

Yes  
 No

Number of shares required to attend the General Meetings	1,000
Number of shares required for distance voting	1

All shareholders that hold a minimum of one thousand (1,000) shares, individually or in a group with other shareholders, can attend the General Meeting in person.

In order to attend the 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 in advance of the date on which the General Meeting is to be held. 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.

B.7 State whether it has 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:

Yes  
 No

B.8 Indicate the address and mode of accessing corporate governance content on your company's website as well as other information on General Meetings which must be made available to shareholders on the website:

The information on CaixaBank's corporate governance is available on the company website ([www.caixabank.com](http://www.caixabank.com)) in the section on 'Information for Shareholders and Investors', subsection 'Corporate governance and remuneration policy', accessible at the following URL:

[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. We would also note that there is a section at the bottom of the CaixaBank homepage entitled "Direct Links" where users can access all the information on the General Meetings through the "Annual General Meeting" link.

## C. COMPANY MANAGEMENT STRUCTURE

### C.1. Board of Directors

C.1.1 Maximum and minimum number of directors established in the Articles of Association and the number set by the general meeting:

Maximum number of Directors	22
Minimum number of Directors	12
Number of directors set by the general meeting	18

The General Meeting of 28 April 2016 adopted the agreement to establish the number of Board members as 18.

C.1.2 Complete the following table with board members' details.

Name or corporate name of the director	Representative	Director category	Position on the board	Date of first appointment	Date of last appointment	Election procedure
KORO USARRAGA UNSAIN		Independent	DIRECTOR	30/06/2016	06/04/2017	AGM RESOLUTION
JOSÉ SERNA MASÍA		Proprietary	DIRECTOR	30/06/2016	06/04/2017	AGM RESOLUTION
EDUARD O JAVIER SANCHIZ IRAZU		Independent	DIRECTOR	21/09/2017	06/04/2018	AGM RESOLUTION
ANTONIO SÁINZ DE VICUÑA Y BARROSO		Independent	DIRECTOR	01/03/2014	24/04/2014	AGM RESOLUTION
JUAN ROSELL LASTORTRAS		Independent	DIRECTOR	09/06/2007	24/04/2014	AGM RESOLUTION
JOHN S. REED		Independent	DIRECTOR	11/03/2011	04/19/2012	AGM RESOLUTION

Name or corporate name of the director	Representative	Director category	Position on the board	Date of first appointment	Date of last appointment	Election procedure
						RESOLUTION
MARÍA AMPARO MORALEDA MARTÍNEZ		Independent	DIRECTOR	24/04/2014	24/04/2014	AGM RESOLUTION
ALAIN MINC		Independent	DIRECTOR	09/06/2007	24/04/2014	AGM RESOLUTION
IGNACIO GARRALDA RUIZ DE VELASCO		Proprietary	DIRECTOR	06/04/2017	06/04/2017	AGM RESOLUTION
ALEJANDRO GARCÍA-BRAGADO DALMAU		Proprietary	DIRECTOR	01/01/2017	06/04/2017	AGM RESOLUTION
MARÍA VERÓNICA FISAS VERGÉS		Independent	DIRECTOR	25/02/2016	04/28/2016	AGM RESOLUTION
MARÍA TERESA BASSONS BONCOMPTE		Proprietary	DIRECTOR	06/26/2012	06/26/2012	AGM RESOLUTION
CAJA CANARIAS FOUNDATION	NATALIA AZNÁREZ GÓMEZ	Proprietary	DIRECTOR	23/02/2017	06/04/2017	AGM RESOLUTION
GONZALO GORTÁZAR ROTAECHE		Executive	CHIEF EXECUTIVE	30/06/2014	23/04/2015	AGM RESOLUTION
TOMÁS MUNIESA ARANTEGUI		Proprietary	DEPUTY CHAIRMAN	01/01/2018	06/04/2018	AGM RESOLUTION
JORDI GUAL SOLÉ		Proprietary	CHAIRMAN	30/06/2016	06/04/2017	AGM RESOLUTION

Name or corporate name of the director	Representative	Director category	Position on the board	Date of first appointment	Date of last appointment	Election procedure
FRANCESC XAVIER VIVES TORRENTS		Independent	INDEPENDENT COORDINATING DIRECTOR	06/05/2008	23/04/2015	AGM RESOLUTION
JAVIER IBARZ ALEGRÍA		Proprietary	DIRECTOR	06/26/2012	06/26/2012	AGM RESOLUTION

Total number of Directors	18
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State if any directors, whether through resignation, dismissal or any other reason, have left the Board during the period subject to this report:

Name or corporate name of the director	Director category at the time of termination	Date of last appointment	Withdrawal date	Fees committees of which s/he was a member	State whether the withdrawal took place before the end of the mandate
No data		//	//		

C.1.3 Complete the following tables on board members and their respective categories.

**EXECUTIVE DIRECTORS**

Name or corporate name of the director	Position held in the company in society	Profile
GONZALO GORTÁZAR ROTAECHE	CEO	Born in Madrid in 1965, he has been the CEO of CaixaBank since June 2014. Mr. Gortázar Rotaeche holds a degree in Law and Business from Universidad Pontificia de Comillas (ICADE) and an MBA with distinction from the INSEAD Business School. He is currently Chairman of VidaCaixa and Director of Banco BPI. He was the Chief Financial Officer of CaixaBank until his appointment of CEO in June 2014. He was formerly the Director-General Manager of Criteria CaixaCorp from 2009 to June 2011. From 1993 to 2009, he worked at Morgan Stanley in London and Madrid, where he held various positions in the investment banking division, heading up the European Financial Institutions Group until mid 2009 when he joined Criteria. Previously, he held various corporate banking and investment banking positions at Bank of America. He was the first Deputy Chairman of Repsol and

EXECUTIVE DIRECTORS		
Name or corporate name of the director	Position held in the company in society	Profile
		Director of the Ibursa Financial Group, Erste Bank, SegurCaixa Adeslas, Abertis, Port Aventura and Saba.

Total number of executive Directors	1
% of the Board	5.56

EXTERNAL PROPRIETARY DIRECTORS		
Name or corporate name of the	Name or corporate name of the significant shareholder represented or	Profile
JORDI GUAL SOLÉ	LA CAIXA BANKING	Jordi Gual Solé, born in Lleida in 1957, has served as Chairman of CaixaBank since 2016. He holds a PhD in Economics (1987) from the University of California at Berkeley and is a professor of Economics at the IESE Business School and a Research Fellow at the Centre for Economic Policy Research (CEPR) in London. He currently sits on the Board of Directors of Telefónica and on the Supervisory Board at Erste Group Bank. HE is also a member of the Market Monitoring Group of the Institute of International Finance (IIF), Chairman of FEDEA, Vice-chairman of the Círculo de Economía and the Cotec Foundation for Innovation, and a member of the Trusts of the CEDE Foundation, the CIC Cultural Institute and the Real Instituto Elcano. Prior to his appointment as Chairman of CaixaBank, he was the Chief Economist and Head of Strategic Planning and Research for CaixaBank and Director General of Planning and Strategic Development for CriteríaCaixa. He joined the "la Caixa" group in 2005. He has been a member of 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. Jordi Gual's work on banking, European integration, regulation and competition policy has been widely published. In 1999 he was awarded the research prize from the European Investment Bank and in 1979 the special award as part of his degree in economic and business sciences. He was also a Fullbright Scholar.
TOMÁS MUNIESA ARANTEGUI	LA CAIXA BANKING	Tomás Muniesa, born in Barcelona in 1952; he has been the Vice-chairman of CaixaBank since April 2018. He holds a degree in Business Studies and a Master of Business Administration from the ESADE Business School. He joined 'La Caixa' in 1976, and was appointed Assistant Managing Director in 1992.

EXTERNAL PROPRIETARY DIRECTORS

Name or corporate name of the director	Name or corporate name of the significant shareholder represented or proposing appointment	
		<p>In 2011, he was appointed Managing Director of CaixaBank's Insurance and Asset Management Group, where he remained until November 2018. He was the Executive Vice-chairman and CEO of VidaCaixa from 1997 to November 2018. He currently holds the positions of Vice-chairman of CaixaBank, VidaCaixa and SegurCaixa Adeslas. He is also a member of the Trust of the ESADE Foundation and Director of Allianz Portugal. Prior to this, he was Chairman of MEFF (Sociedad Rectora de Productos Derivados), Vice-chairman of BME (Bolsas y Mercados Españoles), 2nd Vice-chairman of UNESPA, Director and Chairman of the Audit Committee of the Insurance Compensation Consortium, Director of Vithas Sanidad SL and Alternate Director of the Inbursa Financial Group in Mexico.</p>
CAJA CANARIAS FOUNDATION	SIGNATORY FOUNDATIONS OF THE SHAREHOLDERS' AGREEMENT	<p>Natalia Aznárez Gómez, born in Santa Cruz de Tenerife in 1964, has represented Fundación CajaCanarias on CaixaBank's Board of Directors since February 2017. She holds a degree in Business and Commercial Management from Universidad de Málaga and Diploma in Business (specialising in accounting and finance) from Universidad de La Laguna. She has taught accounting and finances at Universidad de La Laguna. She began her career by collaborating with the General Management of REA METAL WINDOWS, to launch the distribution of their products in Spain. In 1990, she joined the CajaCanarias marketing department. In 1993, Ms Aznárez Gómez assumed leadership of the CajaCanarias individual customers segment, participating in the development of financial products and campaigns, the development and implementation of a CRM tool, and the personal banking and private banking service. Following, she became Director of the Marketing Area. In 2008, she was appointed as Deputy Director of CajaCanarias, in charge of human resource management for the entity and, in 2010, she was appointed as Vice General Director of CajaCanarias. After Banca Cívica acquired all the assets and liabilities of CajaCanarias, Ms Aznárez Gómez became General Manager at CajaCanarias as the financial institution indirectly carrying out the financial activity. Following the entity's transformation into a banking foundation, she served as General Manager until 30 June 2016. She has actively served on several committees in the savings bank sector, including the executive committee of the Savings Bank Association for Labour Relations (Asociación de Cajas de Ahorros Para Relaciones Laborales, ACARL), the Euro6000 Marketing Committee, and the marketing committee and the human resources committee of the Spanish Confederation of Savings Banks (Confederación Española de Cajas de Ahorros, CECA). She has also held several positions at foundations. She is currently chair of the CajaCanarias employee pension plan control committee, vice-chair of the Cristino de Vera Foundation, secretary of the</p>

EXTERNAL PROPRIETARY DIRECTORS		
Name or corporate name of the director	Name or corporate name of the significant shareholder represented or proposing appointment	Profile
		CajaCanarias Business Learning and Development Foundation, and director of the CajaCanarias Foundation.
		Born in Girona in 1949, he has sat on CaixaBank's Board of Directors since January 2017. He graduated in law from the University of Barcelona. After becoming a State Attorney in 1974 he first worked in Castellón de la Plana before moving to Barcelona in late 1975. In 1984 he requested an extended leave of absence to become the Barcelona Stock Exchange's legal advisor and in 1989, once the stock exchange became a company, was appointed Secretary to the Board of Directors while continuing to practice law. In 1994 he left the Barcelona Stock Exchange to concentrate on the legal profession and to provide legal advice to "la Caixa". In 1995 he was appointed Deputy Secretary to the Board of Directors and then Secretary in 2003. He was appointed Deputy Director in 2004 and then Executive Director in 2005. He served as Deputy Chairman and Deputy Secretary to the Board of Trustees of Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona "la Caixa" from June 2014 through to December 2016. At CaixaBank, he was Secretary (non-director) of the Board of Directors from May 2009 to December 2016, and General Secretary from July 2011 through to May 2014. He was also Secretary to the Board of Directors of La Maquinista Terrestre y Marítima, SA; Intelhorce; Hilaturas Gossipyum; Abertis Infraestructuras, SA; Inmobiliaria Colonial, SA; and Sociedad General de Aguas de Barcelona, SA. He served on the Board of Gas Natural SDG, S.A. from September 2016 up to May 2018. He has been First Vice Chairman at Critericaixa since June 2014 and has sat on the Board of Directors of Saba Infraestructuras since June 2018.
ALEJANDRO GARCÍA-BRAGADO DALMAU	LA CAIXA BANKING FOUNDATION	
IGNACIO GARRALDA RUIZ DE VELASCO	MUTUA MADRILEÑA AUTOMOVILISTA SOCIEDAD DE SEGUROS A PRIMA FIJA (Fixed Premium Insurance Company)	Ignacio Garralda Ruiz de Velasco, born in Madrid in 1951, has been a director at CaixaBank since 2017. He holds a degree in law from Universidad Complutense in Madrid. He has been a notary public on leave of absence since 1989. He began his professional career as Notary for Commercial Matters, from 1976 to 1982, the year in which he became a Licensed Stock Broker of the Ilustre Colegio de Agentes de Cambio y Bolsa de Madrid until 1989. He was a founding member of AB Asesores Bursátiles, S.A, where he was Vice-Chairman until 2001, Vice-Chairman of Morgan Stanley Dean Witter, SV, S.A. from 1999 to 2001 and Chairman of Bancoval, S.A. from 1994 to 1996. Between 1991 and 2009 he was on the Board of the Governing Body of the Madrid Stock Exchange. He is currently Chairman and CEO of Mutua Madrileña Automovilista. He has been a member

EXTERNAL PROPRIETARY DIRECTORS		
Name or corporate name of the director	Name or corporate name of the significant shareholder represented or proposing appointment	Profile
		of the Board of Directors since 2002 and member of the Executive Committee since 2004, currently serving as its Chairman, as well as on the Investment Committee. He is the First Deputy Chairman of Bolsas y Mercados Españoles (BME) and sits on the Board of Administración de Endesa, S.A., also chairing the company's 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.
JOSÉ SERNA MASIÁ	LA CAIXA BANKING FOUNDATION	José Serna Masiá (Albacete, 1942) has been a member of CaixaBank's Board of Directors since July 2016. He graduated in Law at the Complutense University of Madrid in 1964, and began his career in legal counselling with Butano, S.A. (1969/70). In 1971 he became a State Attorney, providing services at the State Attorney's Office for Salamanca and at the Ministries for Education and Science and Finance. He then joined the Adversary Proceedings Department of the State at the Audiencia Territorial de Madrid (now the Tribunal Superior de Justicia - High Court of Justice), before taking leave of absence in 1983. From 1983 to 1987 he was legal counsel to the Madrid Stock Exchange. In 1987, he became a stockbroker at Barcelona Stock Exchange and was appointed secretary of its Governing Body. He took part in the stock market reform of 1988 as Chairman of the company that developed the new Barcelona Stock Exchange and also as a member of the Advisory Committee to the recently created Comisión Nacional del Mercado de Valores, the Spanish securities market regulator. In 1989, he was elected Chairman of the Barcelona Stock Exchange, a role that he held for two consecutive terms until 1993. From 1991 to 1992, he was Chairman of the Spanish Sociedad de Bolsas (Stock Exchange Company), which groups the four Spanish stock exchanges together, and Deputy Chairman of the Spanish Financial Futures Market, in Barcelona. 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 stockbroker and member of the Association of Chartered Trade Brokers of Barcelona. He was on the Board of Directors of ENDESA from 2000 to 2007. He was also a member of the Control and Auditing Committee, chairing it from 2006 to 2007. He was also a director of the companies ENDESA Diversificación and ENDESA Europa. He worked as a notary in Barcelona from 2000 through to 2013.
JAVIER IBARZ ALEGRÍA	LA CAIXA BANKING FOUNDATION	Javier Ibarz Alegría, born in Barcelona in 1953, has been a member of the Board of Directors of CaixaBank since 2012. He has been managing director and a member of the Board of Directors of the

EXTERNAL PROPRIETARY DIRECTORS

Name or corporate name of the director	Name or corporate name of the significant shareholder represented or proposing appointment	Profile
		<p>de Ahorros y Pensiones de Barcelona ('la Caixa') until June 2014, and trustee of the 'laCaixa' Foundation until October 2014. Since 2014 he has been a member of the Board of Directors of VidaCaixa. He graduated in industrial <u>engineering</u> from the Terrassa Technical School of Industrial Engineers, University Master's in Industrial Engineering. And he completed the Senior Program in Business and Senior Management at the IAD. Since 2013 he has been accredited as a qualified technician in preparing self-protection plans. In 2002, he obtained the title of Environmental System Manager from the European Organization for <u>Quality</u> and he has taken multiple postgraduate courses in construction, structures, industrial facilities, urbanisation and infrastructure. He has taken various courses on director training. He has worked widely as an industrial engineer since 1982. From 1993 until late 2013 he enjoyed great success as Head of Products and R&amp;D+i, and of the Operations Area and then as managing director at a leading international solar protection company. Since 2003, he has been the Managing Director and founding member of the company specialised in engineering and industrial consulting, regarding infrastructures and development, environmental management and packaging, EIGMA, S.L. Since 1994, he has been the Director responsible for Safety and Installations and the Emergency Plan of the Teatre Fortuny de Reus. He has published various articles and given conferences on the influence of solar protection and energy savings, on solar protection systems and on the environment and environmental management.</p>
MARÍA TERESA BASSONS BONCOMPTE	LA CAIXA BANKING FOUNDATION	<p>Maria Teresa Bassons Boncompte (Cervelló 1957) has served on the Board of Directors of CaixaBank since June 2012. Member of the Advisory Committee of Caixa Capital Risc up to June 2018. She holds a B.A. in Pharmacy Studies from the University of Barcelona (1980); majoring in hospital pharmacy. She holds a pharmacy license. Ms Bassons has been a member of the Barcelona Chamber of Commerce's Executive Committee since 2002, and the Chair of its Enterprise Commission for the Health Sector. She serves on the Board of Directors of Bassline, S.L. She is also a Director at TERBAS XXI, S.L. Member of the Board of Directors of Laboratorios Ordesa since January 2018. She is a member of the Oncolliga Scientific Committee. She served on the Board of Directors of Criteria CaixaHolding from July 2011 to May 2012, as managing director of Caixa d'Estalvis i Pensions de Barcelona "la Caixa" from April 2005 to June 2014, member of the Board of Directors of 'la Caixa' from April 2009 to June 2014, a trustee of the Fundació</p>

EXTERNAL PROPRIETARY DIRECTORS		
Name or corporate name of the director	Name or corporate name of the significant shareholder represented or proposing appointment	Profile
		of the Caixa d'Estalvis i Pensions de Barcelona "la Caixa" Banking Foundation from June 2014 to June 2016. She also Barcelona Board of Pharmacists (1997-2004) and as Secretary-General to the Board of Catalonia Pharmacists She was a member of the Advisory Committee on Smoking of the Catalonia Health Department (1997- Bioethics Advisory Committee (2005-2008). She was Director of the 1995 and 1997 INFARMA international medical & pharmaceutical trade fairs at Fira de Barcelona, Farmacéutica" and "l'Informatiu del COFB" journals for 12 The General Board of the Spanish Pharmacists Associations awarded her the Professional Merit award in Royal Academy of Pharmacy of Catalonia.

Total number of proprietary Directors	8
% of the Board	44.44

INDEPENDENT EXTERNAL DIRECTORS	
Name or corporate name of the director	Profile
MARÍA VERÓNICA FISAS VERGÉS	<p>Verónica Fisas, born in Barcelona in 1964, has been a member of the CaixaBank Board of Directors since February 2016. She holds a degree in Law and a Master in Business Administration.</p> <p>She joined Natura Bissé very early in her career, thus acquiring extensive knowledge of the company and of all its departments. She has been the Executive Officer of the Board of Directors of Natura Bissé and General Director of the Natura Bissé Group since 2007. Since 2008 she is also a Patron of the Fundación Ricardo Fisas Natura Bissé. In 2001, as the CEO of the United States subsidiary of Natura Bissé, she was responsible for the expansion and consolidation of the business, and obtained outstanding results in product distribution and brand positioning. In 2009 she joined the Board of Directors of Stanpa, Asociación Nacional de Perfumería y Cosmética. In 2012 she was named Vice Chair of Stanpa and Chair of the Association's Committee of Professional Aesthetics. She received the Work-Life Balance Award at the 2nd Edition of the National Awards for Women in Management in 2009, and the IWEC Award (International Women's Entrepreneurial Challenge) for her professional career, in 2014. In November 2017, 'Emprendedores' magazine named Verónica Fisas as 'executive of the year'. She received the Work-Life Balance Award at the 2nd Edition of the National Awards for Women in Management in 2009, and the IWEC Award (International Women's Entrepreneurial Challenge) for her professional career, in 2014.</p>

INDEPENDENT EXTERNAL DIRECTORS

Name or corporate name of the	Profile
MARÍA AMPARO MORALEDA MARTÍNEZ	<p>María Amparo Moraleda (Madrid, 1964) has been a member of CaixaBank's Board of Directors since 2014. She graduated in Industrial Engineering from the ICAI and holds an MBA from the IESE Business School. She is an independent director at several companies: Solvay, S.A. (from 2013), Airbus Group, S.E. (since 2015) Vodafone Group (since 2017). She is also a member of the Supervisory Board of the Spanish High Council for Scientific Research (since 2011) and a member of the advisory boards of SAP Ibérica (since 2017) and of Spencer Stuart (since 2017). Between 2012 and 2017, she was a member of the board of directors of Faurecia, S.A. and member of the Advisory Board of KPMG España (since 2012). Between January 2009 and February 2012 she was Chief Operating Officer of Iberdrola SA's International Division with responsibility for the United Kingdom and the United States. She also headed Iberdrola Engineering and Construction from January 2009 to January 2011. She was Executive Chairman of IBM Spain and Portugal between July 2001 and January 2009, responsible for Greece, Israel and Turkey from July 2005 to January 2009. Between June 2000 and 2001 she was assistant executive to the President of IBM Corporation. From 1998 to 2000 she was General Manager at INSA (a subsidiary of IBM Global Services). From 1995 to 1997 she was Head of HR for EMEA at IBM Global Services and from 1988 to 1995 she held various offices and management positions at IBM España. She is also a member of various boards and trusts of different institutions and bodies, including the Academy of Social Sciences and the Environment of Andalusia, the Board of Trustees of the MD Anderson Cancer Center in Madrid and the International Advisory Board of Instituto de Empresa. In December 2015 she was named full academic member of Real Academia de Ciencias Económicas y Financieras. In 2005 she was inducted into the Women in Technology International (WITI) organisation's Hall of Fame, which recognises, honours, and promotes the outstanding contributions women make to the scientific and technological communities that improve and evolve society. Her numerous accolades include: the Values Leadership Award (FIGEVA Foundation – 2008), the Javier Benjumea Prize (Engineering Association of the ICAI – 2003) and the Award for Excellence (Spanish Federation of Female Directors, Executives, Professionals and Entrepreneurs – Fedepe – 2002).</p>
JOHN S. REED	<p>John Reed (Chicago, 1939) has been a member of CaixaBank's Board of Directors since 2011. He was raised in Argentina and Brazil, and completed his university studies in the United States. In 1961, he earned a degree in Philosophy and Arts and Sciences from Washington and Jefferson College and the Massachusetts Institute of Technology under a double degree programme. He was a lieutenant in the US Army Corps of Engineers from 1962 to 1964 and again enrolled at MIT to study a Master in Science. John Reed worked in Citibank/Citicorp and Citigroup for 35 years, the last 16 of which as Chairman, retiring in April 2000. From September 2003 to April 2005, he began working again as Chairman of the New York Stock Exchange, and was Chairman of the MIT Corporation from 2010 to 2014. He was appointed Chairman of the Board of American Cash Exchange in February 2016. He is the Chairman of the Boston Athanaeum and a trustee of the NBER. He is a Fellow of the American Academy of Arts and Sciences and of the American Philosophical Society.</p>
JUAN ROSELL LASTORTAS	<p>Born in Barcelona in 1957, Juan Rosell Lastortras has been a member of the CaixaBank Board of Directors since 2007. He holds a degree in Industrial Engineering from Barcelona Polytechnic University. He studied Political Science at Universidad Complutense in Madrid. He is currently Chairman of Congost Plastic. During his professional career, he has served as</p>

INDEPENDENT EXTERNAL DIRECTORS	
Name or corporate name of the director	Profile
	<p>Managing Director of Juguetes Congost and has been Chairman of Enher (1996-1999), Fecsa-Enher (1999-2002) and Corporación Unliand (2005-2006). He has also been a board member of Gas Natural, S.D.G, S.A., Agbar, Endesa, Endesa Italia S.p.A., Siemens España and Applus Servicios Tecnológicos. Up to November 2018 he was the Chairman of the Spanish Confederation of Business Organizations (CEOE). He is also a member of the Mont Pelerin Society, and Vice Chairman of Business Europe. Mr. Rosell has received numerous decorations including the Gold Medal of Merit of the International Trade Fair of Barcelona; the Silver Medal of the Barcelona Chamber of Industry, Commerce and Navigation; he was named a Commander of the Order Merit of the Italian Republic and given the Keys to the City of Barcelona and the Tiepolo Prize.</p>
ANTONIO SÁINZ DE VICUÑA Y BARROSO	<p>Antonio Sainz de Vicuña y Barroso (Barcelona, 1948) has been a member of CaixaBank's Board of Directors since 2014. He earned his degree in Law and Economic and Commercial Science from Universidad Complutense in Madrid (1971), and then studied a postgraduate course with a final dissertation on European and International Law. He also holds a Diploma in International Law from Pembroke College, Cambridge University. He was awarded a grant from the Juan March Foundation. In 1974, he became a State Attorney acting as a legal advisor to the Ministries of Finance, Economy and Foreign Affairs between 1974 and 1989. From September 1989 to November 1994 he was the Chief International Legal Counsel of Banco Español de Crédito in Madrid. Between November 1994 and June 1998, he was General Counsel at the European Monetary Institute (EMI) in Frankfurt, the body entrusted with the preparatory work for the launch of the euro. He then worked at the European Central Bank from June 1998 to November 2013, where he was General Counsel and Director of Legal Services, before retiring at 65 in November 2013. He is also a founder member of and sat on the first Board of Directors of Asociación Española para el Estudio del Derecho Europeo (Spanish Association for the Study of European Law) (1982-1986); Founding member and director of the Civil and Commercial Arbitration Court (1989-1994); founder member and member of the Supervisory Board of the Institute for Law and Finance, Wolfgang Goethe Universität, Frankfurt (2000-2013); Founding member and member of the Advisory Council of PRIME Finance (2011-2013), a member the Advisory Board of the European Capital Markets Institute (2000-2013) and a member of the Committee on International Monetary Law (MOCOMILA) (2000-2018). He has also published a monography on "State Contracts in International Law" (Ministry of Foreign Affairs, 1986) and some 30 legal articles in specialist publications. He was awarded the Order of Isabella the Catholic (1987) for his services in helping Spain join the European Community, and also the Order of Civil Merit (2014) for services provided in the adoption of the Euro and creation of the ECB.</p>
EDUARDO JAVIER SANCHIZ IRAZU	<p>Eduardo Javier Sanchiz Irazu was born in Vitoria in 1956. He has been a member of the CaixaBank Board of Directors since 2017. He holds a degree in economics from the University of Deusto, San Sebastián campus, and a Master's Degree in Business Administration from the Instituto Empresa in Madrid. He was CEO of Almirall from July 2011 until 30 September 2017. During this period, the company underwent a significant strategic transformation with the aim of becoming a global leader in skin treatment. Previously, after joining Almirall in May 2004, he was Executive Director of Corporate Development and Finance and Chief Financial</p>

INDEPENDENT EXTERNAL DIRECTORS	
Name or corporate name of the director	Profile
	<p>Officer. In both positions, Eduardo led the company's international expansion through a number of alliances with other companies, and through licensing of external products, in addition to five acquisitions of companies and product portfolios. He also coordinated the IPO process in 2007. He has been a member of the Almirall Board of Directors since January 2005 and a member of the Dermatology Committee since its creation in 2015. Prior to joining Almirall, he worked for 22 years (17 outside Spain) at Eli Lilly &amp; Co, an American pharmaceutical company, in finance, marketing, sales and general management positions. He was able to live in six different countries and some of his significant positions include General Manager in Belgium, General Manager in Mexico and, in his last position in the company, Executive Officer for the business area that encompasses countries in the centre, north, east and south of 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. He is currently a member of the Strategic Committee of Laboratory Pierre Fabre.</p>
KORO USARRAGA UNSAIN	<p>Koro Usarraga Unsain was born in San Sebastian in 1957, and has been a member of the CaixaBank Board of Directors since 2016. She has a degree in Business Administration and a Masters in Business Management from ESADE, took the PADE (Senior Management Programme) at IESE and is a qualified chartered accountant. She was an independent Director of NH Hotel Group from 2015 to October 2017. She worked at Arthur Andersen for 20 years and in 1993 was appointed partner of the audit division. In 2001 she assumed responsibility for the General Corporate Management of Occidental Hotels &amp; Resorts, a group with significant international presence and specialising in the holiday sector. She was responsible for the finance, administration and management control departments, as well as IT and human resources. She was General Manager of Renta Corporación, a real estate group specialising in the purchase, refurbishment and sale of properties. She has been shareholder and administrator of the company 2005 KP Inversiones, S.L. since 2005, which is dedicated to investing in companies and management consultancy.</p>
ALAIN MINC	<p>Alain Minc (Paris, 1949) has been a member of CaixaBank's Board of Directors since 2007. He is Chairman and CEO of his own consultancy firm, AM Conseil, and is a graduate from the École des Mines de Paris and the École Nationale d'Administration (ENA) in Paris. In 1991, he founded his own consultancy firm, AM Conseil. He has been Chairman of the Supervisory Board of French newspaper Le Monde, Deputy Chairman of Compagnie Industriale Riunite International and General Manager of Cerus (Compagnies Européennes Réunies). He was also finance inspector and CFO at French industrial group Saint-Gobain. He is currently Chairman of Sanef. He has been named Commandeur de la Légion d' Honneur and Commander of the British Empire and was awarded Gran Cruz de la Orden del Mérito Civil. He has written more than 30 books since 1978, many of them best-sellers, including: Rapport sur l' informatisation de la société; La Machine égalitaire; Les vengeances des Nations; Le Nouveau Moyen-âge; Rapport sur la France de l'an 2000; <a href="http://www.capitalisme.fr">www.capitalisme.fr</a>; Epître à nos nouveaux maîtres (2003); Les Prophètes du bonheur: histoire personnelle de la pensée économique (2004); Ce monde qui vient (2004); Le Crépuscule des petits dieux (2006); Une sorte de Diable, les vies de John M. Keynes (diciembre 2006); Une histoire de France (2008); Dix jours qui ébranleront le monde (2009); Une histoire politique des intellectuels (2011); Un petit coin de paradis, L'Âme des Nations (2012); L' Homme aux deux visages (2013), Vive l'Allemagne (2013), Le</p>

INDEPENDENT EXTERNAL DIRECTORS

Name or corporate name of the director	Profile
	mal français n' est plus ce qu'il était (2014), Un Français de tant de souches (2015), Mirabeau crieait si fort que Versailles eut peur 2017, Une humble cavalcade dans le monde de demain 2018.
FRANCESC XAVIER VIVES TORRENTS	<p>Xavier Vives Torrents was born in Barcelona in 1955. He has been a member of the CaixaBank Board of Directors since 2008 and the Lead Director from 2017. He is a Professor of Economics and Finance at the IESE Business School. He also holds a PhD in Economics from the University of California, Berkeley. He was Professor of European Studies at INSEAD from 2001-2005; Director of the Institute of Economic Analysis at the Consejo Superior de Investigaciones Científicas between 1991-2001; and a Visiting Lecturer at the universities of California (Berkeley), Harvard, New York (King Juan Carlos I Chair 1999-2000), and Pennsylvania, as well as the Universitat Autònoma de Barcelona and the Universitat Pompeu Fabra. 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 Competition Commissioner, Joaquín Almunia). He is also a member of CARE (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 Economic Association in 2008; and Deputy Chairman of the Spanish Energy Economics Association in 2006-2009 and was a Duisenberg Fellow at the European Central Bank in 2015. He currently sits on the Board of Fundació Aula; he is a member of the European Academy of Sciences and Arts; Research Fellow of the CESifo and the Center for Economic Policy Research; Fellow of the European Economic Association since 2004 and the Econometric Society since 1992, and Chairman of EARIE (European Association for Research in Industrial Economics) from September 2016 to August 2018. He has published numerous articles in international journals and directed the publication of various books. He received the King Juan Carlos I National Award for Research into Social Sciences in 1988; the "Societat Catalana d'Economia" (Catalan Economics Society) award in 1996; the Narcís Monturiol Medal from the Government of Catalonia in 2002; and the "Premi Catalunya d'Economia" (Catalonia Economics Award), 2005; The IEF Award for academic excellence for his professional career in 2012; beneficiary of the European Research Council Advanced Grant, 2009-2013 and 2018-2023, and the Rey Jaime I Economics Award, 2013.</p>

Total number of independent Directors	9
% of the Board	50.00

List any independent Directors who receive from the company or group any amount or payment other than standard Director remuneration or who maintain or have maintained during the last year a business relationship with the company or any group company, either in their own name or as a significant shareholder, director or senior manager of an entity which maintains or has maintained the said relationship.

If applicable, include a statement from the Board detailing the reasons why the said Director may carry out their duties as an independent Director.

Name or corporate name of Director	Description of the relationship	Reasons
No data		

**OTHER EXTERNAL DIRECTORS**

Identify the other external directors and state the reasons why these directors are considered neither proprietary nor independent, and detail their ties with the company or its management or shareholders:

Name or corporate name of the director	Motives	Company, executive or shareholder with whom the relationship is maintained	Profile
No data			

Total number of other external Directors	N.A.
% of the Board	N.A.

List any changes in the category of each Director which have occurred during the year.

Name or corporate name of the director	Date of change	Previous category	Current category
TOMÁS MUNIESA ARANTEGUI	22/11/2018	Executive	Proprietary

C.1.4 Complete the following table with information relating to the number of female directors at the close of the past 4 years, as well as the category of each:

	Number of women Directors				% of total Directors of each category			
	Financial year 2018	Financial year 2017	Financial year 2016	Financial year 2015	Financial year 2018	Financial year 2017	Financial year 2016	Financial year 2015
Executive					0.00	0.00	0.00	0.00
Proprietary	2	2	1	3	25.00	28.57	16.67	33.33
Independent directors	3	3	3	1	33.33	33.33	37.50	16.66

	Number of women Directors				% of total Directors of each category			
	Financial year 2018	Financial year 2017	Financial year 2016	Financial year 2015	Financial year 2018	Financial year 2017	Financial year 2016	Financial year 2015
Other external					0.00	0.00	0.00	0.00
Total	5	5	4	4	27.78	27.78	25.00	23.53

C.1.5 State whether the company has diversity policies in relation to the Board of Directors of the company on such questions as age, gender, disability and training and professional experience. Small and medium-sized enterprises, in accordance with the definition set out in the Accounts Audit Act, will have to report at least the policy they have implemented in relation to gender diversity.

- Yes  
 No  
 Partial policies

Should this be the case, describe these diversity policies, their objectives, the measures and way in which they have been applied and their results over the year. Also state the specific measures adopted by the Board of Directors and the appointments and remuneration committee to achieve a balanced and diverse presence of directors.

In the event that the company does not apply a diversity policy, explain the reasons why.

**Description of policies, objectives, measures and how they have been implemented, including results achieved**

CaixaBank has a Selection, diversity and suitability assessment policy in place for Directors and members of Senior Management, and other key positions in CaixaBank and its group (hereinafter, the 'Policy'), which was approved by the Board of Directors on 20 September 2018, replacing the previous Director Selection Policy approved in November 2015. 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, helping to foster diverse and independent opinions and a solid and mature decision-making process. Ensuring proper diversity in the composition of the Board, particularly in terms of gender and, where relevant, training and professional experience, age and geographical origin, and respecting the principle of non-discrimination and equal treatment, all constitute a fundamental element of the selection and suitability assessment procedures for CaixaBank directors.

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.
- At all times, the Board of Directors and the Appointments Committee will ensure that there is an appropriate balance of knowledge and experience, also facilitating the selection of candidates of the less represented gender, and avoiding any kind of discrimination in this respect.
- In the annual assessment of the composition of abilities of the Board of Directors, the diversity aspects discussed previously will be taken into account and, in particular, the percentage of Board members of the less represented gender, with a view to ensure that, by 2020, the number of female directors represents at least 30% of total members of the Board of Directors. For these purposes, the Appointments Committee must document the degree of fulfilment of the objective, as well as that of those that, where relevant, have been considered relevant, and indicate, in the case of a breach, the reasons, resolution measures and schedule of actions.
- Furthermore, the Appointments Committee, with the assistance of the General Secretary and that of the Board, and taking into account the necessary and existing balance of knowledge, experience, capacity and diversity on the Board of Directors, elaborates and continually updates a matrix of competences, approved by the Board of Directors.

Furthermore, adequate diversity in the composition of the has been taken into account throughout the entire process of selection and suitability assessment at CaixaBank, considering, in particular, diversity of gender, training, professional experience, age, and geographic origin.

With respect to 2018, after a report from the Appointments Committee, the Board deems the structure, size and composition 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, which leads to the conclusion that the overall composition of the Board of Directors is suitable.  
In particular, it should be noted that there is an intent to reduce its size so that it meets the diversity objectives established in the Policy, particularly with regard to gender diversity and the objective to have a portion of female directors of 30% or more across the members of the Board by 2020.

C.1.6 Describe the measures, if any, agreed upon by the appointments committee to ensure that selection procedures do not contain hidden biases which impede the selection of female directors, and that the company deliberately seeks and includes women who meet the target professional profile among potential candidates and which makes it possible to achieve a balance between women and men:

#### Explanation of measures

The percentage of women on the CaixaBank Board of Directors, despite being unequal and improvable, has increased over the last years, and is in the highest range of female presence in Boards of Directors of IBEX 35 companies.  
Women candidates are not discriminated against in the selection process of Directors. 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 of gender diversity, ensuring that member selection procedures favour diversity of experiences and knowledge, and facilitate the selection of women 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.  
The CaixaBank Board of Directors currently has 5 non-executive female directors, two of which are proprietary (Ms Bassons and Ms Aznárez, as the representative of the CajaCanarias Foundation) and 3 of which are independent directors (Ms Moraleda, Ms Fisas and Ms Usarraga). Thus, the current percentage of the less represented gender is 27.8%, which is very close to the 30% objective established for 2020. In this regard, it should be noted that 2018 maintained the same percentage as 2017, which represented a slight increase compared with the two previous years.  
See section C.1.7 on the conclusions of the Appointments Committee on the measures to reach the objective to have a 30% presence of women on the Board of Directors by 2020.

When, despite the measures taken, there are few or no women Directors, explain the reasons.

#### Explanation of the reasons

Despite not being equal, the number of female directors in the Company is not considered to be scarce.  
At year end 2018, women comprised 27.8% of all directors, 33.3% of the independent Directors and 25% of proprietary Directors.  
Women comprise 25% of the Executive committee, and 33.3% of the Appointments committee and Remunerations Committee, whereby the chairmanship of the latter is held by a female director.  
The Risk Committee has 2 female directors, representing 40%. Women comprise 25% of the Auditing and Control Committee.  
That is to say, women are represented on all the Committees of the Company.

**C.1.7 Describe the conclusions of the appointments committee regarding verification of compliance with the selection policy for directors. Particularly whether the policy pursues the goal of having at least 30% of total Board places occupied by women Directors before the year 2020.**

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, which leads to the conclusion that the overall composition of the Board of Directors is suitable. With respect to the objective to reach a percentage of female directors equal to or higher than 30% in the Board of Directors by 2020, in its meeting of 31 January 2018, the Appointments Committee agreed to follow two guidelines to achieve this objective.

On the one hand, it highlighted the ability to reach 29.41% of female directors if at least one of the company's shareholders, when proposing the appointment of a proprietary director, selects a woman. On the other, reference was made to the possibility of reducing the size of the board, whilst always maintaining the minimum number of five female directors, which would allow for this objective of having a female presence of at least 30% on the Board of Directors to be met.

Subsequently, the Appointments Committee studied the possibility, at the next general meeting, to not propose the re-appointment of some of the current independent directors in CaixaBank who will have held their positions for twelve years in 2019. For these purposes, the Committee analysed the ability to cover the subsequent vacancy/vacancies, by virtue of the general shareholders meeting, with one or more independent members of the Board of Directors. The Appointments committee and the Board of Directors itself particularly value the incorporation of new members with proven professional experience, whilst also increasing the current percentage of female directors. In this regard, the appointment of a female director to replace one of the independent directors who will have soon held their positions for twelve years, would increase the percentage of female directors to 33.33%, an increase on the current level of 27.78%.

**C.1.8 Explain, when applicable, the reasons why proprietary Directors have been appointed upon the request of shareholders who hold less than 3% of the share capital.**

Name or corporate name of the significant shareholder	Justification
CAJA NAVARRA BANKING FOUNDATION, CAJA CANARIAS FOUNDATION AND CAJA DE BURGOS FOUNDATION	Following the merger by absorption of Banca Cívica by CaixaBank, the shareholders: Caja de Ahorros y Pensiones de Barcelona, 'La Caixa' (now the 'La Caixa' Banking Foundation), and Caja Navarra (now the Caja Navarra Banking Foundation), Cajasol (now the Cajasol Foundation), Caja Canarias (now the Caja Canarias Foundation) and Caja de Burgos (now Caja de Burgos, Banking Foundation) (hereinafter, 'the Foundations'), entered into the Shareholders' Agreement on 1 August 2012, whose objective is to regulate the relationships of 'the Foundations' and the 'La Caixa' Banking Foundation, as shareholders of CaixaBank, and their reciprocal cooperative relationships, as well as with CaixaBank, with a view to strengthen their respective activities around the latter. They also agreed to appoint 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 on a four-year lock up period, as well as a commitment to exercise their pre-emptive acquisition rights over two years in favour of the other foundations in the first place and subsidiarily "la Caixa" Banking Foundation, should any of the Savings Banks wish to transfer all or part of their stake, once the lock-up period has expired. On 17 October 2016, the amendments to the Integration Agreement between CaixaBank and Banca Cívica and the CaixaBank Shareholders' Agreement were agreed, which means that the "Foundations", instead of proposing the appointment of two (2) directors at CaixaBank, one director at CaixaBank and one at VidaCaixa is proposed, and that the extension of the agreements that automatically occurred at the beginning of

Name or corporate name of the significant	Justification
	August, for three years, will have a duration of four years instead of the aforementioned three. On 4 October 2018, via the modification agreement entered into by 'the Foundations' and the 'La Caixa' Banking Foundation, the Agreement was modified, after the Cajasol Foundation declared its will to nullify the Integration Agreement between CaixaBank, S.A. and Banca Cívica S.A., once six years have passed since it was signed. CONTINUES IN SECTION H
MUTUA MADRILEÑA AUTOMOVILISTA SOCIEDAD DE SEGUROS A PRIMA FIJA (Fixed Premium Insurance Company)	These appear in the Report of the Appointments Committee to the Board, which integrates the Board Report on the appointment proposal of Ignacio Garralda Ruiz de Velasco as a proprietary director, as an appendix, which was submitted and approved by the General Shareholders' Meeting of 2017. The aforementioned report states that the arrival of M. 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.

Provide details of any rejections of formal requests for Board representation from shareholders whose equity interest is equal to or greater than that of other shareholders who have successfully requested the appointment of proprietary Directors. If so, explain why these requests have not been entertained.

Yes  
 No

C.1.9 State the powers delegated by the Board of Directors, as the case may be, to directors or Board committees:

Name or corporate name of the director or committee	Brief description
GONZALO GORTÁZAR ROTAECHE	All powers delegable under the law and the Articles of Association are delegated, without prejudice to the limitations established in the Regulations of the Board of Directors for the delegation of powers that, in all events, apply for procedural purposes.
EXECUTIVE COMMITTEE	The Executive Committee has been delegated all of the responsibilities and powers available to it both legally and under the Company's articles of association. For internal purposes, the Executive Committee is subject to the limitations set forth in Article 4 of the Rules of the Board of Directors.

C.1.10 Identify any members of the Board who are also directors or officers in other companies in the group of which the listed company is a member:

Name or corporate name of the director	Corporate name of the group company	Position	Do they have executive duties?
JUAN ROSELL LASTORTRAS	VidaCaixa, SA de Seguros y Reaseguros	Director	NO

Name or corporate name of the director	Corporate name of the group company	Position	Do they have executive duties?
TOMÁS MUNIESA ARANTEGUI	VidaCaixa, SA de Seguros y Reaseguros	Deputy Chairman	NO
GONZALO GORTÁZAR ROTAECHE	VidaCaixa, SA de Seguros y Reaseguros	Chairman	NO
GONZALO GORTÁZAR ROTAECHE	Banco BPI, S.A.	Director	NO
JAVIER IBARZ ALEGRÍA	VidaCaixa, SA de Seguros y Reaseguros	Director	NO

C.1.11 List any legal-person directors of your company who are members of the Board of Directors of other companies listed on official securities markets other than group companies, and have communicated that status to the Company:

Name or corporate name of the director	Corporate name of the listed company	Position
IGNACIO GARRALDA RUIZ DE VELASCO	Endesa, S.A.	DIRECTOR
IGNACIO GARRALDA RUIZ DE VELASCO	BME Holding, S.A.	1st DEPUTY CHAIRMAN
ALAIN MINC	Logista	DIRECTOR
JORDI GUAL SOLÉ	Erste Group Bank, AG.	DIRECTOR
JORDI GUAL SOLÉ	Telefónica, SA	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

The information on Directors and positions at other listed companies refers to year-end.  
With regard to the position held by Mr. Jordi Gual Solé in Erste Group Bank, AG, his precise title is Member of the Supervisory Board. However, due to space restrictions, he is listed as Director.

C.1.12 State whether the company has established rules on the number of boards on which its directors may hold seats, providing details if applicable, identifying, where appropriate, where this is regulated:

[  ] Yes  
[  ] No

Explanation of the rules and identification of the document where this is regulated

Article 4 of the Board of Directors' Regulations stipulates that Directors must abide by the limitations on belonging to Boards of Directors set forth in the current regulations of the organisation, supervision and solvency of credit entities.

C.1.13 State total remuneration received by the Board of Directors:

Board remuneration in financial year (thousand euros)	7,568
Cumulative amount of rights of current Directors in pension schemes (thousands of euros)	4,548
Cumulative amount of rights of current Directors in pension schemes (thousands of euros)	

No information is provided on consolidated rights for former directors in terms of pensions, given that the company has no type of commitment (contribution or provision) related to former directors by virtue of the pensions scheme.

C.1.14 List any members of senior management who are not executive Directors and indicate total remuneration paid to them during the year:

Name or corporate name	Position(s)
JORGE MONDÉJAR LÓPEZ	CHIEF RISKS OFFICER
JAVIER PANO RIERA	CHIEF FINANCIAL OFFICER
FRANCESC XAVIER COLL ESCURSELL	CHIEF HUMAN RESOURCES AND ORGANISATION OFFICER
JORGE FONTANALS CURIEL	HEAD OF RESOURCES
MARÍA LUISA MARTÍNEZ GISTAU	EXECUTIVE DIRECTOR FOR COMMUNICATION, INSTITUTIONAL RELATIONS, BRAND AND CSR
ÓSCAR CALDERÓN DE OYA	GENERAL AND BOARD SECRETARY
JUAN ANTONIO ALCARAZ GARCIA	CHIEF BUSINESS OFFICER
MATTHIAS BULLACH	CHIEF DIRECTOR OF INTERVENTION, MANAGEMENT CONTROL AND CAPITAL
JOAQUIN VILAR BARRABEIG	DEPUTY MANAGING DIRECTOR OF INTERNAL AUDITRS
MARIA VICTORIA MATIA AGELL	HEAD OF INTERNATIONAL BANKING
Total remuneration received by senior management (thousands of euros)	
	10,107

C.1.15 Indicate whether any changes have been made to the Board Regulations during the year:

[  ] Yes  
[  ] No

Description of amendments

In the session of 22 February 2018, the CaixaBank Board of Directors agreed to change articles 14 ('The Auditing and Control Committee and the Risk Committee'), 15 ('The Appointments Committee and the Remuneration Committee) and 37 ('Relationships with auditors') of the CaixaBank Board Regulation in force.

The purpose of this is, on the one hand, to develop the standards on composition, competences and operation of the Auditing and Control Committee stipulated in the Articles of Association, incorporating the basic criteria and principles of the CNMV Technical Guide, and, in relation to this, to expressly incorporate certain Recommendations of the Code on Good Governance that the Company declares to have met in its 2017 Corporate Governance Report, and, on the other, to develop the standards of the Articles of Association on the competences of the Appointments committee, assigning this committee with the task to ensure the fulfilment of the diversity policy applied in relation to the Board of Directors, in accordance with the provisions of Royal Decree-law 18/2017. Furthermore, it suggests introducing certain technical specifications and clarifications.

The General Shareholders' Meeting of 5 April 2018 discussed the modification to the Regulation of the Board of Directors. This modification was explained in detail in the report issued by the Board, in accordance with the provisions of articles 528 and 518d) of the Corporations Act.

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 in the Companies' Registry. Once registered in the Companies' Registry on 18 April 2018, the full texts were published by the CNMV and by CaixaBank, S.A. on the corporate website ([www.caixabank.com](http://www.caixabank.com)).

**C.1.16 Specify the procedures for selection, appointment, re-election and removal of directors. List the competent bodies, procedures and criteria used for each of these procedures.**

In accordance with the provisions of article 529 decies, Royal Legislative Decree 1/2010, of 2 July, which approves the amended text of the Corporations Act, and articles 5, 6 and 18 to 21 of the Regulation of the Board of Directors, director appointment proposals put forward by the Board of Directors for the consideration of the General Meeting, and the appointment agreements adopted by the Board by virtue of the co-opting powers legally attributed to it, must be preceded by the corresponding proposal of the Appointments Committee, when dealing with independent directors, and by a report, in the case of all other directors. Proposals for the appointment and re-election of directors must be accompanied by a report from the Board of Directors setting out the competencies, experience and merits of the candidate.

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-executive Directors represent a majority over executive Directors and that the latter should be the minimum 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).

When qualifying directors, the definitions established in applicable regulations, and detailed in article 19 of the Regulation of the Board of Directors, are used.

The Board will also strive to ensure that its external directors include proprietary and independent directors who reflect the existing proportion of the Company's share capital represented by proprietary directors and the rest of its capital. At least one third of the Company's directors will be independent directors.

No shareholder may be represented on the Board of Directors by a number of proprietary directors that accounts for more than 40% of the total number of Board members, without affecting the shareholders' right to proportional representation as laid down by law.

Directors shall remain in their posts for the term of office stipulated in the Articles of Association (which is 4 years) whenever the General Meeting does not agree on their removal and they do not resign from the position, and may be re-elected one or more times for periods of equal length. However, independent directors will not remain as such for a continuous period of more than 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. In the event that 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.

CONTINUES IN SECTION H.

**C.1.17 Explain to what extent this evaluation has prompted significant changes in its internal organisation and the procedures applicable to its activities:**

**Description of amendments**

Taking the Report on Effectiveness and Performance of the Board and its Committees as a basis, corresponding to the 2017 financial year, elaborated by the external consultant Russell Reynolds Associates, the Appointments Committee monitored all the organisational improvement measures and actions during 2018.

As a result of the self-assessment in 2017, on 21 December, the Board analysed the conclusions of the financial year, and on 1 February 2018, agreed to modify the composition of the Board Committees as a result of the self-assessment.

Furthermore, and by way of example, we should mention that improvements were made to the agendas of meetings, progress was made in the informational logistics for meetings of governing bodies, and the general and business information provided as updates between Board meetings was optimised, along with the participation of executives in meetings of governing bodies, making them more selective.

Describe the assessment process and the assessed areas, carried out by the board of directors, assisted, where relevant, by an external adviser, regarding the functioning and composition of the board and its committees, and any other area or aspect subject to evaluation.

**Description of the assessment process and the assessed areas**

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 Code of Good Governance dated February 2015 which recommends that a regular self-assessment be carried out on the performance of the Board of Directors and its Committees.

This year, the Board of Directors assessed its own functioning, in accordance with the following procedure:

First of all, with the assistance of the General Secretary and Secretary of the Board, the Appointments Committee approved the self-assessment questionnaires that comprise the basis of the self-assessment process for directors. To do this, the questionnaires the CaixaBank used in previous years (2016 and 2017) were taken into consideration, as well as applicable regulations, particularly the Code of Good Corporate Governance for Listed Companies of the CNMV and the Guide of the European Banking Authority on assessing the suitability of members of the board of directors and other key positions (EBA/GL/2017/12) of 26 September 2017.

The methodology applied was primarily based on analysing the responses on the questionnaires. The Directors responded anonymously to 80 questions, grouped into the following categories and sub-categories:

1. Functioning of the Board of Directors. Quality and efficiency. (1.1 Preparation, 1.2 Dynamics and Culture and 1.3 Assessment of the work tools offered to directors).
2. Composition of the Board of Directors.
3. Committees: composition and operations (only for non-members).
4. Performance of the Chairman.
5. Performance of the CEO.
6. Performance of the Coordinating Independent Director.
7. Performance of the Secretary of the Board of Directors.
8. Individual evaluation of each director by peers.

Members of each Committee were also sent a self-assessment form on the functioning of the respective committee. The questions were answered according to the following scale: 1 - Very faulty; 2 - Somewhat faulty; 3 - Somewhat acceptable; 4 - Very acceptable. The results and conclusions reached, including the recommendations, have been incorporated into the document analysing the performance assessment of the CaixaBank Board of Directors and its Committees, corresponding with the 2018 financial year, which was approved by the Board of Directors.

It is a single report that contains the report of the assessment of the structure, size and assessment of the Board, the annual report on the assessment of the functioning of the Board and its delegated Committees, the performance of the functions of the Chairman, CEO, the coordinating independent director and the General Secretary, as well as the annual verification of compliance with the Director Selection Policy.

Generally, and in light of the responses received from directors as a result of the self-assessments and activity reports elaborated by each of the Committees, the Board of Director favourably assesses the quality and efficiency of the functioning of the Board of Directors and its Committees during 2018.

Meanwhile, the structure, size and composition of the Board of Directors is considered adequate, particularly with respect to gender diversity and diversity of 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 re-assessment of the suitability of each director that the Appointments Committee has carried out, which leads to the conclusion that the overall Board of Directors is suitable in terms of composition, notwithstanding other aspects relating to the qualitative composition of diversity.

**C.1.18 Describe, in those years in which the external advisor has participated, the business relationships that the external advisor or any group company maintains with the company or any company in its group.**

With respect to the 2017 financial year, in which Russell Reynolds assisted the Board in the evaluation process, except for the provision of services relating to the evaluation process of the Board, there were no business dealings outside the ordinary trade and business activities with the consultant or any company in the same group. In said year, the external consultant also assisted the Appointments Committee in the director selection procedure.

**C.1.19 Indicate the cases in which Directors must resign.**

Article 21.2 of the Regulations of the Board of Directors stipulates that the Directors must place their position at the disposal of the Board of Directors and formalise, if the latter deems appropriate, the pertinent resignation, 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 the applicable regulations;
- (c) when they are indicted for an allegedly criminal act or are subject to a disciplinary proceeding for serious or very serious fault instructed by the supervisory authorities;
- (d) when their remaining on the Board, they may place at risk the Company's interest, or when the reasons for which they were appointed cease to exist. In particular, in the case of external proprietary Directors, when the shareholder they represent transfers its stake in its entirety. They must also do so when the said shareholder lowers its shareholding to a level which requires the reduction of the number of proprietary Directors;
- (e) when significant changes occur in their professional situation or in the conditions in which they were appointed Director; and
- (f) when due to facts attributable to the Director, his remaining on the Board causes serious damage to the corporate net worth or reputation in the judgement of the Board.

Article 21.3 of the Regulation of the Board of Administration establishes that, if an individual representing a legal entity director incurs in any of the aforementioned circumstances, the representative must offer their post to the legal entity that appointed them. If the latter decides to maintain the representative to exercise its position of Director, the Director who is a legal entity must offer its post of Director to the Board of Directors.

All of the above, notwithstanding the provisions of Royal Decree 84/2015, of 13 February, which implements Act 10/2014, of 26 June on the organisation, supervision and solvency of credit institutions, on the requirements of repute that must be met by directors and the consequences of losses derived therefrom, along with other regulations or guides applicable to the nature of the company.

**C.1.20 Are qualified majorities other than those prescribed by law required for any type of decision?**

- Yes
- No

If applicable, describe the differences.

**C.1.21 Indicate whether there are any specific requirements other than those relating to the Directors, to be appointed chairperson of the board of directors:**

- Yes
- No

**C.1.22 Indicate whether the Articles of Association or the Board Regulations set any age limit for Directors:**

- Yes
- No

C.1.23 State whether the Articles of Association or the Board regulations establish any stricter term limits or other requirements for independent directors other than those required by law:

[ ] Yes  
[ ✓ ] No

C.1.24 State whether the Articles of Association or Board regulations establish specific proxy rules for votes at Board meetings, how they are to be delegated and, in particular, the maximum number of delegations that a director may have, as well as if there is any limit regarding the categories in which it is possible to delegate, beyond the limits imposed by law. If so, give brief details.

With respect to the rules on proxy voting, the provision of article 17 of the Regulation of the Board establishes 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 another Board member, including the appropriate instructions therein. Non-executive Directors may only delegate a proxy who is another non-executive Director, while independent Directors may only delegate to another 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.

Notwithstanding the above, so that the proxyholder can respond to the outcome of the debate by the Board, proxies, when they are granted, always in accordance with the legal conditions, are not usually granted with specific instructions. This is in keeping with the law on the powers of the Chairman of Board, who is given, among others, the responsibility of encouraging a good level of debate and the active involvement of all Directors during the meetings, safeguarding their rights to adopt positions.

C.1.25 Indicate the number of board meetings held during the year, and how many times the board has met without the Chairman's attendance. Attendance will also include proxies appointed with specific instructions.

Number of Board meetings	13
Number of Board meetings without the attendance of the chairman	

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

Number of meetings	3
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Indicate the number of meetings of the various Board committees held during the year.

Number of meetings of the AUDIT AND CONTROL COMMITTEE	17
Number of meetings of the APPOINTMENTS COMMITTEE	10
Number of meetings of the REMUNERATION COMMITTEE	7
Number of meetings of the RISKS COMMITTEE	13

Number of meetings of the EXECUTIVE COMMITTEE	22
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C.1.26 State the number of meetings held by the Board of Directors during the year and the information on member attendance:

Number of meetings with the physical attendance of at least 80% of directors	13
% of in situ attendance in terms of the total votes during the year	97.80
Number of meetings with the physical attendance, or proxies with specific instructions, of all directors	8
% of votes issued at in situ meetings or with representations made with specific instructions out of all votes cast during the year	97.80

In 2018, the total number of non-attendances of Directors was 5, whereby proxies appointed without specific instructions are deemed to be non-attendances. Director absences occur when Directors are unable to attend. Proxies, when appointed, 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 of the total votes cast in 2018 is 2.19%, taking into account that proxies appointed without specific instructions are deemed to be non-attendances.

C.1.27 State if the individual and consolidated financial statements submitted to the Board for preparation were previously certified:

- Yes  
 No

Identify, where applicable, the person(s) who certified the company's individual and consolidated financial statements prior for their authorisation for issue by the Board.

C.1.28 Explain any measures established by the Board of Directors to prevent the individual and consolidated financial statements prepared by the Board from being submitted to the General Shareholders' Meeting with qualifications in the auditors' report.

The Audit and Control Committee is responsible for ensuring that the financial information is correctly drawn up, and, in addition to other functions, it conducts the following in order to avoid a qualified audit report:

In relation to overseeing financial information:

- (i) to report to the Annual General Meeting about matters posed by shareholders that are within the competence of the Committee 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) oversee the process of elaborating and presenting mandatory financial information regarding the Company and, where relevant, the Group, reviewing the Company accounts, compliance with regulatory requirements in this area, the adequate definition of the consolidation perimeter, and the correct application of generally accepted accounting criteria. And, in particular, know, understand and oversee the effectiveness of the internal financial information control system (ICFR), concluding on the level of trust and reliability of the system, and
- (iii)

elaborating proposals to modify the accounting principles and criteria suggested by management, in order to guarantee the integrity of the accounting and financial information systems, including financial and operational control, and compliance with applicable law. The Committee can put forward recommendations or proposals to the Board of Directors, designed to safeguard the completeness of the mandatory financial information;

(iii) to ensure that the Board of Directors files the Annual Accounts to the General Shareholders Meeting, without limitations or qualifications in the audit report, and that, in the exceptional case whereby there are qualifications, ensure that the Chairman of the Committee and the auditors clearly explain the content and scope of said limitations or qualifications to shareholders;

(iv) to report to the Board of Directors, in advance, on the financial information, and related non-financial information, that the Company must periodically publish to the markets and its supervisory bodies;

**C.1.29 Is the Secretary of the Board also a Director?**

Yes

No

Complete if the Secretary is not also a Director:

Name or corporate name of the secretary	Representative
ÓSCAR CALDERÓN DE OYA	

**C.1.30 State, if any, the concrete measures established by the entity to ensure the independence of its external auditors, financial analysts, investment banks and rating agencies, including how legal provisions have been implemented in practice.**

As well as submitting to the Board of Directors, for submission to the Annual General Meeting, the proposals for selection, appointment, re-election and replacement of the external auditor, the Audit and Control Committee is responsible for maintaining the appropriate relations with the external auditor in order to receive information on those matters that could jeopardise their independence and any other matters related to the process of auditing the accounts. In any case, on an annual basis, external auditors must provide the Audit and Control committee with a declaration of their independence with regard to the Company or entities directly

o or indirectly related to it, in addition to information on the additional services of any kind rendered to these entities by the aforementioned auditors

o 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 address, in all cases, the evaluation of the provision of any additional services referred to above, individually and collectively considered, different from the legal audit and related to the degree of independence or to the regulatory audit regulations.

As an additional mechanism of ensuring the auditor's independence, article 45.4 of the Articles of Association 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 regard to its relationship with market agents, the Company acts on the principles of transparency and non-discrimination set out in the applicable legislation and those stated in the Regulations of the Board of Directors which stipulate that the Board, through communications of material facts to the Spanish Securities Market Commission (CNMV) and the corporate website, shall inform the public immediately with regard to any material information. With regard to 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.

Within this Policy, and pursuant to the authority vested in the Coordinating Director appointed in 2017, he must maintain contact, as appropriate, 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.

Also, 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 the rights of the shareholders, institutional investors and the markets in general in the defence of the corporate interest, in compliance with the following principles:

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

These principles are applicable to all information disclosed and the Company's communications with shareholders, institutional investors and relations with markets and other stakeholders such as, inter alia, intermediary financial institutions,

management companies and depositories of the Company's shares, financial analysts, regulatory and supervisory bodies, proxy advisors, information agencies, credit rating agencies, etc.

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

With respect to the concrete measures established to preserve the independence of external auditors, in 2018, the CaixaBank Board of Directors approved the Policy on the Relationship with External Auditors. The objective of this policy is to adapt the process of designating the Account Auditor of CaixaBank, S.A. and its Consolidated Group to the new regulatory framework, ensuring that it is carried out through an impartial and transparent process, and that both the designation and the relationship framework with the Auditor is implemented according to applicable standards.

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.

C.1.31 Indicate whether the company has changed its external audit firm during the year. If so, identify the incoming audit firm and the outgoing auditor.

Yes  
 No

Outgoing auditor	Incoming auditor
DELOITTE, S.L.	PricewaterhouseCoopers Auditors, S.L.

The General Shareholders Meeting held on 6 April 2017 appointed PricewaterhouseCoopers Auditores, S.L. as the accounts auditor for CaixaBank and its consolidated group, for the fiscal years 2018, 2019 and 2020.

The selection process took place throughout 2016, pursuant to the criteria established in Regulation (EU) 537/2014, of 16 April, on the specific requirements for legal audits of public-interest entities. The Auditing and Control committee was responsible for this selection process, ensuring transparency, independence and objectivity at all times. In 2017, the Committee also made that the auditor was changed smoothly and seamlessly, and in a way which had the smallest possible impact for CaixaBank.

Explain any disagreements with the outgoing auditor and the reasons for the same.

Yes  
 No

C.1.32 State whether the audit firm provides any non-audit services to the company and/or its group and, if so, the fees paid and the corresponding percentage of total fees invoiced to the company and/or group:

Yes  
 No

	Company	Company of the group	Total
Amount of non-audit work (thousands of euros)	283	817	1,100
Amount of non-audit work / amount of audit work (in %)	18.00	38.00	29.00

C.1.33 Indicate whether the audit report on the previous year's financial statements is qualified or includes reservations. If so, please explain the reasons given by the chairman of the audit committee to explain the content and extent of the aforementioned qualified opinion or reservations.

Yes  
 No

C.1.34 State the number of consecutive years the current audit firm has been auditing the individual and/or consolidated financial statements of the company. Likewise, indicate for how many years the current firm has been auditing the financial statements as a percentage of the total number of years over which the financial statements have been audited.

	Individual	Consolidated
Number of consecutive years	1	1

	Individual	Consolidated
N° of fiscal years audited by the current auditing firm / N° of years that the company or the group has been audited (in %)	5.26	5.26

C.1.35 Indicate whether there are procedures for Directors to receive the information they need in sufficient time to prepare for the meetings of the governing bodies:

Yes  
 No

**Details of procedure**

Pursuant to article 22 of the Regulations of the Board of Directors, when carrying out their duties, Directors have the duty to demand and the right to obtain from the company any information they need to discharge their responsibilities. For such purpose, they may 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.

Requests for information must be directed to the Chairman of the Board of Directors, if they hold executive status, and otherwise to the Chief Executive Officer, who will forward the request to the appropriate party in the Company. If they deem that the information is confidential, they will notify the Director of this as well as their duty of confidentiality.

Notwithstanding the above, 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 prior to the Board meeting in question.

C.1.36 Indicate and, where appropriate, give details of whether the company has established rules obliging Directors to inform the Board of any circumstances that might harm the organisation's name or reputation, tendering their resignation as the case may be:

Yes  
 No

Details of procedure

In addition to the provisions of section C.1.19, according to the stipulations of article 21 of the Regulation of the Board, the director must offer their resignation to the Board of Directors, and, if the latter deems it necessary, formalise the corresponding resignation when, due to circumstances attributable to the Director, their remaining on the Board causes serious harm to the corporate net worth or reputation, in the judgement of the Board.

C.1.37 State whether any member of the Board of Directors has notified the company that he or she has been tried or notified that legal proceedings have been filed against him or her, for any offences described in Article 213 of the Corporation Act:

[ ] Yes  
[ ✓ ] No

C.1.38 List the significant agreements entered into by the company which come into force, are amended or terminate in the event of a change of control of the company due to a takeover bid, and their effects.

Not applicable.

C.1.39 Identify individually, for directors, and collectively, in other cases, and provide details of any 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 operation.

Number of beneficiaries	31
Type of beneficiary	Description of the agreement
CEO and 2 members of the Committee, 4 Managers // 24 middle managers.	Chief Executive Officer: One year of the fixed components of his remuneration. 2 members of the Management Committee: up to 0.8 annual payments of the fixed components of their remuneration above that provided for at law. Furthermore, the Directors and members of the Management Committee have one year of fixed remuneration, paid in monthly instalments, to remunerate the agreement of non-competition. This payment would be discontinued were this covenant to be breached. 28 executives and middle managers: between 0.1 and 1.7 yearly payments of fixed remuneration above that required by law.

State if these contracts have been communicated to and/or approved by management bodies of the company or of the Group, beyond the cases stipulated by regulations. If so, specify the procedures, events and nature of the bodies responsible for their approval or for communicating this:

	Board of Directors	General Shareholders' Meeting
Body authorising clauses	✓	

	Yes	No
Is the General Shareholders' Meeting informed of such clauses?	√	

The Board of Directors, in full session, is responsible for approving, subject to a report of the Remuneration Committee, within the system called for in the Articles of Association, the remuneration policies of the Board of Directors, of the Identified Staff and General Staff of the CaixaBank Group. It also approves Directors' remuneration and, in the case of executive Directors, the additional consideration for their management duties and other contract conditions, the appointment and removal of Senior Executives, as well as compensation clauses. Therefore, the Board of Directors only approves "golden parachute" clauses for the Entity's Chief Executive Officer and the 2 members of the Management Committee.

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 (4 beneficiaries) that are not considered senior management, and middle managers (24 beneficiaries) in the case of dismissal that does not give rise to the right to receive compensation, the impact would be irrelevant given that, in these cases, the clauses are absorbed by legal compensations.

## C.2. Board Committees

C.2.1. Give details of all the board committees, their members and the proportion of proprietary and independent Directors.

AUDIT AND CONTROL COMMITTEE		
Name	Position	Director
ALAIN MINC	CHAIRMAN	Independent
JOSÉ SERNA MASIÁ	MEMBER	Proprietary
KORO USARRAGA UNSAIN	MEMBER	Independent
EDUARDO JAVIER SANCHIZ IRAZU	MEMBER	Independent

% of executive Directors	0.00
% of proprietary Directors	25.00
% of independent Directors	75.00
% of other external Directors	0.00

Explain the duties exercised by this committee, including any that are in addition to those stipulated by law, and describe the rules and procedures it follows for its organisation and functioning. For each one of these functions, briefly describe their most important actions during the year and how they have exercised in practice each of the functions attributed thereto by law, in the Articles of Association or other corporate resolutions.

The Audit and Control Committee will be exclusively formed of 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.

Furthermore, the Board of Directors will 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 its duties.

Overall, and notwithstanding the principle to foster diversity, the members of the Audit and control Committee, who will be allocated in consideration of their capacity of dedication needed to fulfil the duties assigned to them, will have the required technical knowledge regarding the Company's activities.

The Audit and Control Committee will appoint a Chairman from among the independent Directors. The Chairman must be replaced every four (4) years and may be re-elected once a period of one (1) year from his departure has transpired. The Chairman of the Committee will act as a spokesperson in meetings of the Board of Directors, and, where relevant, in the Company's General Shareholders' Meetings.

This Committee will come together at the frequency needed to fulfil its duties, and will be convened by the Chairman of the Committee, either at his/her own initiative or at the requirement of the Chairman of the Board of Directors, or of two (2) members of the Committee itself.

Its duties include:

to report to the Annual General Meeting about matters posed by shareholders that are within the competence of the Committee 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.

oversee the process of elaborating and presenting mandatory financial information regarding the Company and, where relevant, the Group, reviewing the Company accounts, compliance with regulatory requirements in this area, the adequate definition of the consolidation perimeter, and the correct application of generally accepted accounting criteria.

to ensure that the Board of Directors files the Annual Accounts to the General Shareholders Meeting, without limitations or qualifications in the audit report, and that, in the exception case whereby there are qualifications, ensure that the Chairman of the Committee and the auditors clearly explain the content and scope of said limitations or qualifications to shareholders.

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

to oversee the effectiveness of internal control systems, and discuss any weaknesses found in the internal control system that may have been detected during the audit with the auditor, all without violating its independence. For such purposes, and if appropriate, it may submit recommendations or proposals to the Board of Directors and the corresponding deadline for their follow-up;

to oversee the efficiency of the internal audit, establish and supervise a mechanism which allows the employees of the Company or of the group to which it belongs, confidentially and, if deemed appropriate, anonymously, to report irregularities of potential significance, especially financial and accounting ones, which they 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.

Identify the directors who are members of the audit committee and have been appointed taking into account their knowledge and experience in accounting or audit matters, or both, and state the date that the Chairperson of this committee was appointed.

Names of the directors with experience	ALAIN MINC
Date of appointment of the chairman	21/05/2015

APPOINTMENTS COMMITTEE		
Name	Position	Director
ALAIN MINC	MEMBER	Independent
JOHN S. REED	CHAIRMAN	Independent
MARÍA TERESA BASSONS BONCOMPTE	MEMBER	Proprietary

% of executive Directors	0.00
% of proprietary Directors	33.33
% of independent Directors	66.67
% of other external Directors	0.00

Explain the duties exercised by this committee, including any that are in addition to those stipulated by law, and describe the rules and procedures it follows for its organisation and functioning. For each one of these functions, briefly describe their most important actions during the year and how they have exercised in practice each of the functions attributed thereto by law, in the Articles of Association or other corporate resolutions.

The Appointments Committee will be formed by Directors that do not carry out executive duties, in the number determined by the Board of Directors, with a minimum of three (3) and a maximum of five (5) members, the majority of which being independent Directors. Members of the Appointments Committee will be appointed by the Board of Directors at the proposal of the Audit and Control Committee, and the Chair of the Committee will be appointed from among the independent Directors that form part thereof.

It will meet whenever considered appropriate for the good performance of their duties and the meetings will be called by their Chairperson, either by his/her own initiative, or when required by two (2) members of the Committee itself, and must do so whenever the Board or its Chair requests the issuance of a report or the adoption of a proposal.

Its duties include:

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.

To submit 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 General Shareholders' Meeting, as well as the proposals for the reappointment or removal of such Directors by the General Shareholders Meeting;

Reporting on the appointment and, as the case may be, dismissal of the Lead Director, the Secretary and the Deputy Secretaries for approval by the Board of Directors.

To examine and organise, in collaboration with the Coordinating Director, and with the Chairman of the Board of Directors, the succession of the latter and of the Company's chief executive and, as the case may be, send proposals to the Board of Directors so that the succession process is suitably planned and takes place in orderly fashion.

Report 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 evaluate, 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 Lead Director when assessing the performance of the Chairman. It should also evaluate the composition of the Management Committee, as well as its replacement lists, to ensure proper coverage as members come and go.

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

REMUNERATION COMMITTEE		
Name	Position	Director
JUAN ROSELL LASTORTRAS	MEMBER	Independent
ALEJANDRO GARCÍA-BRAGADO DALMAU	MEMBER	Proprietary
MARÍA AMPARO MORALEDA MARTÍNEZ	CHAIRMAN	Independent

% of executive Directors	0.00
% of proprietary Directors	33.33
% of independent Directors	66.67
% of other external Directors	0.00

Explain the duties exercised by this committee, including any that are in addition to those stipulated by law, and describe the rules and procedures it follows for its organisation and functioning. For each one of these functions, briefly describe their most important actions during the year and how they have exercised in practice each of the functions attributed thereto by law, in the Articles of Association or other corporate resolutions.

The Remuneration Committee will be formed by Directors that do not carry out executive duties, in the number determined by the Board of Directors, with a minimum of three (3) and a maximum of five (5) members, the majority of which being independent Directors. The Chair of the Board will be appointed from among the independent Directors that form part of the Committee.

It will meet whenever considered appropriate for the good performance of their duties and the meetings will be called by their Chairperson, either by his/her own initiative, or when required by two (2) members of the Committee itself, and must do so whenever the Board or its Chair requests the issuance of a report or the adoption of a proposal.

Its duties include:

Draft the resolutions related to remuneration and, particularly, report and propose 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 as well as reporting the basic conditions established in the contracts of these and compliance of the contracts.

Reporting and preparing the general remuneration policy of the Company and in particular the policies relating to the categories of staff whose professional activities have a significant impact on the risk profile of the Company and those that are intended to prevent or manage conflicts of interest with the Company's customers.

Analyse, formulate and periodically review the remuneration programmes, weighing up their adequacy and performance and ensuring compliance.

RISKS COMMITTEE		
Name	Position	Director
ANTONIO SÁINZ DE VICUÑA Y BARROSO	CHAIRMAN	Independent
IGNACIO GARRALDA RUIZ DE VELASCO	MEMBER	Proprietary
KORO USARRAGA UNSAIN	MEMBER	Independent
EDUARDO JAVIER SANCHIZ IRAZU	MEMBER	Independent
CAJA CANARIAS FOUNDATION	MEMBER	Proprietary

% of executive Directors	0.00
% of proprietary Directors	40.00
% of independent Directors	60.00
% of other external Directors	0.00

Explain the duties exercised by this committee, and describe the rules and procedures it follows for its organisation and functioning. For each one of these functions, briefly describe their most important actions during the year and how they have exercised in practice each of the functions attributed thereto by law, in the Articles of Association or other corporate resolutions.

The Risk Committee will be exclusively formed of non-executive Directors, with the relevant knowledge, capacity 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, the majority of which being independent Directors.

This Committee will come together at the frequency needed to fulfil its duties, and will be convened by the Chairman of the Committee, either at his/her own initiative or at the requirement of the Chairman of the Board of Directors, or of two (2) members of the Committee itself.

Its duties include:

To advise the Board of Directors on the overall susceptibility to risk, current and future, of the entity and its strategy in this area, reporting on the risk appetite framework, assisting in the monitoring 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.

Propose to the Board the Group's risk policy.

Determine with the Board of Directors, the nature, quantity, format and frequency of the information concerning risks that the Board of Directors should receive and establish what the Committee should receive.

Regularly review exposures with its main customers and business sectors, as well as broken down by geographic area and type of risk.

Examine the Group's risk reporting and control processes, as well as its information systems and indicators.

Evaluation of the regulatory compliance risk in its scope of action and determination, understood as the risk management of legal or regulatory sanctions, financial loss, material or reputational that the Company could suffer as a result of non-compliance with laws, rules, regulation standards and codes of conduct, detecting any risk of non-compliance and carrying out monitoring and examining possible deficiencies in the principles of professional conduct.

Report on new products and services or significant changes to existing ones.

EXECUTIVE COMMITTEE		
Name	Position	Director
ANTONIO SÁINZ DE VICUÑA Y BARROSO	MEMBER	Independent
MARÍA VERÓNICA FISAS VERGÉS	MEMBER	Independent
JAVIER IBARZ ALEGRÍA	MEMBER	Proprietary
TOMÁS MUNIESA ARANTEGUI	MEMBER	Proprietary
JORDI GUAL SOLÉ	CHAIRMAN	Proprietary
FRANCESSC XAVIER VIVES TORRENTS	MEMBER	Independent
MARÍA AMPARO MORALEDA MARTÍNEZ	MEMBER	Independent
GONZALO GORTÁZAR ROTAECHE	MEMBER	Executive

% of executive Directors	12.50
% of proprietary Directors	37.50
% of independent Directors	50.00
% of other external Directors	0.00

Explain the duties exercised by this committee, and describe the rules and procedures it follows for its organisation and functioning. For each one of these functions, briefly describe their most important actions during the year and how they have exercised in practice each of the functions attributed thereto by law, in the Articles of Association or other corporate resolutions.

The composition of the Executive Committee, which reflects the composition of the Board, and the rules of its operations, will be 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 appointment of members of the Executive Committee and the permanent delegation of powers from the Board on the same will require the favourable vote of at least two thirds of the members of the Board of Directors.

The Executive Committee will meet as often as it is called by its Chairman or whoever replaces him/her in his/her absence, as occurs in the event of vacancy, leave, or incapacity, and will be validly assembled when the majority of its members attend the meeting, either personally or by representation.

The resolutions of the Committee will be adopted by the majority of the members attending the meeting in person or represented by proxy and will be validated and binding without the need for later ratification by the full Board of Directors, notwithstanding that spelled out in article 4.5 of the Regulations of the Board of Directors.

The Executive Committee will inform the Board of the main matters it addresses and the decisions it makes thereon at its meetings.

The Executive Committee has been delegated all of the responsibilities and powers available to it both legally and under the Company's articles of the Executive Committee is subject to the limits established in article 4 of the Regulations of the Board of Directors.

C.2.2 Complete the following table with information regarding the number of female directors who were members of board committees at the close of the past four years:

	Number of women Directors							
	2018		2017		2016		2015	
	Number	%	Number	%	Number	%	Number	%
REMUNERATION CONTROL COMMITTEE	1	25.00	1	33.33	1	33.33		0.00
REMUNERATION COMMITTEE	1	33.33	2	66.67	2	66.67	2	66.67
REMUNERATION COMMITTEE	1	33.33	2	66.67	1	33.33	1	33.33
EXECUTIVE COMMITTEE	2	40.00	1	25.00	1	25.00	1	20.00
EXECUTIVE COMMITTEE	2	25.00	2	25.00	1	14.29	2	25.00

With respect to the information on the participation of female directors on the Appointments committee, the Remuneration Committee and the Risk Committee, it is essential to specify that, up to 25 September 2014, there were three commissions of the Board of Directors, namely: the Appointments and Remuneration Committee, the Audit and Control Committee and the Executive Committee. Thereafter, and pursuant to Law 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. These changes resulted in the Bank having five Board Committees, namely: Appointments Committee, Remuneration Committee, Risk Committee, Audit and Control Committee and Executive Committee

C.2.3 Indicate, as appropriate, whether there are any regulations governing the Board committees. If so, indicate where they can be consulted, and whether any amendments have been made during the year. Also, indicate whether an annual report on the activities of each committee has been prepared voluntarily.

**EXECUTIVE COMMITTEE** Brief description

There are no specific regulations for the Board committees. The Executive Committee is governed by the applicable legislation, the company's Articles of Association 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 Regulation 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 Articles of Association that the Committee must prepare an activities report. Nevertheless, in the meeting of 8 February 2018, the annual report of activities covering the main aspects of the regulation of the committee in the various corporate documents was approved, as well as the assessment of their functioning during 2017. Furthermore, in the meeting of December 2018, the annual activity report was approved, along with the assessment of its functioning for 2018.

**AUDIT AND CONTROL COMMITTEE** Brief description

There are no specific regulations for the Board committees. The organisation and functions of the Auditing and Control Committee are detailed in the Regulation of the Board, which is available on the CaixaBank corporate website ([www.caixabank.com](http://www.caixabank.com)) as well as its composition and structure.

In accordance with the provisions of article 14.3 (e) of the Regulation of the Board, and applicable standards, in the meeting of 8 February 2018, the Auditing and Control Committee approved its annual report on its functioning, highlighting the main incidents regarding its functions, if any have arisen, as well as the assessment of its functioning during 2017. Furthermore, in the meeting of December 2018, the annual report on its functioning was approved, along with the assessment of its functioning for 2018.

#### RISKS COMMITTEE

##### Brief description

There are no specific regulations for the Board committees. The organisation and functions of the Risks Committee are detailed in the Regulation of the Board, which is available on the CaixaBank corporate website ([www.caixabank.com](http://www.caixabank.com)) as well as its composition and structure.

In accordance with the provisions of article 14.3 (e) of the Regulation of the Board, and applicable standards, in the meeting of 8 February 2018, the Risk Committee approved its annual report on its functioning, highlighting the main incidents regarding its functions, if any have arisen, as well as the assessment of its functioning during 2017.

Furthermore, in the meeting of December 2018, the annual report on its functioning was approved, along with the assessment of its functioning for 2018.

#### APPOINTMENTS COMMITTEE

##### Brief description

There are no specific regulations for the Board committees. The organisation and functions of the Appointments Committee are detailed in the Regulation of the Board, which is available on the CaixaBank corporate website ([www.caixabank.com](http://www.caixabank.com)) as well as its composition and structure.

In accordance with the provisions of article 15.4 (vi) of the Regulations of the Board, and applicable standards, in its meeting of 31 January 2018, the Appointments Committee approved its annual activity report, which includes the assessment of its performance during 2017. Furthermore, in the meeting of December 2018, the annual report on its activities was approved, which includes the assessment of its functioning for 2018.

#### REMUNERATION COMMITTEE

##### Brief description

There are no specific regulations for the Board committees. The organisation and functions of the Remuneration Committee are detailed in the Regulation of the Board, which is available on the CaixaBank corporate website ([www.caixabank.com](http://www.caixabank.com)) as well as its composition and structure.

In accordance with the provisions of article 15.4 (vi) of the Regulations of the Board, and applicable standards, in its meeting of 16 February 2018, the Appointments Committee approved its annual activity report, which includes the assessment of its performance during 2017. Furthermore, in the meeting of December 2018, the annual report on its activities was approved, which includes the assessment of its functioning for 2018.

## **D. RELATED-PARTY AND INTRAGROUP TRANSACTIONS**

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### **D.1. Describe, if applicable, the procedure for approval of related-party and intragroup transactions.**

The Board of Directors, as a plenary body, shall approve, subject to a report from the Audit and Control Committee of the operations that the Company or companies of its group perform with Directors, in terms established by Law, or when the authorisation corresponds to the Board of Directors, with shareholders holding (individually or in concert with others) a significant stake, including shareholders represented in the Board of Directors of the Company or of other companies forming part of the same group 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. they are governed by standard-form agreements applied on an across-the-board basis to a large amount of clients;
- b. 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. their amount 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.

With respect to the relationships of significant shareholders with a holding of higher than 30%, as explained in Note A.8 of section H.1 of this Report, Act 26/2013, on savings banks and banking foundations, establishes the obligation for banking foundations to approve a financial participation management protocol, which, inter alia, must address the general criteria for performing transactions between the banking foundation and the investee credit institution, and the mechanisms for avoiding any potential conflicts of interest. Accordingly, the "La Caixa" Banking Foundation approved its Protocol for managing its ownership interest in CaixaBank. On 22 February 2018, in accordance with the stipulations of the Management Protocol, the 'La Caixa' Banking Foundation, as the parent company of the 'La Caixa' Group, CriteriaCaixa, as a direct shareholder of CaixaBank, and CaixaBank, as a listed company, entered into a new Internal Relations Protocol (available on the corporate website), which, inter alia, establishes the general criteria for performing transactions or providing services under market conditions, and identifies the services that Companies of the 'La Caixa' Banking Foundation Group provide or could provide to Companies of the CaixaBank Group, and, likewise, those that Companies of the CaixaBank Group provide or could provide to Companies of the 'La Caixa' Banking Foundation Group. The Protocol establishes the circumstances and terms for approving transactions. In general the Board of Directors is the competent body for approving these transactions. In certain cases stipulated in Clause 3.4 of the Protocol, certain intragroup transactions will be subject to prior approval from the CaixaBank Board of Directors, which must have a report issued in advance by the Auditing Committee, whereby the same applies for all other signatories of the Protocol.

Intragroup transactions are regulated by the Internal Relations Protocol between the CaixaBank and Banco BPI. This sets, inter alia, the general criteria to carry out transactions or provide intragroup services under market conditions, as well as identifying the services which CaixaBank Group companies provide and may provide to BPI Group companies and those which BPI Group companies provide or may provide, in turn, to CaixaBank Group companies. The Protocol establishes the circumstances and terms for approving intragroup transactions. In general the Board of Directors is the competent body for approving these operations.

It should be noted that certain intragroup operations described in Clause 3.3, given their importance, shall be subject to prior approval of the CaixaBank Board of Directors which must be in possession of a prior report from the Audit and Control Committee and also of the Banco BPI, in which case, the Board of Directors must be in possession of a report from its Tax Board.

D.2 List any relevant transactions, by virtue of their amount or importance, between the company or its group of companies and the company's significant shareholders:

Name or corporate name of the significant shareholder	Name or corporate name of the company or entity in the group	Nature of the relationship	Type of transaction	Amount (thousands of euros)
CRITERIA CAIXA, SAU	CAIXABANK, S.A.	Corporate	Dividends and other profit distributed	358,881
CRITERIA CAIXA, SAU	CAIXABANK, S.A.	Commercial	Other instruments that could imply a transfer of resources or obligations between the Company and the related party	1,100,000

D.3 List any relevant transactions, by virtue of their amount or importance, between the company or its group of companies and the company's managers or Directors.

Name or corporate name of the administrators or managers	Name or corporate name of the related party	Relationship	Nature of the operation	Amount (thousands of euros)
No data				N.A.

All transactions were carried out in the ordinary course of business and on an arm's length basis. Note 41 of the consolidated financial statements shows the balances with managers and Directors in aggregate form for 2018.

D.4 List any relevant transactions undertaken by the company with other companies in its group that are not eliminated in the process of drawing up the consolidated financial statements and whose subject matter and terms set them apart from the company's ordinary trading activities.

In any case, list any intragroup transactions carried out with entities in countries or territories considered to be tax havens.

Name of the company in its group	Brief description of the transaction	Amount (thousands of euros)
No data		N.A.

Note 41 of the consolidated financial statements shows the balances with CaixaBank Group associates and joint ventures in aggregate form as well as additional breakdowns 2018.

**D.5 State any significant transactions conducted between the company or other companies in its group with other related parties, which have not been reported in the previous sections:**

Name of the related party	Brief description of the transaction	Amount (thousands of euros)
No data		N.A.

All transactions were carried out in the ordinary course of business and on an arm's length basis.

Note 41 of the consolidated financial statements shows the balances with managers and Directors in aggregate form for 2018.

**D.6 List the mechanisms established to detect, determine and resolve any possible conflicts of interest between the company and/or its group, and its Directors, management or significant shareholders.**

**Directors and Executives**

Article 29 of the Regulations of the Board of Directors regulates the duty not to compete of company Directors. This non-competition prohibition can only be lifted 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. The obligation to abide by the conditions and guarantees provided by the dispensation agreement and, in any case, the obligation to abstain from participating in the deliberations and voting in which there is a conflict of interest shall be applicable to the Director who has obtained the dispensation, all of this in accordance with the provisions of current legislation.

Pursuant to article 30 of the Regulations, Directors shall avoid situations which may imply a conflict of interest between the Company and themselves or persons related thereto, taking for these purposes any measures that may be necessary. In all cases, Directors must inform the Board of Directors of the situations of direct or indirect conflict that they or persons related thereto may have with the interests of the Company and these shall be disclosed in the notes to the financial statements.

Furthermore, 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, and article 43 thereof 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 its 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 the Monitoring Body of the Department of Regulatory Compliance of such. Significant shareholders

With a view to strengthen transparency and good governance in the Company, and in accordance with the stipulations of the Financial Participation Management Protocol of the 'La Caixa' Banking Foundation, the 'La Caixa' Banking Foundation, as the parent company of its Group, and 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, as explained in Note A.8 of section H.1 of this Report.

The new Protocol, currently in force, has the following primary objectives: manage related operations derived from the execution of transactions or the provision of services; establish mechanisms to try to avoid conflicts of interest; provide for the granting of a right of first refusal in favour of "la Caixa" Banking Foundation, in the event of the transfer of Monte de Piedad, of which it is the owner; cover the basic principles of a potential collaboration between CaixaBank and the 'La Caixa' Banking Foundation in terms of CSR; regulate the proper flow of information so that the 'La Caixa' Banking Foundation, Criteria and CaixaBank can elaborate their financial statements and comply with periodical information and supervision 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 core shareholders, related party transactions and the use of privileged information, pursuant to prevailing legislation at all times.

**D.7. Is more than one group company listed in Spain?**

Yes  
 No

## **E. RISK CONTROL AND MANAGEMENT SYSTEMS**

### **E.1. Explain the scope of the company's Risk Management and Control System, including those of a tax nature:**

The Company hereby states that of the descriptions contained in CNMV Circular 7/2015, of 22 December, regarding the scope of entities' risk management systems, that which best describes the Company's is number 1, namely: "The Risk Management System functions in an integrated and continuous manner, with each area, business unit, activity, subsidiary, geographical area and support area (for example human resources, marketing or management control) managing risk at a corporate level."

In other words, risk control is fully integrated into the business and the organisation plays a proactive role in ensuring that it is implemented. The Board of Directors determines the risk control and management policies and strategies. To this end it is advised by the Risks Committee, which also regularly reviews the policy in depth.

Senior Management participates directly in this process, maintaining the framework of internal control, ensuring that the Group is prudent in its execution, and in continuous strategic and financial management and planning processes, which guarantee a fit to the Group's profile and risk appetite. The Risk Management System is comprehensive and integrated, and is adapted and streamlined for application at subsidiaries and business units, while adhering to materiality and reasonableness criteria.

The Risk Management System itself is comprised of the following elements:

- Governance and organisation: The governing bodies are the Annual General Meeting and the Board of Directors, which have the powers that, respectively, are assigned to them under the Law and in the Articles of Association, and in accordance with them, in those developments established in the Regulations of each body. As a result, the Company is administrated and governed by its Board of Directors, which is its representative body, and, apart from areas that are competence of the General Meeting, is the highest decision-making body.

- Strategic risk management processes, which include:

Risk assessment: The Group conducts a twice-yearly own risk assessment for all risks in the Risk Catalogue, which incorporates an identification process for emerging risks that could be incorporated into the Catalogue.

Risk Catalogue: The Group has a Corporate Risk Catalogue, updated in December 2018, which facilitates the internal and external monitoring and reporting of the Group's risks, divided into three main categories: Business Model Risks, Specific risks for the Bank's financial activity, and Operational and Reputational Risk, which includes risks of a fiscal nature (further information is provided in section E.3).

Risk Appetite Framework (RAF): A comprehensive and forward-looking tool used by the CaixaBank Group's Board of Directors to determine the types and thresholds of risk it is willing to assume in achieving the Group's strategic objectives for all risks included in the Catalogue.

Risk planning: The Group has institutional processes and mechanisms in place for assessing changes to the Group's risk profile (recent, future and hypothetical in stress scenarios).

- Risk culture at CaixaBank: It is constantly evolving. It is articulated around general risk management, as well as other drivers, such as:

- i. Training, exemplified by the so-called 'School of Risks', where training is given as a strategic tool to support business departments in matters of risk, whilst serving as the channel for transmitting the Group's culture and risk policies to allow for appropriate management, offering training, information and tools to all the Group's professionals.

- ii. Information – publication of the general risk management principles, standards, circulars and manuals, communications in the monthly meetings of the CEO and Senior Management with the heads of the network and Central Services, etc. - and

- iii. Incentives –the impact on the variable remuneration of certain levels of Executives according to the annual development of compliance with the Framework of Risk Management.

CONTINUES IN SECTION H

### **E.2. Identify the bodies within the company responsible for creating and executing the Risk Management and Control System, including tax compliance risk:**

The governing bodies are the Annual General Meeting, as the representative body and the Board of Directors, which is, except for matters within the powers of the Annual General Meeting, the bank's senior decision-making body. Within its responsibilities, the Board determines and monitors the business model and the strategy, and monitors the Strategic Risk Management Process: a result of the risk assessment process, this establishes the Corporate Risk Catalogue and the Framework of Risk Appetite, and is responsible for the policies of internal governance and risk management and control, overseeing the organisation of its implementation and surveillance. The Board of Directors has created several committees, including the Risks Committee, whose functions are described below.

**Risk Committee**

The Risk Committee comprises exclusively non-executive Directors who possess the appropriate knowledge, skills and experience to fully understand and manage the risk strategy and risk propensity, where a majority must be independent Directors.

The main functions of this committee are to:

- Advise the Board of Directors on the Bank's overall susceptibility to risk, current and future, and its strategy in this area, reporting on the Risk Appetite Framework.
- Propose the Group's risk policy to the Board, including the different types of risk to which the Entity is exposed, the information and internal controls systems use to control and manage these risks and the measures in place to mitigate the impact of identified risks should these materialise.
- Determine with the Board of Directors, the nature, quantity, format and frequency of the information concerning risks that the Board of Directors should receive and establish what the Committee should receive.
- Regularly review exposures with its main customers and business sectors, as well as broken down by geographic area and type of risk.
- Examine the Group's risk reporting and control processes, as well as its information systems and indicators.
- Evaluate regulatory compliance risk in its scope of action and decision making, monitoring the risk and examining any possible deficiencies in the principles of professional conduct.
- Report on new products and services or significant changes to existing ones.

Organisational structure

General Risks Division

Within the executive team, the Chief Risk Officer, a member of the Management Committee, is the head of the Group's risks, independent from all the business departments, both from a hierarchical and functional perspective. S/he has direct access to the Group's Governance Bodies. One of the General Management's most important missions, in collaboration with other areas of the Group, is to head the process of implementing instruments across the entire branch network to ensure integral risk management under Basel guidelines, the ultimate aim

being to attain a balance between the risks assumed and the expected returns.

The CRO has organised his team as follows:

- Retail Credit Loan Officer & Service Line, responsible for the comprehensive management of the retail portfolio, the risk management models, infrastructure, transformational projects and innovation, as well as unified data management (RDA).
- The Business Credit Loan Officer, responsible for the comprehensive management of the portfolio of all other business segments and specialised sectors (Businesses and SMEs, Corporate, Public Sector, Sovereign, Financial Institutions, Real Estate, Project Finance, the Tourism Sector and Agri-food).
- Payment Arrears and Restructurings, responsible for analysing and approving operations to manage impaired credit exposures, e.g. through refinancing or restructuring, for all segments.
- Management of the Real Estate Building Centre, which controls and monitors real estate investments and divestments, and is responsible for the policies associated to property management.
- Corporate Risk Management Function & Planning (RMF), responsible for implementing the Group's risk strategy, monitoring all the assigned risks at the corporate level: financial (credit, market, liquidity, etc.) and non-financial (model, operational, IT, sustainability etc.).
- Environmental Risk Management, in charge of the new responsible creation of environmental management from the perspective of the Group's credit risk.

CONTINUES IN SECTION H

**E.3. 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 they are significant, which may affect the achievement of business objectives:**

In the business model

- Business returns risk

Obtaining results below market expectations or Group targets that, ultimately, prevent the company from reaching a level of sustainable returns that exceeds the cost of capital.

- Eligible own funds / Capital adequacy

Risk caused by a restriction of the CaixaBank Group's ability to adapt its level of capital to regulatory requirements or to a change in its risk profile.

- Funding and liquidity

Risk of insufficient liquid assets or limited access to market financing to meet contractual maturities of liabilities, regulatory requirements, or the investment needs of the Group.

Affecting financial activity

- Credit

Loss of value of the assets of the CaixaBank Group against an offsetting entry due to the impairment of the capacity thereof to face their commitments

- Impairment of assets

Reduction of the book value of shareholdings and non-financial assets (tangible, intangible, deferred tax assets (DTA) and other assets) of the CaixaBank Group.

- Market

Risk of decreased value of assets or increased value of liabilities held in the Group's investment portfolio, due to fluctuations in interest rates, credit spreads, external factors, or market prices related to the traded assets and liabilities.

- Interest rate risk in the banking book

Negative impact on the economic value of the balance sheet's items or on the financial margin due to changes in the temporary structure of interest rates and its impact on asset and liability instruments and those off the Group's balance sheet not recorded in financial assets held for trading.

- Actuarial

The risk of loss or adverse change in the value of liabilities undertaken through insurance or pension contracts with customers or employees resulting from a divergence between actuarial variables used for pricing and reserves, and their real performance.

Operational and reputational

- Legal/Regulatory

The potential loss or decrease in the profitability of the CaixaBank Group as a result of changes in the legislation or in the regulation in force or due to conflicts of standards (in any field, including tax), in its interpretation or application by the corresponding authorities, or in its transfer to administrative or court rulings.

- Conduct and Compliance

Risk of CaixaBank applying criteria for action contrary to the interests of its clients or other stakeholder groups, or actions or omissions by the Group that are not compliant with the legal or regulatory framework, or with internal policies, rules or procedures.

- Technological

Losses due to the unsuitability or failures of the hardware or software of technological infrastructures, due to cyber attacks or other circumstances, which can compromise the availability, integrity, accessibility and security of infrastructure and data.

- Operating processes and external events

Losses or damages caused by operating errors in processes related to the Group's activity, due to external events that are beyond the Group's control, or by third parties external to the Group, whether accidentally or intentionally. This includes errors in the management of suppliers, model risk, and the custody of securities.

- Reliability of financial information

Deficiencies in the accuracy, integrity and criteria of the process used when preparing the data necessary to evaluate the financial and equity position of the CaixaBank Group.

- Reputational

The undermining of competitive capacity due to reduced trust in CaixaBank among any of its stakeholders, based on the assessment that said groups conduct of its activities or omissions, whether carried out by or attributed to the Group, its Senior Management, its Governing Bodies or due to the bankruptcy of related non-consolidated companies (Step-In risk).

The fiscal risk, understood as the risk of negative effects for financial statements and/or the Group's reputation, derived from decisions of a tax nature adopted either by the company itself or by tax and judicial authorities, would be covered by the management and control of the legal/regulatory risk.

The potential risks derived from corruption would be covered by the management and control of the risk of conduct and compliance, primarily in the areas related to complying with the bank's ethical and integrity values, as well as those related to the prevention of money laundering and terrorist financing.

#### **E.4. State whether the entity has a risk tolerance level, including tolerance for tax compliance risk:**

CaixaBank has a definition of risk tolerance levels, covered in the so-called Framework of Risk Appetite (already discussed in point E.1, as an integral part of the strategic risk management processes). The Risk Appetite Framework is a comprehensive and forward-looking tool used by the Board of Directors to determine the types and thresholds of risk it is willing to assume to achieve the Group's strategic objectives. The RAF therefore sets the risk appetite for the activity.

The Board of Directors has established four key dimensions (qualitative statements) expressing the Group's aspirations regarding the main risks included in the Corporate Risk Catalogue. These are the following:

- Loss buffer: the objective is to maintain a medium-low risk profile and a comfortable capital adequacy, to strengthen customers' trust through financial solidity.
- Liquidity and Funding: the certainty in being able to meet financial obligations and requirements, including in adverse conditions, through stable and diversified financing.
- Composition of the business: leadership in retail banking and the generation of income and balanced, diversified capital.
- Franchise: activity with high standards of ethics and governance, fostering sustainability, action and operational excellence.

Similarly, there are statements regarding minimum risk appetite, including the monitoring of fiscal risk as part of legal and compliance risk.

In line with best practices in the financial sector, the structure of the Framework complements these statements with management indicators and levers to transmit these practices, in a consistent, clear and efficient manner, to the management of the business and of the risks. The Framework constitutes a pyramid structure that culminates in Tier 1 principles and indicators, supplemented by more detailed metrics (Tier 2). All of this is included in the day-to-day activity and employee decision-making through management mechanisms (Tier 3).

- Level 1 comprises the Risk Appetite Statement and key metrics, which are assigned tolerance and non-compliance thresholds. The Board of the Directors defines, approves, monitors and can modify this level at the frequency defined by the Corporate Policy of Strategic Risk Processes, with specialised consulting and ongoing monitoring by the Risks Committee.

"Tolerance" and "Breach" levels are set for each of the metrics via a system of traffic lights alerts:

- "Green traffic light": target risk
- "Amber traffic light": early warning
- "Red traffic light": non-compliance

There is also a "Black traffic light" for certain metrics included in the Recovery Plan. Once this is activated, certain internal communication and governance processes are triggered based on the established severity of the situations. This ensures a comprehensive and scaled monitoring process of potential impairments in the Group's risk profile.

- Level 2 includes more detailed metrics, which are monitored by the management team, especially the Global Risk Committee. These indicators tend to derive from the factorial decomposition of Level 1 or from a greater breakdown of the contribution to the higher tier of risk portfolios or business segments. They also include the most complex and specialised risk measurement parameters, enabling risk management units to take level 1 metrics into account in the decision-making process.

The Board of Directors is thus assured that its management team monitors the same risks, and more exhaustively, so as to identify and prevent potential deviations from the risk profile established.

• Finally, level 3 represents the management mechanisms that the management team - through the business units and areas responsible for the intake, monitoring and control of each risk - defines and implements to bring execution into line with the established Framework. These mechanisms are:

1. Training and communication as key vehicles through which the risk culture is instilled.
2. The methodologies used to measure risk and assets-liabilities, which are crucial to monitoring the RAF properly.
3. The definition of risk approval, management and control policies, including limits and approval powers in the different levels of the organisation and in governance.
4. The incentives and appointments, used as key tools in HR policies, which help shape staff conduct.
5. The tools and processes used to properly construct and monitor the RAF and introduce the metrics and thresholds thereof in the relevant environments.

For more information (e.g. the risk assessment process), see Note 3 of the Consolidated Annual Accounts of the CaixaBank Group corresponding to 2018.

#### **E.5. Identify any risks, including fiscal, which have occurred during the year:**

For informative purposes, here is a summary of the main figures that characterised the credit risk in 2018:

- On 31 December 2018, the NPL of the Group were at 11.195 billion euros, representing a decrease of 3.11 billion euros compared with 2017 year-end.
- The NPA ratio of the Group, at 4.7% (6% Dec 17) compares very favourably with that of private-sector residents of the whole system, which went from 7.8% (Dec 17) to 6% (Oct 18).
- Property development and foreclosed assets: On 31 Dec 18, the gross amount of financing used for property development for the Group was 6,829 million euros (7.101 on 31 Dec 17), and the net book value of foreclosed real estate assets (available-for-sale portfolio) amounted to 0.7 billion euros on 31 Dec 18, representing a notable decrease from 5.9 billion euros on 31 Dec 17.
- To cover non-performing assets, in 2018, the Group accounted for loan-loss provisions of 97 million euros (799 in 2017), discounting recoveries. Including these provisions, the total funds for loan losses amounted to 6.014 billion euros at 2018 year end (7.135 at 2017 year end). The coverage ratio increased to 54% (+4% in the year).
- All this culminates in a Cost of Risk of 0.04% in 2018 vs. 0.34% in 2017.

The proper functioning of risk management and control systems in 2018 contributes significantly to the Group's sustainability ability to generate value over the long term. In this respect, we can highlight the significant reduction of problematic and non-core assets, as well as the increase in healthy credit investments.

For more information, see Note 3 of the Consolidated Annual Accounts of the CaixaBank Group corresponding to 2018.

#### **E.6. 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:**

Due to a limitation of space, see the response in the 'Appendix to the IAGC 2018', attached to section H.

## **F. INTERNAL CONTROL AND MANAGEMENT SYSTEMS RELATING TO FINANCIAL REPORTING (ICFR)**

Describe the mechanisms which comprise the internal control over financial reporting (ICFR) risk control and management system at the entity.

### **F.1. Entity control environment.**

Specify at least the following components with a description of their main characteristics:

F.1.1 Which bodies and/or functions are responsible for: (I) the existence and maintenance of a suitable and effective ICFR system; (ii) its implementation; and (iii) its supervision.

The Board of Directors of CaixaBank has formally assumed responsibility for ensuring the existence of a suitable and effective ICFR and has delegated powers to Financial Accounting, Control and Capital (FACC) to design, implement and monitor the same.

Article 40.3 of CaixaBank's Bylaws, states that the Audit and Control Committee's responsibilities will include at least the following:

- Overseeing the effectiveness of the Company's internal control environment, internal audit and risk management systems, and discussing with auditors of accounts any significant weaknesses in the internal control system identified during the course of the audit.
- To oversee the process for preparing and submitting regular mandatory financial information.

In this regard, the Audit and Control Committee is charged with overseeing ICFR. Its oversight activity seeks to ensure ICFR's continued effectiveness, gathering sufficient evidence of its correct design and operation.

Furthermore, we should highlight that 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 under the scope of monitoring and management (as well as the reliability of financial information, inter alia), approved by the corresponding committees, and for monitoring the impact on the Company's different departments.

Meanwhile, 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 assigning of responsibilities has been disseminated to the organisation in the "Internal Control over Financial Reporting" policy and the equivalent Regulation.

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

For its part, the ICFR Regulation has been approved by the Management Committee. It outlines the Internal Control over Financial Reporting Function (hereinafter, ICFR), whose responsibilities are:

- Oversee that the practices and processes in place at the Company ensure the reliability of the financial information and compliance with applicable regulations.
- Assess whether the financial information reported by the various companies comprising the CaixaBank Group complies with the following principles:

i. The transactions, facts and other events presented in the financial information in fact 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 valued 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. We should highlight that, following the takeover of BPI in 2017, a project to homogenise the methodology applied began, and is currently ongoing.

The Policy and the Regulation both describe the three lines of defence model applicable to ICFR:

- First line of defence: This comprises the Group's business units and support areas, which are responsible for identifying, measuring, controlling, mitigating and reporting the key risks affecting the Group as it carries out its business.

- Second line of defence: This acts independently from the business units, and has the function of covering the risks from the Group's Corporate Risk Map, ensuring the existence of risk management and control policies and procedures, monitoring their application, assessing the control environment and reporting all of the Group's material risks. It includes the ICFR Function, which focuses its actions on the "Reliability of financial information" risk.

- Third line of defence: Internal Audit, which is responsible for assessing the effectiveness and efficiency of risk management and the internal control systems, applying principles of independence and objectivity.

**F.1.2 The existence or otherwise of the following components, especially in connection with the financial reporting process:**

- The departments and/or mechanisms in charge of: (i) design and review of corporate structure; (ii) clear definition of lines of responsibility and authority with an adequate distribution of tasks and functions; and (iii) assurance that adequate procedures exist for proper communication throughout the entity:

Reviewing and approving the organisational structure and the lines of responsibility and authority at the bank by CaixaBank's Board of Directors, through its Management Committee and Appointments Committee. The area of the Organisation 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 entity'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. We should also highlight the existence of the 'Policy on the dissemination and verification of financial information', approved by the Board of Directors. Its main objectives are:

- Define the scope of information to disclose, the general policy 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, and standardising control activities.
- 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 the internal governance prior to disclosure of information.
- Compliance with periodicity and disclosure deadlines.

- Code of conduct, approving body, degree of dissemination and instruction, principles and values covered (stating whether it makes specific reference to record keeping and financial reporting), body in charge of investigating breaches and proposing corrective or disciplinary 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, and 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, 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, fees and procedures for filing claims and resolving incidents. Furthermore, CaixaBank makes all relevant financial and corporate information available to its shareholders, in accordance with regulations in force. The Code of Ethics is available on CaixaBank's website ([www.caixabank.com](http://www.caixabank.com)), in the section Corporate Responsibility, and is accessible to all the Company's stakeholders. This can also be found in the Compliance and Corporate Social Responsibility portals in the Bank's Corporate Intranet, and in the Financial Terminal. Derived from the values and ethical principles stipulated in the Code of Ethics, CaixaBank has elaborated a Code of Conduct regarding specific issues. Some of the most relevant aspects of this are:

I. Crime Risk Compliance Policy

Approved by the Board of Directors, this lays out the CaixaBank Criminal 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 Company has strengthened its model of organisation, prevention, management and control, which is designed according to the culture of compliance that articulates decision-making in all tiers of CaixaBank.

II. Anti-corruption Policy

Its objective is to prevent the Company and its employees from incurring in any kind of conduct that contradicts CaixaBank's regulatory stipulations and basic principles of action. It is accessible on the CaixaBank website.

Among other sections, the Policy includes rules on accepting and giving Gifts, relationships with political parties, sponsors, travel expenses and representation, donations and provisions to foundations and NGOs, and principles of action regarding risk providers.

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.

### III. International Regulation on Market Conduct

The objective of this Regulation, approved by the CaixaBank Board of Directors, is to adapt the actions of CaixaBank and companies of the CaixaBank Group, along with its 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 primary objective is to promote transparency in markets and to protect the legitimate interests of investors at all times.

All relevant 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.

### IV. Telematic Code of Conduct

This Code focuses its attention on guaranteeing the proper use of CaixaBank's technical and IT resources, and aims to raise a awareness among employees of the benefits of properly using the communications network, and the security of IT and communication equipment, both inside and out of CaixaBank facilities.

Along with the aforementioned regulations, CaixaBank has a range of internal policies and standards of various kinds, covering the corresponding areas. In Compliance, these can be separated into the following areas:

- Customer protection
- Markets and integrity
- Employee activities
- Data protection and information governance
- Internal governance
- Money Laundering and Terrorist Financing Prevention
- Sanctions

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 claims channels.

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

- All new employees are given a document explaining the Code of Ethics and the Code of Conduct. Once the content is explained, the employee declares that she/he has read, understands and accepts each of the terms thereof, manifesting their acceptance and undertaking to adhere to them.

- As with the Code of Ethics, the Code of Conduct is available on the Corporate Intranet (Compliance and Corporate Social Responsibility portals), and in the Financial Terminal.

- Training is also carried out each year on the Code of Ethics and the Code 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 2017, a range of training courses were defined for 2018 for employees, which are mandatory and regulatory, i.e. they are linked to the receipt of variable remuneration.

Among the materials in place, we can highlight the course on the 'Prevention of Criminal Risks in CaixaBank'. The aim of this course was to explain the crimes that could result in criminal liability for CaixaBank, as a result of being related to the Bank's activity, along with a range of prevention measures. The very nature of the course naturally involves aspects that directly or indirectly affect compliance with the Code of Ethics.

- 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.

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:

(\*) Committee of Corporate Criminal Management

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 Crime Prevention Model. It reports to the Global Risk Committee, and, if relevant, to the Risk Committee.

(\*) Committee of Whistleblower Channel

An internal committee that receives queries from the Channel and ensures Regulatory Compliance. It makes decisions on the admissibility of the complaints received and, where relevant, the actions to carry out. If disciplinary measures are required as a result of the analysis conducted, it is transferred to CaixaBank's Incidents Committee.

(\*) Committee of the ICR

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

- Whistleblower channel, that allows notifications to the audit committee of irregularities of a financial and accounting nature, in addition to potential breaches of the code of conduct and unlawful activities undertaken in the organisation, reporting, as the case may be, if this is of a confidential nature:

CaixaBank has a range of confidential whistleblower channels, or query and complaint channels, which are in place for potential breaches of the Code of Conduct, and potential irregularities of a financial and accounting nature.

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 Code of Business Conduct and Ethics, Telematic Code of Conduct, the Policy concerning anti-corruption activities or the internal code of conduct relating to the Euribor and Eonia contribution process.

A complaint is understood as a confidential notification by an employee to make the Company aware of a potential breach, by anybody subject to the Code of Ethics and Principles of Action, the Code of Telematic Conduct, the Anticorruption Policy or the Internal Standards of conduct in the process of contributing to Euribor and Eonia, of any of the concepts laid forth therein, as well potential irregularities of a financial and accounting nature committed by any employee.

Irregularities of a financial and accounting nature are considered to be those relating to the following:

(\*) The 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 the affected party (completeness). (\*) The transactions, facts and other events are recorded and valued in accordance with applicable standards (valuation). The transactions, facts and other events have not been classified, presented and disclosed in the financial information in accordance with applicable standards (presentation, disclosure and comparability).

(\*) 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).

The channels specified above are for the exclusive use of the Bank's employees. 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. 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. Currently, access to such channels is exclusively internal. It is available on the Corporate Intranet (Compliance and Corporate Social Responsibility portals) and the Financial Terminal. 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 preceptive use of said channels when the circumstances arise.

Queries received through these channels are received and managed by Regulatory Compliance, apart from those relating to the Code of Telematic Conduct corresponding with Security and Governance. As for complaints, they are managed by Regulatory Compliance. The channels have established a range of guarantees. These include:

(\*) Confidentiality: It is expressly forbidden to share any kind of information on the content of queries or complaints regarding potential breaches with third parties. This information can only be known by people participating in their management. (\*) Protection of the reporting party's identity: The person putting forward the query or communication of a potential breach is guaranteed protection of identity, whereby it is not revealed to the person being reported. Regulatory Compliance only provides the name of whistleblower to the Departments who require it to investigate the claim, and therefore the whistleblower's prior consent is needed.

(\*) Prohibition on reprisals: Reprisals are expressly prohibited against individuals reporting a possible breach or against those aiding/involved in the investigation, provided they have acted in good faith and played no part in the reported event.

The resolution of complaints corresponds with the Committee for the Queries and Complaints Channel. Periodically, Regulatory Compliance reports to the Auditing and Control Committee.

- Periodic training and refresher courses for personnel involved in preparing and reviewing financial information or evaluating ICFR which address, at least, accounting rules, auditing, internal control and risk management:

CaixaBank and its subsidiaries ensure the provision of a Continuous accounting and financial training plan, adapted to each of the positions and responsibilities of staff involved in preparing and reviewing financial information.

During 2018, the training carried out has primarily been focused on the following areas:

Accounting

- Audit
- Internal Control
- Legal/Tax
- Risk management
- Regulatory Compliance
- Risks

The various courses were aimed mainly at personnel in Financial Accounting, Control and Capital (FACC), the Deputy General Audit and Control Division, Defaults and Recoveries and Risks, as well as members of the bank's Senior Management. We estimate that more than 66,000 hours have been taught in this kind of training. With respect to ICFR training, an online training course in this area was relaunched in the last quarter of 2018. It was aimed at 87 employees of Intervention and Accounting, Corporate Information and Control of Investees, Planning and Capital and Risks, among others, in addition to the 66 who were trained in 2017 and the 432 between 2013 and 2016. This two-hour long course is intended to raise awareness amongst 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 first section covers ICFR standards, with particular reference to the CNMV's guidelines issued in June 2010, while the second 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.

The CaixaBank Strategic Plan for 2015-2018 included this aspect: 'become leaders in terms of service quality, with a more prepared, dynamic human team, whilst developing the professional capacities of employees in the Network of Branches and Central Services'. In this respect, under the framework of the new 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 the period of the new plan, talent will continue to be favoured - ensuring that potential can be developed through meritocracy, diversity and empowerment. The best value proposal for employees will be defined and deployed - improving employee experience - and the attributes of agility and collaboration will be promoted. In 2015 the bank set up the Risks School in collaboration with the Instituto de Estudios Bursátiles (IEB), Pompeu Fabra University (UPF) and the Open University of Catalonia (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.

678 employees were certified in 2018, and another 2,008 are currently taking the course. Over the coming years it is expected that all CaixaBank employees will receive training in the four levels offered by the Risks School.

Another important initiative is CaixaBank's agreement with the 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 and a prestigious international financial sector certificate. In 2018, 434 employees, including branch managers, Premier Banking managers and Private Banking employees, took their exams to obtain a double post-graduate degree in Financial Advising and the international CISI certification, joining more than 7,600 CaixaBank professionals qualified in the past. Another 125 employees are currently taking the course.

In 2016, the Group signed an agreement with the UPF Barcelona School of Management to accredit employees with the Post-graduate course in Financial Information and Advice. 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 four editions, finished between January and November 2018, more than 3,334 employees were certified. 3,748 employees are currently taking new editions of the course, which will finish in 2019.

In terms of professional development programmes and degrees, these were primarily focused on business segmentation, just like in 2017, with the definition of competition profiles and functions in order to meet the challenges in place.

CONTINUES IN SECTION H

## **F.2. Risk assessment in financial reporting Report**

at least:

F.2.1 The main characteristics of the risk identification process, including risks of error or fraud, stating whether:

- The process exists and is documented:

The risk identification process in place in "la Caixa" is as follows:

1. 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 2018, this activity took place at the start of the year with the information from 2017 year-end, and was reviewed at the start of the second half of the year, with information from the end of June 2018.

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

3. Updating the reliability risk map of the financial information, identifying those risks which mitigate each process.
4. Documentation of existing controls to mitigate critical risks identified.
5. Classification and assessment of risks and controls. Assesses the criticality of risks and controls in order to identify the coverage of ICFR.
6. Continual assessment of the efficiency of ICFR. Issuing of reports.

- If the process covers all of the objectives of financial information, (existence and occurrence; completeness; valuation; delivery; breakdown and comparability; and rights and obligations), whether it is updated and with what frequency:

As indicated in the regulations which govern Internal Control over Financial Reporting, CaixaBank has a methodology to identify processes, relevant areas and risks associated with financial reporting, including risks of error or fraud. The regulations provide the methodology to identify the key areas and significant processes associated with the financial information relating to the identification of risks, based on:

- establishing specific guidelines for responsibilities and implementation and updating; and
- establishing the criteria to be followed and information sources to be used in the identification process, - establishing criteria to be followed to identify the 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.

In any case, risks will refer to possible errors (intentional or otherwise) in relation to the financial information objectives: existence and occurrence; completeness; valuation; delivery; breakdown and comparability; and rights and obligations.

- A specific process is in place to define the consolidation perimeter, with reference to the possible existence of complex corporate structures, special purpose entities, holding companies. etc.:

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 entity 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.

Meanwhile, the perimeter of consolidation is assessed each month by the Consolidation Function, which forms part of the Intervention and Accounting Management Department.

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 process addresses other types of risk (operational, technological, financial, legal, fiscal, reputational, environmental, etc.) insofar as they may affect the financial statements:

See previous section.

- Which of the entity's governance bodies is responsible for overseeing the process:

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

### F.3. Control activities.

Indicate the existence of at least the following components, and specify their main characteristics:

F.3.1 Procedures for reviewing and authorising the financial information and description of ICFR to be disclosed to the markets, stating who is responsible in each case and documentation and flow charts of activities and controls (including those addressing the risk of fraud) for each type of transaction that may materially affect the financial statements, including procedures for the closing of accounts and for the separate review of critical judgements, estimates, evaluations and projections.

Financial Accounting, Control and Capital is responsible for preparing and reviewing all financial information. It demands that the various Business Areas and Group companies collaborate in ensuring that the financial information submitted is sufficiently detailed. Financial information is the cornerstone of the control and decision-making process of the bank's senior governing bodies and Management.

The preparation and review of all financial information hinge on suitable human and technical resources which enable the bank to disclose accurate, truthful and understandable information on its transactions in compliance with applicable standards.

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 light of their knowledge and experience in accounting, audit and/or risk management. Likewise, by establishing control mechanisms, the technical measures and IT systems ensure that the financial information is reliable and complete. Also, the financial information is monitored by the various hierarchical levels within Financial Accounting, Control and Capital (FACC) and, where applicable, double checked with other business areas. 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 Entity has in place a process whereby it constantly revises all documentation concerning the activities carried out, any risks inherent in reporting the financial information and the controls needed to mitigate critical risks. This ensures that all documentation is complete and up-to-date.

The documentation of the critical processes and control activities for financial reporting contains the following information:

- Processes and associated sub-processes.
- A description of the financial information risks along with the financial assertions and the possibility of the risk of fraud. In this regard, we would note that the risks are classified into risk category and risk models which comprise the bank's Corporate Risk Map which is managed by the Executive Global Risk Management Division.
- Control activities carried out to mitigate the risk along with their characteristics:
  - o Classification - Key / Standard
  - o Purpose - Preventive / Detective / Corrective
  - o Automation - Manual / Automatic / Semiautomatic
  - o Frequency - How often the control is executed
  - o Evidence - Evidence/proof that the control is working correctly
  - o COSO Component - Type of control activity, according to COSO classification (Committee of Sponsoring Organisations of the Treadway Commission)
  - o System - IT applications or programmes used in the control activity
  - o Control executor - Person responsible for implementing the control
  - o Person responsible for the control - Person who ensures the control is executed correctly

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

CaixaBank has an Upwards internal key control attestation process to ensure the reliability of financial information disclosed to the markets. The persons responsible for each of the controls identified shall submit certifications guaranteeing their efficient execution during the period in question. The process is carried out quarterly although there are also ad-hoc attestations where controls of financial reporting are carried out during different periods.

The Executive Manager of Intervention, Management Control and Capital presents the result of the certification process to the Management Committee and the Auditing and Control Committee. This result is also passed on to the Board of Directors. In 2018, the Company performed the quarterly certification process 4 times, as well as the certification of some ad hoc controls, without any significant incidents in any of them that could have a material effect on the reliability of the financial information.

Internal Audit carries out the monitoring functions described in F.5.1 and F.5.2.

The preparation of the financial statements requires senior executives to make certain judgements, estimates and assumptions in order to quantify certain of the assets, liabilities, income, expenses and obligations shown in them. 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 review and approval procedures of judgements and estimates are included in the Policy and in the internal ICFR Standard, under the section 'Review and approval of Judgements and Estimates', which specifies that those responsible for approving said information are the Board of

Directors and the Management Committee.

This year the Entity has addressed the following:

- The fair value of certain financial assets and liabilities.
- The criterion to temporarily allocate income obtained from secondary activities provided to the profit and loss account.
- 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 stakes in joint ventures and associates.
- Determination of share of profit (loss) of associates.
- Actuarial assumptions used to measure liabilities arising under insurance contracts
- The useful life and impairment losses of tangible and intangible assets.
- The measurement of goodwill and intangible assets.
- Impairment losses on non-current assets and disposal groups classified as held for sale
- Actuarial assumptions used to measure post-employment liabilities and commitments
- The measurement of the provisions required to cover labour, legal and tax contingencies.
- The income tax expense based on the income tax rate expected for the full year and the capitalisation and recoverability of tax assets

### F.3.2 Internal control policies and procedures for IT systems (including secure access, control of changes, system operation, continuity and segregation of duties) giving support to key processes regarding the preparation and publication of financial information.

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:

I. Information Security Management System: CaixaBank has an Information Security Management System (ISMS) based on international best practices and 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.

II. Operating and business continuity: the bank has an IT Contingency Plan in place 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 internationally recognised 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 Entity's image and reputation
- Annual audits, both internal and external, which ensure we keep our systems up-to-date

III. Information technology (IT) governance: CaixaBank's information and technology (IT) governance model ensures that its IT services are aligned with the Organisation'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 Regulatory Body of Information Technology (IT) Governance at CaixaBank is developed on the basis of requirements specified in the standard 'ISO 38500:2008 - Corporate Governance of Information', in accordance with the technical guide contained in the technical report 'ISO 38502:2014 - IT Governance - Work and model framework'. 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;
- Periodic reporting to management;
- Rigorous internal controls which include annual internal and external audits.

### F.3.3 Internal control policies and procedures for overseeing the management of outsourced activities, and the appraisal, calculation or valuation services commissioned from independent experts, when these may materially affect the financial statements.

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. CaixaBank,

This policy is detailed in the internal regulations which mainly regulate processes regarding:

- Budget elaboration and approval
- Applying the budget: management of demand
- Purchases and contracting services
- Paying supplier invoices

All of the processes carried out between Group entities and suppliers are managed and recorded by programmes 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:

- Expenses and Investments Committee (EIC): reviews and ratifies all expenses and investment proposed by the various areas and subsidiaries in projects. It queries the need and reasonableness for same by means of a profitability and/or efficiency analysis.

- 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 goods must be purchased and services engaged objectively and transparently, avoiding situations that could affect the objectiveness of the people involved. For this reason, the contracting modalities accepted by the Purchasing Board are auctions and budget requests; in this case, a minimum of three provider offers must be compared.

The CaixaBank Group has a Suppliers' Portal offering quick and easy communication between suppliers and Group companies. This channel allows third party companies to submit all the necessary documentation when bidding for contracts as well as all the necessary documentation once services have been contracted. 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 outsourcings must be assessed according to their critical nature, as well as defining various control and supervision levels according to their classification.

The professional services company Deloitte Consulting, S.L.U. certified the compliance of the design and copy of governance of outsourcing in accordance with Standard ISO 37500:2014, which certifies:

- Senior management's commitment to outsourcing governance.
- The existence of 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 Entity'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 exigence 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
- Engagement of the supplier
- Transfer of service to external supplier
- Oversight and monitoring of the activity or service rendered.

All outsourced activities have control activities 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 2018, activities outsourced to third parties relating with valuations and calculations of independent experts primarily related to:

- 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

#### **F.4. Information and communication**

Indicate the existence of at least the following components, and specify their main characteristics:

**F.4.1** A specific function in charge of defining and maintaining accounting policies (accounting policies area or department) and settling doubts or disputes over their interpretation, which is in regular communication with the team in charge of operations, and a manual of accounting policies regularly updated and communicated to all the entity's operating units.

The exclusive responsibility to define and communicate the Company's accounting criteria falls on Intervention and Accounting Management - Department of Policies and Accounting Regulations, integrated into the Executive Department of Intervention, Management Control and Capital.

Its responsibilities include monitoring and analysing regulations applicable to the Group, for their interpretation and subsequent application in the financial information, in a homogenous way 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, it analyses and studies the accounting implications of individual operations, 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. Accounting queries that have been concluded by the Department are shared with the rest of the Intervention and Accounting Management Department at least once per month, explaining the technical arguments that support them or the interpretations made, as well as issues currently being analysed.

In the process for defining new products, through their participation in the Groups' Product Committee, they analyse the accounting implications of the products, on the basis of their characteristics, whereby this analysis is elaborated in the creation or update of a cost sheet, detailing all the potential events for which a contract or operation can be circulated, and describing the main characteristics of the administrative operation, tax regulations and criteria and accounting standards applied. 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 in terms of accounting regulations. In the event of any regulatory change applicable, which 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 where relevant. The previous activities are materialised in the existence and maintenance of a manual on accounting policies, which establishes the standards, principles and accounting 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.

**F.4.2** Mechanisms in standard format for the capture and preparation of financial information, which are applied and used in all units within the entity or group, and support its main financial statements and accompanying notes as well as disclosures concerning ICFR.

CaixaBank has internal IT tools which guarantee the completeness and consistency of the processes for capturing and preparing financial information. All of these applications have IT contingency mechanisms which guarantee that the data is held and can be accessed in any circumstances.

We would note that the bank is currently upgrading its accounting information architecture to improve the quality, completeness, and immediacy of the information provided by business applications. The various IT applications are gradually being included in the scope of the project which currently includes a very significant materiality of balances.

Both CaixaBank and other Group entities use specialist tools and mechanisms in standard format to capture, analyse and prepare consolidated financial information. The accounts plan, which is incorporated in the consolidation application, has been defined to comply with requirements of the various regulators.

The bank also has a SAP Governance, Risk and Compliance (SAP GRC) tool to guarantee the completeness of ICFR, reflecting existing risks and controls. The application also supports

the Corporate Risk Map (CRM) and Operational Risk Indicators (KRIs), for which the Executive Global Risk Management Division is responsible.

## **F.5. Monitoring**

Indicate the existence of at least the following components, describing their main characteristics:

**F.5.1** The ICFR monitoring activities undertaken by the audit committee and an internal audit function whose competencies include supporting the audit committee in its role of monitoring the Internal Control System, including ICFR. Describe the scope of the ICFR assessment conducted in the year and the procedure for the person in charge to communicate its findings. State also whether the entity has an action plan specifying corrective measures for any flaws detected, and whether it has taken stock of their potential impact on its financial information.

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 of accounts any significant weaknesses in the internal control system identified during the course of the audit.

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

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

- Review of the Annual Internal Audit Plan and assessing whether the Plan has sufficient scope to provide appropriate coverage for the main risks to which the bank is exposed. Subsequently, the Annual Plan is transferred to the Board of Directors.
- Assessment of the conclusions of the audits carried out and the impact on financial information, where applicable.

Constant monitoring of corrective action, prioritising each one.

The Internal Audit function, which is part of the Deputy General Audit and Control Division, is governed by the principles contained in the Internal Audit Regulations approved by the CaixaBank Board of Directors. CaixaBank's Internal Audit function is an independent activity providing assurance and consultation services; it is designed to add value and improve activities. It contributes to achieving the strategic objectives of the CaixaBank Group, 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 provide support to the Audit and Control Committee by drafting reports and reporting regularly on the results of work carried out. Point E.6 provides a description of the Internal Audit function and all the functions of the Deputy General Audit Division.

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 Internal Audit's annual plan includes a multiyear review of the risks and controls in financial reporting for all auditing work where these risks are relevant. In each work process, the Internal Audit:

Identifies the necessary controls to mitigate the risks associated with the process' activities.

- Analyses the effectiveness and efficiency of the existing controls on the basis of their design

Verifies that these controls are applied.

Reports its conclusions of the review and issues an opinion on the control environment.

Recommends corrective actions.

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

The annual evaluation of the ICFR, of 31.12.2018, focused on:

Revising the application of the framework defined in the document "Internal Control over Financial Reporting in Listed Companies" published by the CNMV which sets out the best practices for internal control over financial reporting.

- Verifying the application of the methodology established in the Internal Control over Financing Reporting System to guarantee that Group ICFR is adequate and effective.
- Assessing the hierarchical attestation of key controls identified process.
- Evaluating the descriptive documentation of the relevant processes, risks and controls in drafting financial information Furthermore, in 2018, Internal Auditing carried out different reviews that affect the generation, elaboration and presentation of financial information, focused on financial-accounting areas, corporate risk management, financial instruments, and insurance businesses and foreclosed assets, among others.

The Audit and Control Committee and executive team will be informed of the results of the ICFR evaluation. These reports also include an action plan detailing corrective measures, their urgency to mitigate risks in financial information and the timeframe for resolving these.

**F.5.2** A discussion procedure whereby the auditor (pursuant to TAS), the internal audit function and other experts can report any significant internal control weaknesses encountered during their review of the financial statements or other assignments, to the entity's senior management and its audit committee or Board of Directors. State also whether the entity has an action plan to correct or mitigate the weaknesses found.

The bank has in place a discussion procedure with its auditor. Senior management is kept permanently informed of the conclusions reached during the review of the financial statements. Also, the Audit and Control Committee receives information from the auditor on the audit plan, the preliminary conclusions reached concerning publication of the financial statements and the final conclusions as well as, if applicable, any weaknesses encountered in the internal control system, prior to preparing 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 also issues a monthly report on the activities carried out by Internal Audit, with specific information on all significant weaknesses identified during the reviews.

Internal Audit constantly oversees the fulfilment of recommendations, focusing particularly on critical and high-risk weaknesses, and reports to senior management on a regular basis. 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.

In 2018, the change of the account auditor for the CaixaBank Group took place, appointed by the Board of Directors in December 2016, at the proposal of the Auditing and Control Committee.

## **F.6 Other relevant information.**

### **F.7 External auditor's report.**

State whether:

**F.7.1** The ICFR information supplied to the market has been reviewed by the external auditor, in which case the corresponding report should be attached. Otherwise, explain the reasons for the absence of this review.

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 the Annual Corporate Governance Report.

**G. DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS**

Indicate the degree of the company's compliance with the recommendations of the Good Governance Code of Listed Companies.

Should the company not comply with any of the recommendations or comply only in part, include a detailed explanation of the reasons so that shareholders, investors and the market in general have enough information to assess the company's behaviour. General explanations are not acceptable.

1. The Articles of Association of listed companies should not place an upper limit on the votes that can be cast by a single shareholder, or impose other obstacles to the takeover of the company by means of share purchases on the market.

Complies  Explanation

2. When a dominant and a subsidiary company are stock market listed, the two should provide detailed disclosure on:

- a) The activity they engage in, and any business dealings between them, as well as between the subsidiary and other group companies.
- b) The mechanisms in place to resolve possible conflicts of interest.

Complies  Partially complies  Explanation  Not applicable

This recommendation is not deemed to be applicable to CaixaBank, given that the bank itself is the only listed company belonging to the CaixaBank Group in Spain. Nevertheless, for reasons of transparency, it should be noted that the CaixaBank Group contains another listed company, whose shares were listed in Portugal until 14 December. This company is Banco BPI, S.A., with which CaixaBank has signed an Internal Protocol Governing Relations.

For more detail, see section D.7

3. During the annual general meeting, the chairman of the board should verbally inform shareholders in sufficient detail of the most relevant aspects of the company's corporate governance, supplementing the written information circulated in the annual corporate governance report. In particular:

- a) Changes taking place since the previous annual general meeting.
- b) The specific reasons for the company not following a given Good Governance Code recommendation, and any alternative procedures followed in its stead.

Complies  Partially complies  Explanation

4. The company should draw up and implement a policy of communication and contacts with shareholders, institutional investors and proxy advisors that complies in full with market abuse regulations and accords equitable treatment to shareholders in the same position.

This policy should be disclosed on the company's website, complete with details of how it has been put into practice and the identities of the relevant interlocutors or those charged with its implementation.

Complies       Complies partially       Explanation

5. The Board of Directors should not make a proposal to the general meeting for the delegation of powers to issue shares or convertible securities without pre-emptive subscription rights for an amount exceeding 20% of capital at the time of such delegation.

When a Board approves the issuance of shares or convertible securities without pre-emptive subscription rights, the company should immediately post a report on its website explaining the exclusion as envisaged in company legislation.

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.

6. Listed companies drawing up the following reports on a voluntary or compulsory basis should publish them on their website well in advance of the annual general meeting, even if their distribution is not obligatory:
- a) Report on auditor independence.
  - b) Reviews of the operation of the audit committee and the nomination and remuneration committee.
  - c) Audit committee report on third-party transactions.
  - d) Report on corporate social responsibility policy.

Complies       Complies partially       Explanation

7. The company should broadcast its general meetings live on the corporate website.

Complies       Explanation

8. The audit committee should strive to ensure that the Board of Directors can present the company's accounts to the general meeting without limitations or qualifications in the auditor's report. In the exceptional case that qualifications exist, both the Chairman of the audit committee and the auditors should give a clear account to shareholders of their scope and content.

Complies       Complies partially       Explanation

9. The company should disclose its conditions and procedures for admitting share ownership, the right to attend general meetings and the exercise or delegation of voting rights, and display them permanently on its website.

Such conditions and procedures should encourage shareholders to attend and exercise their rights and be applied in a non-discriminatory manner.

Complies       Complies partially       Explanation

10. When an accredited shareholder exercises the right to supplement the agenda or submit new proposals prior to the general meeting, the company should:

- a) Immediately circulate the supplementary items and new proposals.
- b) Disclose the model of attendance card or proxy appointment or remote voting form duly modified so that new agenda items and alternative proposals can be voted on in the same terms as those submitted by the Board of Directors.
- c) Put all these items or alternative proposals to the vote applying the same voting rules as for those submitted by the Board of Directors, with particular regard to presumptions or deductions about the direction of votes.
- d) After the general meeting, disclose the breakdown of votes on such supplementary items or alternative proposals.

Complies [ ]      Partially complies [X]      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. In the event that a company plans to pay for attendance at the general meeting, it should first establish a general, long-term policy in this respect.

Complies [X]      Partially complies [ ]      Explanation [ ]      Not applicable [ ]

12. The Board of Directors should perform its duties with unity of purpose and independent judgement, according the same treatment to all shareholders in the same position. It should be guided at all times by the company's best interest, understood as the creation of a profitable business that promotes its sustainable success over time, while maximising its economic value.

In pursuing the corporate interest, it should not only abide by laws and regulations and conduct itself according to principles of good faith, ethics and respect for commonly accepted customs and good practices, but also strive to reconcile its own interests with the legitimate interests of its employees, suppliers, clients and other stakeholders, as well as with the impact of its activities on the broader community and the natural environment.

Complies  Partially complies  Explanation

13. The Board of Directors should have an optimal size to promote its efficient functioning and maximise participation. The recommended range is accordingly between five and fifteen members.

Complies  Explanation

At year end 2018, the Board of Directors was formed of 18 members.

The composition of the Board is deemed to be suitable to ensure maximum effectiveness and participation with a wide variety of opinions. The size of the Board is also deemed to be suitable given the Bank's history, namely that it was previously a savings bank with a 21-member board.

The current size and composition of the Board of Directors is justified, as well, by the need to include a certain number of independent Directors and to comply with the shareholders agreement stemming from the merger with Banca Cívica. This agreement calls for the inclusion of two additional Board members representing the savings banks (currently banking foundations) acquired as a result of the merger.

Notwithstanding this, it is recorded that, in the framework of the amendment to the Integration Agreement between CaixaBank and Banca Cívica (SE of 17 October 2016, which reported the amendment to Clause 5 of the Shareholders' Agreement between "la Caixa" Banking Foundation and the Foundations so that they could propose only one member of the CaixaBank Board of Directors), in 2016 Caja Navarra Banking Foundation submitted its resignation, with just one representative of said shareholders' agreement as a member of the CaixaBank Board of Directors.

Finally, and in compliance with legal requirements, as the Entity has four mandatory board committees, it requires a sufficient number of Directors to avoid, if relevant, duplications therein. Therefore, despite the Entity exceeding the recommended number of Directors, it considers this number to be appropriate as it ensures maximum effectiveness and participation of both the Board and its committees.

14. The Board of Directors should approve a Director selection policy that:

- a) Is concrete and verifiable;
- b) Ensures that appointment or re-election proposals are based on a prior analysis of the board's needs; and
- c) Favours a diversity of knowledge, experience and gender.

The results of the prior analysis of board needs should be written up in the nomination committee's explanatory report, to be published when the general meeting is convened that will ratify the appointment and re-election of each Director.

The Director selection policy should pursue the goal of having at least 30% of total board places occupied by women Directors before the year 2020.

The nomination committee should run an annual check on compliance with the Director selection policy and set out its findings in the annual corporate governance report.

Complies  Partially complies  Explanation

15. Proprietary and independent Directors should constitute an ample majority on the Board of Directors, while the number of executive Directors should be the minimum practical bearing in mind the complexity of the corporate group and the ownership interests they control.

Complies  Partially complies  Explanation

16. The percentage of proprietary Directors out of all non-executive Directors should be no greater than the proportion between the ownership stake of the shareholders they represent and the remainder of the company's capital.

This criterion can be relaxed:

- a) In large cap companies where few or no equity stakes attain the legal threshold for significant shareholdings.
- b) In companies with a plurality of shareholders represented on the board but not otherwise related.

Complies  Explanation

**17.** Independent Directors should be at least half of all Board members.

However, when the company does not have a large market capitalisation, or when a large cap company has shareholders individually or concertedly controlling over 30 percent of capital, independent Directors should occupy, at least, a third of Board places.

Complies  Explanation

**18.** Companies should post the following Director particulars on their websites, and keep them permanently updated:

- a) Professional experience and background;
- b) Directorships held in other companies, listed or otherwise, and other paid activities they engage in, of whatever nature.
- c) Statement of the Director class to which they belong, in the case of proprietary Directors indicating the shareholder they represent or have links with.
- d) Dates of their first appointment as a board member and subsequent re-elections.
- e) Shares held in the company, and any options on the same.

Complies  Partially complies  Explanation

**19.** Following verification by the nomination committee, the Annual Corporate Governance Report should disclose the reasons for the appointment of proprietary Directors at the request of shareholders controlling less than 3 percent of capital; and explain any rejection of a formal request for a Board place from shareholders whose equity stake is equal to or greater than that of others applying successfully for a proprietary directorship.

Complies  Partially complies  Explanation  Not applicable

**20.** Proprietary Directors should resign when the shareholders they represent dispose of their ownership interest in its entirety. If such shareholders reduce their stakes, thereby losing some of their entitlement to proprietary Directors, the latter's number should be reduced accordingly.

Complies  Partially complies  Explanation  Not applicable

21. The Board of Directors should not propose the removal of independent Directors before the expiry of their tenure as mandated by the Articles of Association, except where they find just cause, based on a proposal from the nomination committee. In particular, just cause will be presumed when Directors take up new posts or responsibilities that prevent them allocating sufficient time to the work of a board member, or are in breach of their fiduciary duties or come under one of the disqualifying grounds for classification as independent enumerated in the applicable legislation.

The removal of independent Directors may also be proposed when a takeover bid, merger or similar corporate transaction alters the company's capital structure, provided the changes in board membership ensue from the proportionality criterion set out in Recommendation 16.

Complies  Explanation

22. Companies should establish rules obliging Directors to inform the board of any circumstance that might harm the organisation's name or reputation, tendering their resignation as the case may be, with particular mention of any criminal charges brought against them and the progress of any subsequent trial.

The moment a Director is indicted or tried for any of the offences stated in company legislation, the Board of Directors should open an investigation and, in light of the particular circumstances, decide whether or not he or she should be called on to resign. The Board should give a reasoned account of all such determinations in the annual corporate governance report.

Complies  Partially complies  Explanation

23. Directors should express their clear opposition when they feel a proposal submitted for the board's approval might damage the corporate interest. In particular, independents and other Directors not subject to potential conflicts of interest should strenuously challenge any decision that could harm the interests of shareholders lacking board representation.

When the Board makes material or reiterated decisions about which a Director has expressed serious reservations, then he or she must draw the pertinent conclusions. Directors resigning for such causes should set out their reasons in the letter referred to in the next Recommendation.

The terms of this Recommendation also apply to the Secretary of the Board, even if he or she is not a Director.

Complies  Partially complies  Explanation  Not applicable

24. Directors who give up their place before their tenure expires, through resignation or otherwise, should state their reasons in a letter to be sent to all members of the Board. Irrespective of whether such resignation is filed as a significant event, the motive for the same must be explained in the Annual Corporate Governance Report.

Complies       Complies partially       Explanation       Not applicable

25. The Nomination Committee should ensure that non-executive Directors have sufficient time available to discharge their responsibilities effectively.

The Board of Directors regulations should lay down the maximum number of company boards on which Directors can serve.

Complies       Complies partially       Explanation

26. The Board should meet with the necessary frequency to properly perform its functions, eight times a year at least, in accordance with a calendar and agendas set at the start of the year, to which each Director may propose the addition of initially unscheduled items.

Complies       Complies partially       Explanation

27. Director absences should be kept to a strict minimum and quantified in the Annual Corporate Governance Report. In the event of absence, Directors should delegate their powers of representation with the appropriate instructions.

Complies       Complies partially       Explanation

In the event of unavoidable absences, in order to prevent de facto changes to the balance of the Board of Directors, legislation allows for delegation to another director (non-executives only to other non-executives) - this is established in Principle 14 of the Good Governance Code and also envisaged in the Articles of Association (article 37), as well as the Board's Regulations (article 17), which determine 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 another Board member, including the appropriate instructions therein. Non-executive Directors may only delegate a proxy who is another non-executive Director, while independent Directors may only delegate to another independent Director.

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 Board, 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. When Directors or the Secretary express concerns about some proposal or, in the case of Directors, about the company's performance, and such concerns are not resolved at the meeting, the person expressing them can request that they be recorded in the minute book.

Complies       Complies partially       Explanation       Not applicable

29. The company should provide suitable channels for Directors to obtain the advice they need to carry out their duties, extending if necessary to external assistance at the company's expense.

Complies       Complies partially       Explanation

30. Regardless of the knowledge Directors must possess to carry out their duties, they should also be offered refresher programmes when circumstances so advise.

Complies       Explanation       Not applicable

31. The agendas of Board meetings should clearly indicate on which points directors must arrive at a decision, so they can study the matter beforehand or gather together the material they need.

For reasons of urgency, the Chairman may wish to present decisions or resolutions for board approval that were not on the meeting agenda. In such exceptional circumstances, their inclusion will require the express prior consent, duly drawn up in the minutes, of the majority of directors present.

Complies       Complies partially       Explanation

32. Directors should be regularly informed of movements in share ownership and of the views of major shareholders, investors and rating agencies on the company and its group.

Complies       Complies partially       Explanation

33. The Chairman, as the person responsible for the efficient functioning of the Board of Directors, in addition to the functions assigned by law and the company's Articles of Association, should prepare and submit to the Board a schedule of meeting dates and agendas; organise and coordinate regular evaluations of the board and, where appropriate, the company's Chief Executive Officer; exercise leadership of the Board and be accountable for its proper functioning; ensure that sufficient time is given to the discussion of strategic issues, and approve and review refresher courses for each Director, when circumstances so dictate.

Complies       Complies partially       Explanation

34. When a lead independent director has been appointed, the Articles of Association or Regulations of the Board of Directors should grant him or her the following powers over and above those conferred by law: chair the Board of Directors in the absence of the Chairman or Deputy Chairmen; give voice to the concerns of non-executive directors; maintain contact 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; and coordinate the Chairman's succession plan.

Complies       Complies partially       Explanation       Not applicable

35. The Board Secretary should strive to ensure that the Board's actions and decisions are informed by the governance recommendations of the Good Governance Code of relevance to the company.

Complies       Explanation

36. The Board in full should conduct an annual evaluation, adopting, where necessary, an action plan to correct weakness detected in:

- a) The quality and efficiency of the Board's operation.
- b) The performance and membership of its committees.
- c) The diversity of Board membership and competences.
- d) The performance of the Chairman of the Board of Directors and the company's Chief Executive.
- e) The performance and contribution of individual directors, with particular attention to the chairmen of Board committees.

The evaluation of Board committees should start from the reports they send the Board of Directors, while that of the Board itself should start from the report of the Appointments Committee.

Every three years, the Board of Directors should engage an external facilitator to aid in the evaluation process. This facilitator's independence should be verified by the Appointments Committee.

Any business dealings that the facilitator or members of its corporate group maintain with the company or members of its corporate group should be detailed in the Annual Corporate Governance Report.

The process followed and areas evaluated should be detailed in the Annual Corporate Governance Report.

Complies       Complies partially       Explanation

37. When an executive committee exists, its membership mix by Director class should resemble that of the Board. The Secretary of the Board should also act as Secretary to the Executive Committee.

Complies       Complies partially       Explanation       Not applicable

38. The Board should be kept fully informed of the business transacted and decisions made by the executive committee. To this end, all Board members should receive a copy of the committee's minutes.

Complies       Complies partially       Explanation       Not applicable

39. All members of the audit committee, particularly its Chairman, should be appointed with regard to their knowledge and experience in accounting, auditing and risk management matters. A majority of committee places should be held by independent Directors.

Complies       Complies partially       Explanation

40. Listed companies should have a unit in charge of the internal audit function, under the supervision of the audit committee, to monitor the effectiveness of reporting and control systems. This unit should report functionally to the Board's Non-Executive Chairman or the Chairman of the audit committee.

Complies       Complies partially       Explanation

41. The head of the unit handling the internal audit function should present an annual work programme to the audit committee, inform it directly of any incidents arising during its implementation and submit an activities report at the end of each year.

Complies       Complies partially       Explanation       Not applicable

42. The audit committee should have the following functions over and above those legally assigned:

1. With respect to internal control and reporting systems:
  - a) Monitoring the preparation and integrity of financial information prepared on the company and, where appropriate, the group, checking for compliance with legal provisions, the accurate demarcation of the consolidation perimeter and the correct application of accounting principles.
  - b) Monitor the independence of the unit handling the internal audit function; propose the selection, appointment, re-election and removal of the head of the internal audit service; propose the service's budget; approve its priorities and work programmes, ensuring that it focuses primarily on the main risks the company is exposed to; receive regular report-backs on its activities; and verify that senior management are acting on the findings and recommendations of its reports.
  - c) Establish and supervise a mechanism whereby staff can report, confidentially and, if appropriate and feasible, anonymously, any significant irregularities that they detect in the course of their duties, in particular financial or accounting irregularities.
2. With respect to the external auditor:
  - a) Investigate the issues giving rise to the resignation of the external auditor, should this come about.
  - b) Ensure that the remuneration of the external auditor does not compromise its quality or independence.
  - c) The company should notify any change of auditor to the CNMV as a significant event, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for the same.
  - d) Ensure that the external auditor has a yearly meeting with the Board in full to inform it of the work undertaken and developments in the company's risk and accounting positions.
  - e) Ensure that the company and the external auditor adhere to current regulations on the provision of non-audit services, limits on the concentration of the auditor's business and other requirements concerning auditor independence.

Complies  Partially complies  Explanation

43. The audit committee should be empowered to meet with any company employee or manager, even ordering their appearance without the presence of another senior officer.

Complies  Partially complies  Explanation

44. The Audit Committee should be informed of any fundamental changes or corporate transactions the company is planning, so the committee can analyse the operation and report to the Board beforehand on its economic conditions and accounting impact and, when applicable, the exchange ratio proposed.

Complies       Complies partially       Explanation       Not applicable

45. Control and risk management policy should specify at least:

- a) The different types of financial and non-financial risk the company is exposed to (including operational, technological, financial, legal, social, environmental, political and reputational risks), with the inclusion under financial or economic risks of contingent liabilities and other off- balance-sheet risks.
- b) The determination of the risk level the company sees as acceptable;
- c) Measures in place to mitigate the impact of risk events should they occur;
- d) The internal reporting and control systems to be used to control and manage the above risks, including contingent liabilities and off-balance-sheet risks.

Complies       Complies partially       Explanation

46. Companies should establish a risk control and management function in the charge of one of the company's internal department or units and under the direct supervision of the Audit Committee or some other dedicated Board committee. This function should be expressly charged with the following responsibilities:

- a) Ensure that risk control and management systems are functioning correctly and, specifically, that major risks the company is exposed to are correctly identified, managed and quantified.
- b) Participate actively in the preparation of risk strategies and in key decisions about their management.
- c) Ensure that risk control and management systems are mitigating risks effectively in the frame of the policy drawn up by the Board of Directors.

Complies       Complies partially       Explanation

47. Members of the Appointments and Remuneration Committee - or of the Appointment Committee and Remuneration Committee, if separately constituted - should have the right balance of knowledge, skills and experience for the functions they are called on to perform. The majority of their members should be independent Directors.

Complies       Complies partially       Explanation

48. Large cap companies should operate separately constituted appointment and remuneration committees.

Complies  Explanation  Not applicable

49. The appointments committee should consult with the company's chairman and chief executive, especially on matters relating to executive directors.

When there are vacancies on the Board, any Director may approach the nomination committee to propose candidates that it might consider suitable.

Complies  Partially complies  Explanation

50. The remuneration committee should operate independently and have the following functions in addition to those assigned by law:

- a) Propose to the Board the standard conditions for senior officer contracts.
- b) Monitor compliance with the remuneration policy set by the company.
- c) Periodically review the remuneration policy for Directors and senior officers, including share-based remuneration systems and their application, and ensure that their individual compensation is proportionate to the amounts paid to other Directors and senior officers in the company.
- d) Ensure that conflicts of interest do not undermine the independence of any external advice the committee engages.
- e) Verify the information on Director and senior officers' pay contained in corporate documents, including the Annual Directors' Remuneration Statement.

Complies  Partially complies  Explanation

51. The Remuneration Committee should consult with the Chairman and Chief Executive, especially on matters relating to executive Directors and senior officers.

Complies  Partially complies  Explanation

52. The terms of reference of supervision and control committees should be set out in the Regulations of the Board, and aligned with those applicable to legally mandatory Board committees as specified in the preceding sets of recommendations. They should include at least the following terms:

- a) Committees should be formed exclusively by non-executive Directors, with a majority of independents.
- b) Committees should be chaired by an independent Director.
- c) The board should appoint the members of such committees with regard to the knowledge, skills and experience of its directors and each committee's missions, discuss their proposal and reports; and provide report-backs on their activities and work at the first board plenary following each committee meeting.
- d) They may engage external advice, when they feel it necessary for the discharge of their functions.
- e) Meeting proceedings should be minuted and a copy made available to all Board members.

Complies [X]

Complies partially [ ]

Explanation [ ]

Not applicable [ ]

53. The task of supervising compliance with corporate governance rules, internal codes of conduct and corporate social responsibility policy should be assigned to one Board committee or split between several, which could be the Audit Committee, the Nomination Committee, the Corporate Social Responsibility Committee, where one exists, or a dedicated committee established ad hoc by the Board under its powers of self-organisation, with at the least the following functions:
- a) Monitor compliance with the company's internal codes of conduct and corporate governance rules.
  - b) Oversee the communication and relations strategy with shareholders and investors, including small and medium-sized shareholders.
  - c) Periodically evaluate the effectiveness of the company's corporate governance system, to confirm that it is fulfilling its mission to promote the corporate interest and catering, as appropriate, to the legitimate interests of remaining stakeholders.
  - d) Review the company's corporate social responsibility policy, ensuring that it is geared to value creation.
  - e) Monitor corporate social responsibility strategy and practices and assess compliance in their respect.
  - f) Monitor and evaluate the company's interaction with its stakeholder groups.
  - g) Evaluate all aspects of the non-financial risks the company is exposed to, including operational, technological, legal, social, environmental, political and reputational risks.
  - h) Coordinate non-financial and diversity reporting processes in accordance with applicable legislation and international benchmarks.

Complies [X]

Complies partially [ ]

Explanation [ ]

54. The corporate social responsibility policy should state the principles or commitments that the company will voluntarily adhere to in its dealings with stakeholder groups, specifying at least:
- The goals of its corporate social responsibility policy and the support instruments to be deployed.
  - The corporate strategy with regard to sustainability, the environment and social issues.
  - Specific practices in matters related to the following: shareholders, employees, clients, suppliers, social welfare issues, the environment, diversity, fiscal responsibility, respect for human rights and the prevention of illegal conducts.
  - The methods or systems for monitoring the results of the practices referred to above, and identifying and managing related risks.
  - The mechanisms for supervising non-financial risk, ethics and business conduct.
  - Channels for stakeholder communication, participation and dialogue.
  - Responsible communication practices that prevent the manipulation of information and protect the company's honour and integrity.

Complies       Complies partially       Explanation

55. The company should report on corporate social responsibility developments in its Directors' report or in a separate document, using an internationally accepted methodology.

Complies       Complies partially       Explanation

56. Director remuneration should be sufficient to attract individuals with the desired profile and compensate the commitment, abilities and responsibility that the post demands, but not so high as to compromise the independent judgement of non-executive Directors.

Complies       Explanation

The required dedication, the limitations of other professional activities, the responsibilities inherent in this position and the demands of experience and knowledge must be duly rewarded through remuneration. However, if the Entity does not adequately compensate its Directors in return for limiting the activities they are able to carry out at other banking entities and demands a certain level of dedication and responsibility, this could become a barrier to selecting and incorporating new professionals to the Boards of Directors of highly complex banking entities.

Moreover, a level of remuneration that is in line with the qualification, dedication and responsibility required by the position of director could in some cases compromise their independence, due to this representing a significant part of their income.

57. Variable remuneration linked to the company and the Director's performance, the award of shares, options or any other right to acquire shares or to be remunerated on the basis of share price movements, and membership of long-term savings schemes such as pension plans should be confined to executive Directors.

The company may consider the share-based remuneration of non-executive Directors provided they retain such shares until the end of their mandate. The above condition will not apply to any shares that the Director must dispose of to defray costs related to their acquisition.

Complies [X]      Complies partially [ ]      Explanation [ ]

58. In the case of variable awards, remuneration policies should include limits and technical safeguards to ensure they reflect the professional performance of the beneficiaries and not simply the general progress of the markets or the company's sector, or circumstances of that kind.

In particular, variable remuneration items should meet the following conditions:

- a) Be subject to predetermined and measurable performance criteria that factor the risk assumed to obtain a given outcome.
- b) Promote the long-term sustainability of the company and include non-financial criteria that are relevant for the company's long-term value, such as compliance with its internal rules and procedures and its risk control and management policies.
- c) Be focused on achieving a balance between the delivery of short, medium and long-term objectives, such that performance-related pay rewards ongoing achievement, maintained over sufficient time to appreciate its contribution to long-term value creation. This will ensure that performance measurement is not based solely on one-off, occasional or extraordinary events.

Complies [X]      Complies partially [ ]      Explanation [ ]      Not applicable [ ]

59. A major part of variable remuneration components should be deferred for a long enough period to ensure that predetermined performance criteria have effectively been met.

Complies [X]      Complies partially [ ]      Explanation [ ]      Not applicable [ ]

60. In the case of remuneration linked to company earnings, deductions should be computed for any qualifications stated in the external auditor's report.

Complies [X]      Complies partially [ ]      Explanation [ ]      Not applicable [ ]

61. A major part of executive Directors' variable remuneration should be linked to the award of shares or financial instruments whose value is linked to the share price.

Complies       Complies partially       Explanation       Not applicable

62. Following the award of shares, share options or other rights on shares derived from the remuneration system, directors should not be allowed to transfer a number of shares equivalent to twice their annual fixed remuneration, or to exercise the share options or other rights on shares for at least three years after their award.

The above condition will not apply to any shares that the Director must dispose of to defray costs related to their acquisition.

Complies       Complies partially       Explanation       Not applicable

The shares delivered as settlement of the annual bonus, and which are deferred over 3 years, are subject to a 12-month lock-up period after delivery and no minimum amount must be held once this period has concluded.

At the Annual General Meeting held on 6 April 2017, the Board of Directors Remuneration Policy was approved, extending the deferral period from three to five years applicable from 2018 onward (this change has been made to comply with the EBA Guidelines on Remuneration Policies) and the Modification to the Board of Directors Remuneration Policy approved by the Annual General Meeting of 6 April 2018 was maintained.

With regard to the prohibition on transferring the ownership of a number of shares equivalent to twice the fixed annual remuneration, this is not applied as such at CaixaBank. The purpose established in Principle 25 whereby the directors' remuneration favours the achievement of the business objectives and the company's best interest is also achieved through the existence of malus and clawback clauses and through the remuneration structure of the executive directors, whose remuneration in shares (corresponding to half the variable remuneration) is deferred with a 12 month restriction period, and this variable remuneration also represents a limited part of the total remuneration, which is fully consistent with the prudential principles of not providing an incentive for risk taking and with the alignment of objectives and the sustainable evolution of the entity.

63. Contractual arrangements should include provisions that permit the company to reclaim variable components of remuneration when payment was out of step with the Director's actual performance or based on data subsequently found to be misstated.

Complies       Complies partially       Explanation       Not applicable

64. Termination payments should not exceed a fixed amount equivalent to two years of the Director's total annual remuneration and should not be paid until the company confirms that he or she has met the predetermined performance criteria.

Complies       Complies partially       Explanation       Not applicable

## H. OTHER USEFUL INFORMATION

1. If you consider that there is any material aspect or principle relating to the Corporate Governance practices followed by your company that has not been addressed in this report and which is necessary to provide a more comprehensive view of the corporate governance structure and practices at the company or group, explain briefly.
2. You may include in this section any other information, clarification or observation related to the above sections of this report.

Specifically indicate whether the company is subject to corporate governance legislation from a country other than Spain and, if so, include the compulsory information to be provided when different from that required by this report.

3. Also state whether the company voluntarily subscribes to other international, sectorial or other ethical principles or standard practices. If applicable, identify the Code and date of adoption. In particular, indicate whether the company adheres to the Code of Best Tax Practices of 20 July 2010:

### RESPONSES CONTINUED:

A.5 – With regard to the corporate relationship that the 'La Caixa' Banking Foundation and Criteria Caixa, S.A.U. (company controlled by the 'La Caixa' Banking Foundation through which it holds its stake in CaixaBank) had with CaixaBank, on 26 September 2017 it was disclosed that a decision of the Governing Council of the European Central Bank found that, on the basis of compliance with the terms and conditions, CriteriaCaixa no longer exercises control or dominant influence over CaixaBank and is therefore no longer its parent company. For this reason, no mention is now made of a corporate relationship between the 'La Caixa' Banking Foundation Group and CaixaBank, which has become the parent company of the financial conglomerate formed of the group's entities that are considered to be regulated, with CaixaBank classified as a significant supervised entity, in accordance with article 6.4 of Regulation (EU) No. 1024/2013, whereby CaixaBank comprises, together with the credit institutions of its group, a significant supervised group of which CaixaBank is the entity at the highest level of prudential consolidation.

A.7 - The share capital affected by the Shareholders' Agreement reported to the Company is 80.597%. This percentage pertained to the CaixaBank shares held by: Caja Navarra (currently Caja Navarra Banking Foundation), Cajasol (currently Fundación Cajasol), Caja Canarias (currently Fundación Caja Canarias), and Caja de Burgos (currently Fundación Caja de Burgos, Banking Foundation), ("the Foundations") and the "la Caixa" Banking Foundation at 1 August 2012, the date the agreement was signed.

The current information provided in this section is 40.639%, which is the sum of the stake of the 'La Caixa' Banking Foundation through Criteria Caixa, S.A.U. and the stake of the Caja Canarias Banking Foundation, which is publicly-available information on the CNMV website. In the first case, given that it is a significant holding, and in the second, due to its condition as a member of the Board of CaixaBank.

Therefore, the information on the percentage of capital affected by the Agreement does not include the holdings of the other two signatory foundations (the Caja Navarra Banking Foundation and the Caja de Burgos Foundations), whereby, as they are not significant shareholders or members of the Board of Directors, the information on their holdings in CaixaBank is not public.

"Brief description of agreement" below:

They also agreed that the "la Caixa" Banking Foundation would vote in favour of the appointment of the two members to the Board of Directors of CaixaBank proposed by "the Foundations" and, in order to give stability to their shareholding in CaixaBank, the "Foundations" agreed a four-year lock up period, as well as a commitment to exercise their pre-emptive acquisition rights over two years in favour of the other Foundations in the first place and subsidiarily the "la Caixa" Banking Foundation, should any of "the Foundations" wish to transfer all or part of their stake, once the lock-up period has expired.

On 17 October 2016, the amendments to the Integration Agreement between CaixaBank, S.A. and Banca Cívica, S.A. as well as the Shareholders' Agreement of CaixaBank, S.A. were signed, the first of them on 26 March 2012 by the 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 on the one hand mean that the banks that formed Banca Cívica, S.A., instead of proposing the appointment of two directors at CaixaBank, will propose one director at CaixaBank, S.A. and one director at VidaCaixa, S.A., subsidiary of CaixaBank, and on the other, that the extension of the agreements that automatically took place at the beginning of August 2016, for three years, will have a duration of four years instead of the aforementioned three.

On 4 October 2018, via the modification agreement entered into by 'the Foundations' and the 'La Caixa' Banking Foundation, the Agreement was modified, after the Cajasol Foundation declared its will to nullify the Integration Agreement between CaixaBank, S.A. and Banca Cívica S.A., once six years have passed since it was signed.

Modifications 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 validity of the commitments regarding the combined Social Work of the Foundations and the 'La Caixa' Banking Foundation has been maintained, with the same content and scope as before, with the exception of the commitments between Cajasol and the 'La Caixa' Banking foundation, whereby, in this case, only the commitments made on the date of said document remain in force, up to the end date thereof.

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

#### Continuation of "Expiration date of the Agreement"

On 17 October 2016, the amendments of the integration agreement between CaixaBank, S.A. and Banca Cívica, S.A and the Shareholders' Agreement of CaixaBank, S.A. were signed, the first of them on 26 March 2012 by the 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 automatic renewal of the agreements, for three years, which took place on 1 August 2016, will instead last for four years.

A.8. – See Note A.5, which explains that, from 26 September 2017, there is no controlling shareholder in CaixaBank.

Notwithstanding, the protocol for management of its financial stake in CaixaBank and the Internal Relations Protocol remain in effect, the origins and development of which is explained below.

Act 26/2013 on Savings Banks and Banking Foundations requires banking foundations to approve, within two months from their creation a Protocol for managing its ownership interest in the financial institution. This protocol must establish, at a minimum, the strategic criteria for managing the interest, the relations between the Board of Trustees and the governing bodies of the bank, specifying the criteria for proposing director appointments and the general criteria for carrying out operations between the banking foundation and the investee credit institution, and the mechanisms to avoid potential conflicts of interest. The "la Caixa" Banking Foundation signed its protocol for managing its ownership interest in CaixaBank on 24 July 2014. The CNMV was notified on 9 December 2014 following approval from Bank of Spain.

On 18 February 2016, the members of the Board of Trustees of "la Caixa" Banking Foundation signed a new protocol for managing the financial ownership in CaixaBank, S.A., which resulted in the adaptation of the protocol approved by the Board of Trustees on 24 July 2014 to the content of Circular 6/2015. On 18 May 2017, the Board of Trustees approved a new protocol that replaces the previous one approved on 18 February 2016 (and amended on 31 March 2016), to adapt its content to the commitments to be undertaken by the 'La Caixa' Banking Foundation in order to comply with the conditions approved on 3 March 2016 and notified on 16 March 2016 by the Supervisory Board of the European Central Bank for prudential deconsolidation between Criteria and CaixaBank.

On 19 December 2016, in accordance with the provisions of the Protocol for Managing the Financial Investment, the 'La Caixa' Banking Foundation, as parent of the 'La Caixa' Group, CriteriaCaixa, as direct shareholder in CaixaBank, and CaixaBank, as a listed company, signed a new Internal Relations Protocol which replaced the previous Protocol.

On 26 September 2017, the Decision of the Board of the Central European Bank was issued, which considered that, on the basis of complying with the conditions, CriteriaCaixa no longer exercises control of or has a dominant influence on CaixaBank, and is therefore no longer is parent company.

And on 22 February 2018, the 'La Caixa' Banking Foundation, as the parent of the 'La Caixa' Group, CriteriaCaixa, as direct shareholder of CaixaBank, and CaixaBank, as a listed company, entered into the new Internal Relations Protocol, which replaced the Previous Protocol, and whose main objectives are to:

- manage the related-party transactions deriving from transactions or services rendered.
- establish mechanisms that attempt to avoid the emergence of conflicts of interest.
- make provision for the 'La Caixa' Banking Foundation to have a right of pre-emptive acquisition in the event of a transfer by CaixaBank of Monte de Piedad, which it owns.
- establish the basic principles for a possible collaboration between CaixaBank and the 'La Caixa' Banking Foundation in matters relating to CSR.
- regulate the proper flow of information so that the 'La Caixa' Banking Foundation, Criteria and CaixaBank can elaborate their financial statements and comply with periodical information and supervision obligations.

Another essential objective of the Protocol is the acceptance and firm commitment of the Parties to comply with the conditions established by the Central European Bank for the prudential deconsolidation of Criteria in CaixaBank.

A.12 - There is no restriction on the transfer of shares and/or voting rights. Notwithstanding the above, it should be noted that Article 16 et seq. of Act 10/2014, of 26 June, on Discipline, Supervision and Solvency of Credit Institutions, states that persons wishing to acquire a significant holding (under the terms of article 16 of the standard) in the capital or voting rights of the company, or to increase, directly or indirectly, their stake therein, such that their voting rights or share capital is equal to or greater than 20%, 30% or 50%, or whereby by virtue of the acquisition, they could obtain control of the credit institution, must give prior notice to the Bank of Spain.

Nor does CaixaBank have legal restrictions or restrictions set forth in the Articles of Association on voting rights. Nevertheless, as explained in Note B.6, CaixaBank's Articles of Association and General Shareholders' Meeting Regulations stipulate that all shareholders who, individually, or in a group with other shareholders, own a minimum of one thousand (1,000) shares, and who have registered ownership of such in the relevant book-entry ledger at least five days in advance of the date the General Meeting is to be held, may attend in person. Shareholders at the Annual General Meeting on 19 April 2012 voted to amend certain articles of the Articles of Association. Amendments include, inter alia, 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 in order 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.

B.1 and B.2 - The quorum required for constitution of the Annual General Meeting and the system of adopting corporate resolution at CaixaBank do not differ from that established in the Corporate Enterprises Act (LSC).

In connection with the amendments to the Articles of Association 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 Articles of Association, 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 these Regulations that the strengthened quorum required to agree on the issuance of bonds will only apply to the issuances that are within the power of the General Meeting. And, on the other, to include an exception to the deadline in order to attend or be represented at the Meetings, and 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 deadlines 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.

B.7 - Article 4 of the Regulation of the Meeting establishes that the General Meeting is always responsible for aspects of legislation applicable to CaixaBank.

C.1.8 - Continued:

Modifications 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 validity of the commitments regarding the combined Social Work of the Foundations and the 'La Caixa' Banking Foundation has been maintained, with the same content and scope as before, with the exception of the commitments between Cajasol and the 'La Caixa' Banking foundation, whereby, in this case, only the commitments made on the date of said document remain in force, up to the end date thereof.

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

C.1.13 - The remuneration of Directors in 2018 as reported in this section takes the following aspects into consideration: The

Board of Directors, at 31 December 2018, was composed of 18 members.

On 21 December 2017, following a favourable report by the Appointments Committee, and subject to the suitability verification by the Central European Bank, the Board of Directors agreed to appoint Tomás Muniesa Arantegui as a member of the Board of Directors. Tomás Muniesa Arantegui was nominated director at the proposal of the shareholder Caixa d'Estalvis i Pensions de Barcelona Banking Foundation, 'La Caixa', and maintained his duties as Managing Director of Insurance and Asset Management at CaixaBank, receiving the classification as Executive Director.

Likewise, also at the proposal of the Appointments Committee and subject to verification by the European Central Bank, Mr Muniesa was appointed Deputy Chairman of the Board of Directors and member of the Executive Committee. (Relevant event number 259,844).

On 6 April 2018, the Ordinary General Shareholders' Meeting approved the ratification and appointment of Eduardo Javier Sanchiz Irazu (independent director) and Tomás Muniesa Arantegui (executive director), in the latter case subject to a suitability verification by the European Central Bank.

The Board of Directors, in a meeting held after the AGM, at the proposal of the Appointments Committee and subject to a director suitability verification by the banking supervisor, agreed to re-elect Tomás Muniesa Arantegui as Deputy Chairman of the Board and member of the Executive Committee. (Relevant event number 263,818)

On 26 April 2018, Tomás Muniesa Arantegui accepted his appointments as executive director, Deputy Chairman of the Board of Directors and member of the Executive Committee of CaixaBank, after receiving communications from the European Central Bank on his suitability to fill the roles of director and Deputy Chairman of CaixaBank. (Relevant event number 264,783)

Tomás Muniesa Arantegui performed executive functions up to 22 November 2018, the date on which he resigned from his duties as Managing Director for Insurance and Asset Management and member of the Management Committee, taking on the category of Propriety Deputy Chairman.

Furthermore, on 1 February 2018, the Board of Directors adopted the following agreements regarding the composition of its Committees: (Relevant event number 261,218)

With respect to the Risk Committee, the contracts of Mr Ibarz, Mr Rosell and Ms Moraleda as members of the Committee were terminated, and Mr Garralda, Mr Sanchiz, Ms Usarraga and the Caja Canarias Foundation were appointed new members thereof. With respect to the Audit and Control Committee, Mr Sanchiz was appointed a new member thereof.

With respect to the Appointments Committee, the contracts of Mr Sáinz de Vicuña (Chairman) and Ms Moraleda as members were terminated, and Mr Reed and Mr Minc were appointed President and member of said Committee, respectively.

With respect to the Remuneration Committee, the contracts of Mr Minc and Ms Bassons as members were terminated, and Mr García-Bragado and Mr Rosell were appointed.

The remuneration figure for the Board of Directors does not include remuneration for participation on other boards in representation of the Company outside of the consolidated group, which amounts to €609,000, nor the amount of contributions to the savings schemes with non-vested economic rights during the fiscal year, which amount to €355,000.

C.1.14 - The total remuneration of members of senior management includes the remuneration of Tomás Muniesa Arantegui until April 2018, the date on which he joined the CaixaBank Board of Directors.

This amount includes the total fixed, in kind and variable remuneration paid to senior management. Variable remuneration corresponds to the proportional part of the bonus set for the period, estimating a 100% achievement, and includes the accrued portion of the long-term share-based variable remuneration plan approved at the Annual General Meeting held on 23 April 2015. This includes social security insurance premiums and discretionary pension benefits, along with other long-term provisions.

The remuneration received in 2018 by Senior Management of CaixaBank for representing the Company on the Boards of listed companies, and others with representation, within the consolidated group or not, amounts to €521,000, which has been entered into the profit and loss accounts of the respective companies.

The employment contracts with members of the Management Committee contain clauses on termination benefits for the early termination or rescission of such contracts.

C.1.16 - Continuation of 'State the procedures for appointing, re-electing, evaluating and removing Directors'. List the competent bodies, procedures and criteria used for each of these procedures.

On 20 September 2018 the Board of Directors approved the Policy for the Selection, diversity and suitability assessment of Directors and Senior Management, and other key positions in CaixaBank and its group (hereinafter, the 'Policy'), which replaces the previous Director Selection Policy. The new Policy forms part of the Company's corporate governance system, and covers the main aspects and commitments of the Company and its Group concerning the appointment and selection 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 in the company.

Furthermore, the conditions established by regulations in force will be taken into account, regarding 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, with the assistance of the General Secretary and the Secretary of the Board, taking into account the balance of knowledge, experience, capacity and diversity required and in place on the Board of Directors, elaborates 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 the Procedures for the Suitability Assessment and Appointments of Directors and Senior Management, and other key positions in CaixaBank (hereinafter, 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. Furthermore, with regard to the procedure for assessing candidates' suitability prior to their appointment as Director, the Suitability Protocol establishes procedures to continually evaluate Directors and to assess any unforeseeable circumstances which may affect their suitability for the post.

Directors shall be removed from office when the period for which they were appointed has elapsed, when so decided by the General Meeting in use of the attributes granted thereto, legally or in the Articles of Association, and when they resign.

In the event of the conditions described in C.1.19, Directors must place their position at the disposal of the Board of Directors and formalise, if the latter deems appropriate, the pertinent resignation.

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

C.1.27- Notwithstanding the response given, we hereby note that as part of the ICFR System, the financial statements for the year ended 31 December 2018, which form part of the annual financial statements, are subject to attestation by the Entity's Head of Financial Accounting, Control and Capital.

D.7 - In Spain, the Bank is the only listed company belonging to the CaixaBank Group. Nevertheless, for reasons of transparency, it should be noted that the CaixaBank Group contains another listed company, whose shares were listed in Portugal until 14 December. This company is Banco BPI, S.A., with which CaixaBank has signed an Internal Protocol Governing Relations and whose main objectives are:

- to manage the related party transactions deriving from the carrying out of transactions or the provision of services, respecting the corporate interest of the two entities and, in this regard, identifying the services that are or may be provided to the BPI Group Companies by CaixaBank and the services that are or may be provided to the CaixaBank Group Companies by the BPI Group Companies, establishing the general criteria for these purposes within a framework of independence, transparency, reciprocity and conformity with market conditions.

- establish, without prejudice to the foregoing, mechanisms to avoid the emergence of conflicts of interest caused by CaixaBank's status as the controlling shareholder of BPI.
- regulate the flow of adequate information that enables CaixaBank, as the parent of the group of which BPI is a part, to fulfil its management requirements, legal obligations and the requests or orders of its supervisors, amongst others, the preparation of its financial statements and the fulfilment of its periodic reporting and supervisory requirements with the European Central Bank and the Bank of Spain and other supervisory and resolution bodies; all the foregoing, without prejudice to allowing the information flow that BPI may need from CaixaBank for its supervisory bodies.

E.1 - Continuation of Response:

- CaixaBank has an Internal Control Framework which offers a reasonable degree of assurance that the Group will achieve its objectives. The Internal Control Framework is a set of rules and controls that govern CaixaBank's organisational and operating structure, including reporting processes and functions of risk management, compliance and internal audit. This is structured around the three lines of defence model, in line with regulatory guidance and best practices in the sector.
  1. The first line of defence consists in the Group's business and support units, which are risk taking areas responsible for developing and maintaining effective controls over their businesses, and for identifying, managing and measuring, controlling, mitigating and reporting the main risks that arise in their ongoing activity.
  2. The second line of defence acts independently from the business units and it performs risk identification, measurement, monitoring and reporting, establishes management policies and control procedures, and is responsible for reviewing application thereof by the first line.
  3. The internal audit function also carries out control activity as the third line of defence, and independently from the first and second lines. It provides an independent and objective review of the quality and effectiveness of the bank's internal control system.

For more information on Control Units, see section E.6 and Note 3 of the Consolidated Financial Statements of the CaixaBank Group for 2018.

E.2. – Continuation of Response:

Collegiate bodies in the risk area

Senior Management acting within the framework of the duties assigned by the Board and its Committees, has established several committees for risk governance, management and control. It is not directly responsible for Reputational Risk, Legal and Regulatory Risk, including tax risk and Conduct and Compliance Risk that all fall under the Deputy General Manager of Compliance. Level 1 committees are listed first, followed by level 2 committees that play a key role in the Group's risk area.

Committees related with the risk function:

- Permanent Lending Committee: has powers delegated by the Board of Directors to approve transactions.
- Global Risk Committee: body that reports to the Risks Committee in all matters related to the Group's risk management, assessment methodologies, approval, recovery and mitigation policies, monitoring, reporting and risk control of the banking group. Under the Risk Management Function, it manages, controls and monitors the overall risks included in the Corporate Risks Catalogue, as well as the implications on the management of solvency and consumption of capital.

Committees reporting to the Global Risk Committee

- Risk Policy Committee
- Global Default and Recovery Committee
- Operational Risk Committee
- Models and Parameter Committee
- Impairment Committee
- Corporate Responsibility and Reputation Committee
- Crime Risk Committee

For more information, see Note 3 of the Consolidated Annual Accounts of the CaixaBank Group corresponding to 2018.

G.26 - According to the provisions of Article 7.2 of the Regulations of the Board of Directors, the Chairman is vested with the ordinary powers to draw up the agenda for such meetings and lead the discussions and deliberations. However, all Directors may request that additional items be included in the agenda.

H. OTHER USEFUL INFORMATION

3. Also state whether the company voluntarily subscribes to other international, sectorial or other ethical principles or standard practices. If applicable, identify the Code and date of adoption. In particular, indicate whether the company adheres to the Code of Best Tax Practices of 20 July 2010.

UN Global Compact

Since 2012, CaixaBank has chaired the Spanish Network of the United Nations Global Compact and thereby fosters the advance and of the ten principles, which are based on human, labour and environment rights and the fight against anti-

#### Women's Empowerment Principles

In 2013, CaixaBank adhered to the U.N. Women and the United Nations Global Compact's joint initiative: Women's Empowerment Principles. By doing so, CaixaBank publicly assumed the commitment to ensure that its policies promote gender equality.

#### Responsible Banking Principles

In 2018, CaixaBank signed on to the Responsible Banking Principles, launched by the United Nations Environment Programme Finance Initiative (UNEP FI). The aim of the Principles is to align the activity of the financial sector with reaching the United Nations Sustainable Development Objectives and those of the Paris Agreement on climate change.

#### United Nations Environment Programme Finance Initiative - UNEP FI

In 2018, CaixaBank joined this alliance in which financial institutions publicly recognise the key role they play in ensuring that our economy and lifestyles are sustainable. The signatories also undertake to integrate environmental and social considerations into all levels of their entities and operations.

#### Equator Principles

CaixaBank has been a signatory to the Equator Principles since 2007. The Entity is committed to considering and managing social and environmental risks in assessing and financing project finance transactions of more than US \$10 million and project-related corporate loans where the total aggregate loan amount is over US \$ 100 million.

#### United Nations Principles for Responsible Investment (UNPRI)

VidaCaixa, a company in the business of marketing life insurance and managing pension plans, and CaixaBank Asset Management, CaixaBank's fund management company, both part of CaixaBank, have been formally committed since 2009 and 2016, respectively, to these principles, which take into consideration social, environmental and corporate governance criteria in investment decisions.

#### Diversity Charter

This charter is signed voluntarily by a company or a public institution to promote its commitment to the principles of equality, its actions to foster the inclusion of all people in the workplace and society, the recognition of the benefits of cultural, demographic and social diversity within companies, the implementation of specific policies which encourage a working environment free from prejudice for employment, employment, training and the promotion and adoption of non-discrimination programmes aimed at underprivileged groups. CaixaBank became a signatory in 2012.

#### More women, better

Signatory, along with the Ministry of Health, Social Services and Equality, of this pioneering initiative and one of the most important pledges of the Spanish government and industry to achieve a better balance of men and women in positions of company responsibility. Signatory since 2014.

#### Generation and Talent

Collaborating entity of the Generation and Talent Observatory, an organisation for research, analysis and training in generational diversity and the impact of the latter on socio-economic and labour issues in organisations. Signatory since

#### Green Bond Principles

CaixaBank signed up to these principles in 2015. These are a series of voluntary guidelines for all players in the green bond issuance process (underwriters, issuers and investors).

#### Spanish Group for Green Growth

In 2016, CaixaBank was one of the founder members of this business association, which aims to help promote a low-carbon economy compatible with economic growth and job creation.

#### RE100

Since 2016, CaixaBank has formed part of this collaborative global corporate initiative committed to using 100% renewable electricity. It has established the public target of using 100% renewable electricity by the year 2018.

#### CDP

CaixaBank has been a signatory of CDP since 2012. This is an independent not-for-profit organisation working to drive greenhouse gas emissions reduction and sustainable water usage. As a signatory, and as a token of its commitment to respect and protect the environment, CaixaBank has committed to measure, disclose, manage and disseminate environmental information.

Voluntary agreements programme to reduce greenhouse gas emissions.

Under this programme, which is promoted by the Catalan Climate Change Office, in 2015, CaixaBank voluntarily pledged to monitor its emissions and introduce measures other than those legally established to help reduce these.

OECD Guidelines for multinational enterprises

CaixaBank follows these guidelines which promote sustainable and responsible business

Code of Best Tax Practices

Since 2015, CaixaBank has been compliant with and committed to the Code of Good Tax Practices drawn up within the framework of the collaboration with the Spanish tax

Furthermore, CaixaBank, through its London branch, is currently voluntarily subscribed to the Code of Practice on Taxation for Banks, driven by the tax authorities in the United Kingdom.

Code of Good Practices for the viable restructuring of mortgage loans on primary residences

On 15 March 2012, CaixaBank adhered to the Spanish government's Code of Good Practices for the viable restructuring of mortgage loans on primary residences. CaixaBank's decision to join was based on the fact that the code mirrors one of its own core objectives: its long-standing fight against social and financial exclusion.

National Education Plan

Since 2010 CaixaBank has been a signatory to the Financial Education Plan promoted by the Bank of Spain and the Spanish Securities Market Regulator (CNMV) to improve society's knowledge of financial matters.

For more information, please visit the "Corporate Responsibility" section under "Corporate Information" on the CaixaBank website, or via this link: [http://www.caixabank.com/responsabilidadcorporativa/modelofinanzasresponsables/iniciativasyalianzas\\_es.html](http://www.caixabank.com/responsabilidadcorporativa/modelofinanzasresponsables/iniciativasyalianzas_es.html)

This annual corporate governance report has been approved by the company's Board of Directors, at its meeting on:

21/02/2019

State whether any Directors voted against or abstained from voting on the approval of this Report.

Yes

No



*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 2018 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 11 December 2018, 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 2018 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 2018 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.

.....  
PricewaterhouseCoopers Auditores, S.L., Pº de la Alameda, 35 Bis, 46023 Valencia, España  
Tel.: +34 963 036 900 / +34 902 021 111, Fax: +34 963 036 901, [www.pwc.es](http://www.pwc.es)

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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 n° 5/2013 of the NSMC, dated June 12, 2013, as modified by Circular n° 7/2015 of the NSMC dated December 22, 2015 and in Circular n° 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 n° 5/2013 of the NSMC, dated June 12, 2013, as modified by Circular n° 7/2015 of the NSMC, dated December 22, 2015 and by Circular n° 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

22 February, 2019

## CAIXABANK, S.A.

### APPENDIX IAGC 2018

C.2.1. List all the committees of the Board of Directors, their members and the proportion of executive and propriety directors, or other external directors that comprise them: Explain the duties exercised by this committee, other than those that have already been described in Section C.1.10, and describe the rules and procedures it follows for its organisation and functioning. For each one of these functions, briefly describe their most important actions during the year and how it has exercised in practice each of the functions attributed thereto by law, in the Articles of Association or other corporate resolutions.

#### **EXECUTIVE COMMITTEE**

##### Brief description

Article 39 of the Articles of Association and articles 12 and 13 of the Regulations of the Board of Directors describe the organisation and operation of the Executive Committee.

##### 1) Organisation and operation

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 Executive Committee will meet as often as it is called by its Chairman or whoever replaces him/her in his/her absence, as occurs in the event of vacancy, leave, or incapacity, and will be validly assembled when the majority of its members attend the meeting, either personally or by representation.

The appointment of members of the Executive Committee and the permanent delegation of powers from the Board on the same will require the favourable vote of at least two thirds of the members of the Board of Directors.

The Executive Committee will inform the Board of the main matters it addresses and the decisions it makes thereon at its meetings.

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

The resolutions of the Committee will be adopted by the majority of the members attending the meeting in person or represented by proxy and will be validated and binding without the need for later ratification by the full Board of Directors, notwithstanding that spelled out in article 4.5 of the Regulations of the Board of Directors.

##### 2) Responsibilities

The Executive Committee has been delegated all of the responsibilities and powers available to it both legally and as laid out in the Articles of Association. In terms of procedure, the Executive Committee is subject to the limitations set forth under article 4.5 of the Regulations of the Board of Directors.

### 3) Activities during the financial year

The Committee analysed recurring issues such as:

- Information on the general economic situation and the most relevant data on CaixaBank, including the monitoring of the Strategic Plan, accounting results, the evolution of the commercial and financial activity, share prices, reactions of investors and analysts to the Company's decisions, the agreements adopted on personnel matters, appointments and other variations to the workforce and securities transactions since the last Committee meeting.
- Granting of loans and credits.
- Real estate sales.
- Resolutions relating to investees, inter alia: capital contributions, amendments to Articles of Association, distribution of reserves, amendments to the composition of their governing bodies, granting of powers, sale and purchase of shares or stakes, the dissolution or liquidation of companies, and the appointment of proxies to attend meetings.
- Analysis of corporate investment or divestment transactions.

## **AUDIT AND CONTROL COMMITTEE**

### Brief description

Articles 40 and 14 of the Articles of Association and Regulations of the Board of Directors and applicable legislation describe the organisation and operation of the Audit and Control Committee.

### 1) Organisation and operation

The Audit and Control Committee will be exclusively formed of 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.

Furthermore, the Board of Directors will 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 its duties.

Overall, and notwithstanding the principle to foster diversity, the members of the Audit and control Committee, who will be allocated in consideration of their capacity of dedication needed to fulfil the duties assigned to them, will have the required technical knowledge regarding the Company's activities.

To review the mandatory financial instruments to be sent to the authorities, along with the information that the Board of Directors that must be approved and included in annual public documentation, each quarter the Audit and Control Committee will meet in an ordinary session, with the presence of the internal auditor and, if any kind of review report is issued, the account auditor. 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 will appoint a Chairman from among the independent Directors. The Chairman must be replaced every four (4) years and may be re-elected once a period of one (1) year from

his departure has transpired. The Chairman of the Committee will act as a spokesperson in meetings of the Board of Directors, and, where relevant, in 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 will assist the Committee Chair in planning its meetings, and gathering and handing out the information needed sufficiently in advance, taking down the minutes of such meetings.

The Audit and Control Committee will establish an annual work plan that will include the main activities of the Committee during the fiscal year.

The members of the Company's management team or personnel shall 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 also require the Company's auditors to attend its meetings, along with other people, only by invitation of the Committee Chair, and only to deal with specific points of the agenda for which they have been convened.

The Audit and Control Committee must establish an effective, periodical communication channel with its usual spokespersons, which will normally be the Committee Chair and, among others, with Company management, particularly financial management; the head of internal audits; and the main auditor responsible for account auditing. In particular, the communication between the Audit and Control Committee and the external auditor must be smooth and continuous, in accordance with the regulatory guidelines for audit activity, and must not jeopardise the auditor's independence or the effectiveness with which it carries out the audit or with which the audit procedures are developed.

The Audit and Control Committee must have adequate, relevant and sufficient access to any information or documentation held by the Company and may receive advice from external experts when it deems this necessary for correctly fulfilling its functions.

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

It shall be validly assembled when the majority of its members attend in person or by proxy. Resolutions shall be adopted by a majority of the members attending in person or by proxy and minutes of the resolutions adopted at each meeting shall be drawn up and such resolutions shall be reported to the Board as a plenary body, submitting or delivering a copy of the minutes to all Board members.

The committee's Chairman shall report to the Board on its activities and on the work performed at meetings specifically arranged for this purpose, or at the immediately following meeting when the Chairman deems this necessary.

It will prepare an annual report on its operation highlighting the main incidents occurring, if any, related to its duties, that will be the basis, amongst others, and if applicable, for the evaluation made by the Board of Directors. Furthermore, if the Committee deems it appropriate, it shall include in the report suggestions for improvement.

In particular, the Audit and Control Committee's report will include, among other content, the significant activities carried out during the period, and it will inform of those carried out in collaboration with external experts, posting them on the Company's website sufficiently in advance of the Ordinary General Meeting.

## 2) Responsibilities

Notwithstanding any other task which may be assigned thereto from time to time by the Board of Directors, the Audit and Control Committee shall perform the following basic duties:

*In relation to overseeing financial information:*

- (i) to report to the Annual General Meeting about matters posed by shareholders that are within the competence of the Committee 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) oversee the process of elaborating and presenting mandatory financial information regarding the Company and, where relevant, the Group, reviewing the Company accounts, compliance with regulatory requirements in this area, the adequate definition of the consolidation perimeter, and the correct application of generally accepted accounting criteria. And, in particular, know, understand and oversee the effectiveness of the internal financial information control system (ICFR), concluding on the level of trust and reliability of the system, and elaborating proposals to modify the accounting principles and criteria suggested by management, in order to guarantee the integrity of the accounting and financial information systems, including financial and operational control, and compliance with applicable law. The Committee can put forward recommendations or proposals to the Board of Directors, designed to safeguard the completeness of the mandatory financial information;
- (iii) to ensure that the Board of Directors files the Annual Accounts to the General Shareholders Meeting, without limitations or qualifications in the audit report, and that, in the exceptional case whereby there are qualifications, ensure that the Chairman of the Committee and the auditors clearly explain the content and scope of said limitations or qualifications to shareholders;
- (iv) to report to the Board of Directors, in advance, on the financial information, and related non-financial information, that the Company must periodically publish to the markets and its supervisory bodies;

*With regard to overseeing internal control and internal auditing:*

- (v) to oversee the effectiveness of internal control systems, and discuss any weaknesses found in the internal control system that may have been detected during the audit with the auditor, all without violating its independence. For such purposes, and if appropriate, it may submit recommendations or proposals to the Board of Directors and the corresponding deadline for their follow-up;
- (vi) to oversee the effectiveness of the internal auditing, and in particular that the internal audit unit endeavours to ensure the correct functioning of the reporting and internal control systems, verifying their suitability and integrity; to ensure the independence and effectiveness of the internal audit function, proposing the selection, appointment, re-election and cessation of the person responsible for it; to propose the budget for this service; to approve its approach and its work plans, ensuring its work is mainly geared to the Company's significant risks; to receive periodical reporting on its activity and to verify that the senior management is taking into account the conclusions and recommendations in its reports; and to conduct an annual assessment of the functioning of the internal audit unit and the performance of its duties by the person responsible, for which purpose it will gather any opinions the executive management may have. This assessment must include an evaluation of the degree of compliance with the objectives and criteria established for setting the variable components of its remuneration, with the Committee also being involved in determining such components.

The person responsible for the unit in charge of the internal audit function will submit its annual work plan to the Committee, inform of any incidents arising on carrying it out and submit a report on its activity at the end of each financial year.

The Internal Audit Department will be functionally dependent on the Chairperson of the Audit and Control Committee, without prejudice to the fact that it must report to the Chairperson of the Board of Directors so that the latter may suitably perform its functions;

- (vii) to establish and oversee a mechanism enabling the Company's employees, or those of the group to which it belongs, to confidentially (and anonymously, if deemed appropriate) notify of any potentially significant irregularities they may observe within the Company, particularly those of a financial and accounting nature, receiving periodical reporting on its functioning and being able to propose the relevant measures for improvement and reduction of the risk of irregularities in the future;

With regard to overseeing risk management and control:

The Audit and Control Committee will carry out the functions established in this section in coordination with the Risk Committee, to the necessary extent.

- (viii) to oversee the effectiveness of the financial and non-financial risk management systems;
- (ix) to hold a meeting at least once a year with the leading persons responsible for the business units at which the latter will explain the trends of the business and the associated risks;

With regard to the accounts auditor:

- (x) to submit to the Board of Directors, for submission to the General Shareholders' Meeting, the proposals for selection, appointment, re-election and replacement of the accounts auditor, being responsible for the selection process, in accordance with regulations applicable to the Company, as well as the contracting conditions thereof and the scope of his/her professional mandate, and for this purpose, it must define the auditor selection procedure and issue a reasoned proposal containing at least two alternatives for the selection of an auditor, except in cases of the auditor's re-election;
- (xi) regularly recompile, from the external auditor, information on the auditing plan and its execution as well as preserving its independence in the exercise of its duties;
- (xii) to serve as a channel of communication between the Board of Directors and the auditors, to evaluate the results of each audit and the responses of the management team to its recommendations and to mediate in cases of discrepancies between the former and the latter in relation to the principles and criteria applicable to the preparation of the financial statements, as well as to examine the circumstances which, as the case may be, motivated the resignation of the auditor and to ensure that the Company sends a significant event notice to the Securities Market Commission (CNMV) informing of the change of auditor, accompanied by a statement regarding any possible disagreements with the outgoing auditor and, if there have been any such disagreements, of their content;
- (xiii) to establish appropriate relationships with the external auditor in order to receive information, for examination by the Audit and Control Committee, on matters which may threaten the independence of said auditor and any other matters relating to the audit process, particularly any discrepancies that may arise between the auditor and the Company management, and, where the case may be, the authorisation of any services other than those that

are prohibited, under the terms set forth in the applicable legislation in relation to their independence and any other communications provided for in audit legislation and audit regulations.

In any case, 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 related to it directly or indirectly, in addition to detailed, personalised information on additional services of any kind rendered to these entities and the corresponding fees received by the aforementioned auditors or persons or entities related to them as stipulated by the regulations governing auditing activity, ensuring that the external audit firm's remuneration for its work does not jeopardise its quality or independence and ensuring that the Company and the auditor observe the applicable legislation with regard to provision of services other than auditing services, the limitations on the auditor's business concentration and, in general, all other regulations regarding auditor independence;

- (xiv) to issue annually, prior to the issuance of the audit report, a report containing an opinion on whether the independence of the auditor has been compromised, which will be posted on the Company's website sufficiently in advance of the Ordinary General Meeting. This report must address, in all cases, the reasoned evaluation of the provision of each and all of the additional services referred to in the preceding section, individually and collectively considered, different from the legal audit and related to the degree of independence or to the regulations governing auditing activity;
- (xv) to supervise compliance with the auditing contract, striving to ensure that the opinion about the Annual Financial Statements and the principal contents of the auditor's report are drafted clearly and precisely;
- (xvi) to ensure that the external auditor holds an annual meeting with the Board of Directors as a plenary body, to inform it of the work carried out and the evolution of the Company's situation with regard to auditing and risks;
- (xvii) to conduct a final assessment with regard to the auditor's work and how it has contributed to the quality of the audit and the integrity of the financial reporting;

Other functions:

- (xviii) to supervise the compliance with regulations with respect to Related Party Transactions and, previously, inform the Board of Directors on such transactions. In particular, to ensure that the information on said transactions be reported to the market, in compliance with the provisions of the current legislation, and to report on transactions which imply or may imply conflicts of interest and, in general, on the subject matters contemplated in Chapter IX of this Regulation.

The report on related party transactions issued by the Audit and Control Committee, where the case may be, will be posted on the Company website sufficiently in advance of the date of the Ordinary General Meeting;

- (xix) to supervise the compliance with the internal codes of conduct, particularly the Internal Rules of Conduct on Matters Related to the Securities Market and, in general, the rules of corporate governance;
- (xx) to provide the Board of Directors with advance notice of any transactions regarding structural and corporate modifications that the Company may plan to carry out, their financial terms and

their accounting impact and, in particular, where the case may be, of the proposed equation of exchange;

- (xxi) to, previously, report to the Board of Directors on the creation or acquisition of stakes in special purpose entities domiciled in countries or territories considered to be tax havens, as well as any other transactions or operations of an analogous nature which, due to their complexity, may deteriorate the transparency of the Company or of the group to which it belongs;
- (xxii) to consider the suggestions submitted to it by the Chairman of the Board of Directors, Board members, executives and shareholders of the Company;
- (xxiii) to receive information and, as the case may be, issue a report on the disciplinary measures intended to be imposed upon members of the Company's senior management team;
- (xxiv) to supervise compliance with any relations protocols which the Company may sign with shareholders or which the Company may sign with companies from its Group, and the performance of any other action established in the protocols for the best compliance with the aforementioned supervisory duty; and
- (xxv) any others attributed thereto by Law, in the Articles of Association, these Regulations and other regulations applicable to the Company.

### 3) Activities during the year

There are recurring matters which are analysed by the Committee, such as those referring to the oversight of financial and non-financial information, the oversight of internal auditing, compliance with corporate governance rules and fulfilment of the Securities Held in Treasury Policy.

The Committee paid particular attention to overseeing the process for preparing and submitting the mandatory financial information and other information concerning 2018 disclosed to the market. The person responsible for financial reporting has appeared in several of the Committee's meetings held in 2018, and thus the Committee has learned, sufficiently in advance, about the process of compiling and consolidating interim financial information and the individual and consolidated financial statements. The Committee has been informed and approved of the valuation criteria and accounting practices applied by CaixaBank and, with the assistance of the external auditor, it has confirmed that it is aligned with accounting laws and the criteria established by competent regulators and supervisors. All with the object of guaranteeing the integrity of the accounting and financial information systems, including financial and operative control, and compliance with the applicable legislation.

The Annual General Meeting held on 6 April 2017 appointed PricewaterhouseCoopers Auditores, S.L. as the auditor of the accounts of CaixaBank and of its consolidated group for the years 2018, 2019 and 2020. The selection process took place throughout 2016, pursuant to the criteria established in Regulation (EU) 537/2014, of 16 April, on the specific requirements for legal audits of public-interest entities. The Committee was responsible for this selection process, and ensured that it was transparent, independent and objective.

In 2018, the transition was completed from the previous auditor, Deloitte S.L., to PricewaterhouseCoopers Auditores, S.L., designated by the General Shareholders' Meeting as the new auditor of CaixaBank and its consolidated Group for 2018, 2019 and 2020.

In addition, and as part of their ordinary powers, the Committee discussed, examined, and took decisions or issued reports on the following matters:

- Independence of the external auditor, and follow-up on the reports issued by it;
- Approval of the Internal Audit Plan for 2018, monitoring its degree of implementation and its main conclusions;
- Internal Audit reports issued at the Group and overseeing their recommendations.
- Monitoring trends in the main figures in the CaixaBank income statement and balance sheet, and the breakdown of the Group's liquidity position and solvency;
- Information about monitoring activities in the field of the Single Supervisory Mechanism; Overseeing the efficiency of the Internal Control Systems, including the internal control over financial reporting (ICFR).
- Monitoring Control & Compliance activities.
- Overseeing the functioning of the Company's mechanisms that allow its employees to confidentially report any irregularities with potentially serious implications within the heart of the Company (Whistleblower Channel);
- Information on transactions carried out with CaixaBank by directors or their related parties, and also those carried out with CaixaBank by senior management or their related parties.

#### APPOINTMENTS COMMITTEE AND REMUNERATION COMMITTEE Brief

description

Articles 40 and 15 of the Articles of Association and Regulations of the Board of Directors and applicable legislation describe the organisation and operation of the Appointments Committee and the Remuneration Committee.

##### 1) Organisation and operation

The Appointments Committee and the Remuneration Committee shall be formed exclusively of non-executive members of the Board of Directors, in a number determined by the Board of Directors (minimum of three (3), maximum of five (5)). A majority of each of these Committees must be independent directors, where members of the Remuneration Committee will be appointed by the Board of Directors at the proposal of the Audit and Control Committee. The Chairman of the Committee will be appointed from amongst the independent Directors forming part of such Committee.

Both the Appointments and the Remuneration Committees shall be self-governing, they shall elect their Chairman and appoint a Secretary. In the absence of this latter appointment, that of the Board shall act as Secretary or one of the Deputy Secretaries.

Both the Appointments and the Remuneration Committees shall:

- (i) Meet whenever considered appropriate for the good performance of their duties and the meetings will be called by their Chairperson, either by his/her own initiative, or when required by two (2) members of the Committee itself, and must do so whenever the Board or its Chair requests the issuance of a report or the adoption of a proposal;
- (ii) The meeting notice shall be sent out by letter, telegram, fax, e-mail, or any other means which allows keeping a record of its receipt;
- (iii) The Secretary of each of the committees will be responsible for calling the meetings and for filing the minutes and documentation presented to the committee.

(iv) Minutes will be prepared of the resolutions adopted at each meeting, which shall be reported to the Board and the minutes will be available to all members of the Board in the Board Secretariat, but shall not be sent or delivered for reasons of discretion, unless the Chair of the Committee decides otherwise;

(v) The Committees shall be validly constituted with the attendance in person or represented by proxy of the majority of its members and resolutions shall be adopted by a majority of members who attend in person or by proxy.

They will draw up a report on their operations, highlighting the main incidents to have occurred, if any, in relation to their functions. This report will provide the basis, among other information, for the Board's assessment of the committees' performance. In addition, when the relevant Committee deems it appropriate, it will include in that report suggestions for improvement.

## 2) Responsibilities

Notwithstanding other duties which may be assigned thereto by the Board of Directors, the Appointments Committee shall have the following basic responsibilities:

(i) 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.

(ii) 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.

(iii) Report proposed appointments of the remaining Directors for them to be designated by co-option or subject to the decision of the General Meeting of Shareholders, as well as on proposals for their re-election or removal by the General Shareholders' Meeting.

(iv) Reporting on the appointment and, as the case may be, dismissal of the Lead Director, the Secretary and the Deputy Secretaries for approval by the Board of Directors.

(v) Determining the most desirable profile for candidates of the various committees other than the Appointments Committee, based on their knowledge, aptitudes and experience, and presenting to the Board its proposed appointments to committees other than the Appointments Committee itself.

(vi) 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. Propose, if deemed appropriate, the basic terms of the contracts of senior executives other than their pay and remuneration, and report those terms once established.

(vii) Examining and organising, in collaboration with the Lead Director, and with the Chairman of the Board of Directors, the succession of the latter and of the Company's chief executive 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.

(viii) Report to the Board on gender diversity issues, ensuring that the procedures for selection of its members favour the diversity of experience, knowledge, and facilitate the selection of female Directors, and establish a representation target for the less represented gender on the Board of Directors as well as preparing guidelines for how this should be achieved, in any case endeavouring to ensure compliance with the diversity policy applied to the Board of Directors, which will be reported on in the Annual Corporate Governance Report.

- (ix) Periodically evaluate, 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 Lead Director when assessing the performance of the Chairman. It should also evaluate the composition of the Management Committee, as well as its replacement lists, to ensure proper coverage as members come and go.
- (x) Assessing, as often as required by applicable regulations, the suitability of the various members of the Board of Directors and of the Board as a whole, and reporting to the Board of Directors on its findings.
- (xi) Periodically reviewing the Board of Directors selection and appointment policy in relation to senior executives and making recommendations.
- (xii) Consider any suggestions it receives from the Company's Chairman, Board members, executives and shareholders.
- (xiii) Supervising and controlling the smooth operation of the Company's corporate governance system, making any proposals it deems necessary for its improvement.
- (xiv) Monitoring the independence of the independent Directors.
- (xv) Proposing to the Board the Annual Corporate Governance Report.
- (xvi) Supervising the Company's activities when it comes to corporate social responsibility and submitting to the Board any proposals it deems appropriate here.
- (xvii) Verifying that the Board of Directors possesses a sufficient balance of knowledge, skills, diversity and experience and preparing a description of the duties and aptitudes that may be required for any specific appointment, whilst also evaluating the expected dedication of time for fulfilling the position.

Notwithstanding other duties which may be assigned thereto by the Board of Directors, the Remuneration Committee shall have the following basic responsibilities:

- (i) 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.
- (ii) Ensuring compliance with the remuneration policy for Directors and Senior Managers as well as reporting the basic conditions established in the contracts of these and compliance of the contracts.
- (iii) Reporting and preparing the general remuneration policy of the Company and in particular the policies relating to the categories of staff whose professional activities have a significant impact on the risk profile of the Company and those that are intended to prevent or manage conflicts of interest with the Company's customers.
- (iv) Analyse, formulate and periodically review the remuneration programmes, weighing up their adequacy and performance and ensuring compliance.
- (v) Propose to the Board the approval of the remuneration reports or policies that it is required to submit to the General Shareholders' Meeting, as well as reporting to the Board on any remuneration-related proposals or motions the Board may intend to lay before the General Meeting.

(vi) Considering the suggestions it receives from the Company's Chairman, Board members, executives and shareholders.

### 3) Activities during the year

#### 3.1) Appointments Committee:

As part of its ordinary powers, the Committee discussed, examined, and took decisions or issued reports on the following matters: assessment of suitability; appointments to the Board, Committees and Advisory Committees; verification of the Directors' character; gender diversity; the policy for selecting Directors, senior management and other key posts; the CSR masterplan, corporate governance documentation to be submitted for 2018; in accordance with article 15 of the Regulations of the Board of Directors.

In 2018, the Committee established a work plan on two occasions. Notwithstanding other issues, relevant aspects presented included the need to tackle selection policies for directors and senior managers, as well as internal suitability assessment procedures to adapt to the guidelines of the EBA; corporate support; and the need to address appointment proposals for independent directors. In September, the Committee primarily focused 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 analysed the monitoring of the recommendations of the Code of Proper Corporate Governance for Listed Companies and the annual planning of director training.

#### 3.2) Remuneration Committee:

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

In addition, and as part of their ordinary powers, the Committee discussed, examined, and took decisions or issued reports on the following matters: the proposed evaluation of individual and group targets for 2017 and the 2018 Bonus Scheme, the 2017 ARDR, incidences due to regulatory changes, the 2015-2018 Long-term Incentive Plan and the Board Remuneration Policy, among others.

## RISKS COMMITTEE

### Brief description

Articles 40 and 14 of the Articles of Association and Regulations of the Board of Directors describe the organisation and operation of the Risks Committee.

#### 1) Organisation and operation

The Risks Committee shall comprise exclusively non-executive Directors who possess the appropriate knowledge, skills and experience to fully understand and manage the risk strategy and risk propensity of the entity, in the number determined by the Board of Directors, with a minimum of three (3) and a maximum of six (6), where the majority must be independent Directors.

The Risks Committee shall meet as often as necessary to fulfil its duties and shall be convened by the Chair, either on his/her own initiative or at the request of the Chair of the Board of Directors or of two (2) members of the Committee itself.

The meeting notice shall be sent out by letter, telegram, fax, e-mail, or any other means which allows keeping a record of its receipt.

The Secretary will be responsible for convening the meeting and for filing the minutes and documents submitted to the committee.

It will shall be validly assembled when the majority of its members attend in person or by proxy. Resolutions shall be adopted by a majority of the members attending in person or by proxy and minutes of the resolutions adopted at each meeting shall be drawn up and such resolutions shall be reported to the Board as a plenary body, submitting or delivering a copy of the minutes to all Board members.

The Committee will inform the Board of its activities and work performed via its Chairperson in the meetings scheduled for this purpose, or immediately afterwards when the Chair deems necessary.

It will prepare an annual report on its operation highlighting the main incidents occurring, if any, related to its duties, that will be the basis, amongst others, and if applicable, for the evaluation made by the Board of Directors. Furthermore, if the Committee deems it appropriate, it shall include in the report suggestions for improvement.

For the proper performance of its duties, the Entity shall ensure that the delegated Risks Committee can access without difficulty the information concerning the risk situation of the Entity and, if necessary, specialist outside expertise, including external auditors and regulators.

The Risks Committee may request the attendance at meetings of the people that, within the organisation, have roles related to its duties, and shall have the advice that may be necessary to form criteria on matters within its competence, which shall be processed through the Council Secretariat.

## 2) Responsibilities

Notwithstanding any other task which may be assigned thereto from time to time by the Board of Directors, the Risks Committee shall perform the following basic duties:

(i) Advising the Board of Directors on the Bank's overall susceptibility to risk, current and future, and its strategy in this area, reporting on the Risk Appetite Framework, assisting in monitoring the implementation of this strategy, ensuring that the Group's actions are consistent with the level of risk tolerance previously agreed and seeing to it that actual risk exposure falls within the limits of the established risk profile.

(ii) Proposing to the Board the Group's risk policy, which should identify in particular:

(a) The different types of risk (operational, technological, financial, legal, reputational, etc.) which the Company faces, including amongst the financial or economic risks the contingent liabilities and other off-balance-sheet risks.

(b) The internal reporting and control systems to be used to control and manage those risks.

(c) The determination of the risk level the Company sees as acceptable.

(d) The measures in place to mitigate the impact of identified risks should they materialise.

Ensure that the pricing policy of the assets and liabilities offered to the clients fully consider the business model and risk strategy of the entity. Otherwise, the Risks Committee will submit to the Board of Directors a plan to amend it.

(iv) Determine with the Board of Directors, the nature, quantity, format and frequency of the information concerning risks that the Board of Directors should receive and establish what the Committee should receive.

(v) Regularly review exposures with its main customers, economic business sectors and by geographic area and types of risk.

(vi) Examine the information and control processes of the Group's risk as well as the information systems and indicators, which should enable:

(a) A suitable and adequate structure and functionality of risk management across the entire Group.

(b) Knowing the Group's risk exposure in order to assess whether it conforms to the profile determined by the Bank.

(c) Having sufficient information available so as to be able to accurately gauge risk exposure for decision-making purposes.

(d) The proper functioning of policies and procedures in place to mitigate operational risks.

(vii) Evaluate the regulatory compliance risk in its scope of action and determination, understood as the risk management of legal or regulatory sanctions, financial loss, or material or reputational loss that the Company could suffer as a result of non-compliance with laws, rules, regulation standards and codes of conduct, detecting any risk of non-compliance and carrying out monitoring and examining possible deficiencies in the principles of professional conduct.

(viii) Report on new products and services or significant changes to existing ones, in order to determine:

(a) The risks facing the Company from their issue and their commercialisation on the market, as well as from significant changes in existing ones.

(b) The internal reporting and control systems used to control and manage those risks.

(c) Corrective measures to limit the impact of the identified risks, should they materialise.

(d) The means and the appropriate channels for their commercialisation in order to minimise any reputational risks and mismarketing.

(ix) Cooperate with the Remuneration Committee in the establishment of rational remuneration policies and practices. For these purposes, the Risks Committee will examine, notwithstanding the duties of the Remuneration Committee, if the incentives policy anticipated in the remuneration systems take into account the risk, capital, liquidity and the probability and timing of the benefits.

(x) Assist the Board of Directors, particularly, regarding the (i) establishment of efficient channels of information to the Board about the risk management policies of the Company and all the important risks to which it is exposed, (ii) ensure that adequate resources will be assigned for managing risks, and, particularly, intervening in the evaluation of the assets, in the use of external credit classifications and the internal models related to these risks and (iii) the approval and periodical review of the strategies and policies for assuming, managing, supervising and reducing the risks to which the Company is or can be exposed, including those presented by the macro-economic situation in which it operates in relation to the economic cycle.

(xi) Any others attributed thereto by Law, in the Articles of Association, the Regulations of the Board of Directors and other regulations applicable to the Company.

### 3) Activities during the year

As part of its ordinary powers, the Committee discussed, examined and agreed on or issued reports on, inter alia, issues within its remit regarding the Risk Appetite Framework (RAF), the Recovery Plan, the Group's Risk Policy, the Risk Scorecard, the Review of the Types of Risk, Monitoring of Internal Control and Regulatory Compliance; and the Global Risk Committee.

In 2018, the Committee dealt with the relevant write-off risks as separate points of the agenda in multiple meetings, as well as issues of risk management, the lessons learned from the crisis and management aspects that have been reinforced.

#### **E.6 Explain the response and monitoring plans for the main risks the entity is exposed to, including of a fiscal nature.**

As we have mentioned before, the main risks the Entity is exposed to are outlined in the Corporate Risk Catalogue.

Clear monitoring responsibilities have been established and, where applicable, the response within the risk appetite framework.

The **Board of Directors** is the body responsible for defining and supervising the Group's risk profile, updating the framework's metrics and thresholds where necessary, and at least once per year.

The **Risk Committee** is responsible for helping the Board of Directors in its tasks and reviewing the development of Tier 1 metrics more frequently and in greater depth, and for compliance with the action plans to redirect underlying risks to the appetite zone as rapidly as possible.

The **Global Risk Committee** is responsible for proposing the design and development of the RAF, and monitoring compliance therewith at least monthly. If the pre-established risk appetite levels are exceeded, the necessary measures are taken to reshape the situation.

The following basic reporting structure has been defined to ensure the Framework is compliant and that transparency is in line with best international practices:

- **Monthly presentation** by the Management Division of the *Corporate Global Risk Function & Planning* to the **Global Risk Committee**, indicating the past and future trends of Tier 1 and Tier 2 metrics, according to the Strategic Plan/projection made as part of the ICAAP exercise. If first level risk levels breach the threshold for:
  - **Tolerance:** an 'amber traffic light or early alert' is assigned to the indicator, and the party responsible or the Management Committee is entrusted by the Global Risk Committee with preparing an action plan to return to the 'green' zone, and a timeline is drawn up.
  - **Non-compliance:** a 'red traffic light' is assigned, including an explanation as to why the previous action plan did not work (if there was one). Corrective or mitigating measures are proposed to reduce exposure. This must be approved by the Risks Committee. **The Board must receive information with the content and frequency established by the Risks Committee.**
  - **Recovery Plan:** this would trigger the Plan's governance process, which entails a set of measures to: minimise the possibility of insolvency of the bank, or of it entering an insolvency proceeding and minimising the impact in case of bankruptcy, seeking to prevent a public bail out.

In this case, the regulator must be informed of serious breaches and the action plans expected to be adopted.

- **Quarterly presentation** to the **Risks Committee** on the situation, action plans and forecasts for Tier 1 metrics.
- **Half-yearly presentation to the Board of Directors** on the situation, action plans and forecasts for Tier 1 metrics.

During these sessions, the Board may decide to amend or update the metrics and previously assigned thresholds.

If a risk breaches a non-compliance threshold which could threaten the Group's ability to continue as a going concern, the Board may initiate the measures set forth in the *Recovery Plan*.

As part of the elements for risk management, we can highlight the Liquidity Contingency Plan, which forms part of the Group's risk strategy. Its main objective is to include measures and a Governance Framework to face the potential situation of a liquidity crisis, with the maximum involvement of senior management.

Under the framework of resolution plans, which determine the resolution strategy to follow according to the nature of each entity, CaixaBank takes into account the communication of formal requirements by the competent bodies during the 2019 financial year.

When it comes to fiscal risk, this falls under the framework of Fiscal Strategy (which details its main strategic tax principles) and the Fiscal Risk Control and Management Policy, both approved by the Group's Governance Bodies and updated in 2018.

Furthermore, the Group's compliance in the fiscal area has maintained its adherence to the Code of Good Tax Practices of the Large Companies Forum, complying with the content thereof.

As indicated in section E.1, the second and third lines of defence play a fundamental role in terms of overseeing and developing the Group's risk action plans. Its functions and organisation, in accordance with the Group's Internal Control Framework, are as follows:

### **Second line of defence**

The functions included in the second line of defence act independently of the business units and comprise:

- Establishing corporate policies for risk management and control, in coordination with the first line of defence, and assessing their subsequent compliance.
- The identification, measurement and monitoring of the risks (including emerging risks), contributing to the definition and implementation of risk indicators aligned with the RAF.
- The identification of control weaknesses and establishment of action plans and their implementation.
- Independent internal or comparison validation of internal models.
- Furthermore, the Risk Management Strategic Processes are coordinated, including the compliance and monitoring of the Risk Assessment process, the Corporate Risks Catalogue and the RAF.

Activities of the second line of defence, as well as (i) identified risks, (ii) the monitoring of action plans and (iii) the opinion on the suitability of the control environment in the Group, are periodically reported to the bodies responsible for the control environment, following the established hierarchy, as well as to the supervisory bodies.

### **• Corporate Risk Management Function (RMF) & Planning**

The RMF is responsible for identifying, monitoring, analysing, measuring, managing and reporting risks, thus gaining a comprehensive view of all the Group's risks. To this end, all aspects that are considered relevant for it to perform its function and that are implemented by second line of defence functions without hierarchical dependency will be reported to the RMF.

In addition, on matters that fall within its remit, the RMF: i) monitors the internal organisation of the second line of defence, general plans and activities, and evaluates their effectiveness; ii) oversees the appropriate scaling of the second line of defence in order to ensure effective management of its responsibilities, perform monitoring of the objectives of the second line of defence and the areas within it, and of improvement projects relating to risk management monitoring processes and systems; and iii) provides assurance to Management and Governing Bodies of the existence, appropriate design and effective application of risk control policies and procedures in the organisation, assessing the risk control environment. In addition, the RMF must reinforce coordination mechanisms of Risk Management Units of the first, second and third lines of defence, as necessary.

- **Internal Financial Control (IFC)**

The Internal Control - Finance department, within the Financial Accounting, Control and Capital (FACC) department is integrated functionally into the RMF and performs functions as the second line of defence with regard to the following risks: i) profitability of the business; ii) own resources / solvency; iii) depreciation of other assets and iv) reliability of financial information.

- **Compliance (C)**

Compliance is a function that falls under the responsibilities of the CEO and, within the scope of its activities, it reports to the Senior Management, to the Governance Bodies, as well as to the supervisory bodies (Bank of Spain, ECB SEPBLAC, Treasury, CNMV and other bodies).

The Compliance supervision model is based on four main management mechanisms: i) the definition and maintenance of a detailed risk taxonomy in each field of activity; (ii) the annual Compliance Plan, which determines the monitoring and review activities of internal procedures, according to their criticality. (iii) the monitoring of gaps identified (control deficiencies or regulatory breaches), either by the first line of defence, through the activities that form part of the Compliance Plan, reports by external experts, reports of inspections by supervisory bodies, customer complaints, etc. and improvement Action Plans, which are subject to regular monitoring; iv) reporting and the scaling of relevant information, the monitoring of inspections or deficiencies in the area of Compliance.

Furthermore, the Compliance function carries out advisory activities on the matters that fall under its responsibility, and carries out actions to develop and transform the Compliance “culture”. This is done by redesigning technology-based processes, through awareness-raising and communication plans conducted throughout the organisation, and through training activities, establishing a compulsory regulatory training plan which is linked to the annual bonus.

Another activity that is undertaken involves ensuring that best practices in the field of integrity and codes of conduct are followed. One of the measures implemented to this end is an internal and confidential whistle-blowing channel that is made available to employees.

- **Model Validation and Risk (internal validation)**

The function of internal validation in CaixaBank is carried out by the Model Validation and Risk unit, which reports to the RMF. Its objective is to issue an independent technical report on the suitability of internal models used for internal management purposes, and/or of a regulatory nature, within the Group. Included within its scope of action are activities such as reviewing methodological and management aspects (e.g. use of management models and tools, coverage levels, controls, governance and implementation of models in management processes), and verifying the existence of an IT environment with sufficient data quality to support the modelling needs.

RMV's activities are aligned with regulatory requirements of the various oversight mechanisms.

The findings of any RMV review activity are used as the basis for an overall opinion and several recommendations, where applicable. RMV is required to focus on the main deficiencies that are identified, adapting the extent of monitoring required and the scale of recommendations according to their relevance.

### **Third line of defence**

To guarantee the independence and powers of the audit function, Internal Audit reports to the Audit and Control Committee – an expert board committee – as well as to the Chairman of the Board of Directors.

Internal Audit has a rule book governing how it operates, which has been approved by the Board of Directors. It establishes that it is an independent and objective assurance and consultation function,

established to add value and improve operations. Its objective is to provide reasonable assurance to Senior Management and the Governance Bodies with regard to:

- The effectiveness and efficiency of internal control systems in offsetting the risks associated with the Group's activities;
- Compliance with prevailing legislation, especially the requirements of Supervisors and the appropriate application of the defined RAF.
- Compliance with internal policies and regulations, and alignment with best practices and uses in the sector, for adequate internal governance of the Group.
- The reliability and integrity of financial and operational information, including the effectiveness of Internal Control over Financial Reporting (ICFR).

Its main supervisory functions include:

- The adequacy, effectiveness and implementation of policies, regulations and procedures.
- The effectiveness of controls.
- Adequate measurement and monitoring of first line of defence and second line of defence indicators.
- The existence and correct implementation of action plans to remedy weaknesses of controls.
- The validation, monitoring and assessment of the control environment by the second line of defence.

Its functions also include i) the elaboration of the Annual Audit Plan with a multi-year vision, based on the risk assessments, including requirements of regulators and tasks or projects requested by Senior Management/the Management committee and the Auditing and Control Committee; ii) the periodical report on the conclusions of works carried out and weaknesses detected, passed on to Governance Bodies, senior management, external auditors, supervisors and all other relevant control and management environments; and (iii) provide value by elaborating recommendations to resolve the weaknesses detected in reviews and monitoring of proper implementation across the responsible centres.

For more information, see Note 3 of the Consolidated Annual Accounts of the CaixaBank Group corresponding to 2018.