



## Corporate Policy on Conflicts of interest at the CaixaBank Group

January 2020

## ROLES AND ACCOUNTABILITY

Function	Managers
Request	<i>Global Risk Committee</i>
Validation	<i>Global Risk Committee</i>
Creation	<i>Regulatory Compliance</i>
Implementation	<i>Regulatory Compliance</i>
Monitoring and control	<i>Regulatory Compliance</i>
Initial approval and updates	<i>Management bodies: Global Risk Committee</i> <i>Governing bodies (final approval):</i> <ul style="list-style-type: none"> <li><i>Review and approval for consideration by the Board: Risks Committee</i></li> </ul> <i>Final approval: Board of Directors</i>
Amendments and annulments	<i>Regulatory Compliance</i>
Filing and Archiving	<i>Regulatory Compliance</i>
Dissemination	<i>Regulatory Compliance</i>

## 0. VERSION CONTROL

Version	Date	Control
1.0	<i>September 2017</i>	<i>Initial version approved by the Board of Directors</i>
2.0	<i>October 2018</i>	<i>Update approved by the Board of Directors</i>
3.0	<i>January 2020</i>	<i>Annual review and update of the Policy</i>

## Definitions

- **Policy:** Means this Corporate Policy on Conflicts of Interest at the Group.
- **CaixaBank Group:** Means CAIXABANK, S.A. and to all investees controlled by CAIXABANK as per Article 42 of the Spanish Commercial Code.
- **Covered Persons<sup>1</sup>:** Means all persons to whom this Policy applies.
- **Associated Persons<sup>2</sup>:** Persons who, while not considered employees, provide services for any CaixaBank Group company, whether directly or on behalf of other parties.
- **Related Persons:** Related Persons are understood as those considered as such in the internal policies and regulations which govern the various areas.

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<sup>1</sup> Covered Persons are defined in section “4.3 Subjective Scope”.

<sup>2</sup> By way of an example, prescribers, intermediaries, related agents or suppliers, inter alia, shall be considered Associated Parties.

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## 1. INTRODUCTION

Conflicts of interest are common and inherent to professional and corporate relations. This reality compels companies to take organizational and administrative measures to prevent and address any risk of these conflicts leading to improper action.

The principles and procedures stipulated in the Policy are inspired by the Group commitment to act with diligence in due observation of the guiding principles of compliance with legislation, respect, integrity, transparency, excellence, professionalism, confidentiality and corporate responsibility set out in its Code of Ethics.

In the normal course of its business, however, the Group faces both potential and real conflicts of interest due to its nature and areas of activity.

This Corporate Policy on Conflicts of Interest at the Group will provide a general framework for managing and resolving conflicts of interest within the Group. The very fact this Policy exists makes it part of the mitigation of conflicts of interest because it provides a general framework for them to be addressed. This general framework is supplemented with other binding internal regulations and documents<sup>3</sup> governing specific services and activities, which also feature express sections on conflicts of interest.

The companies making up the CaixaBank Group shall operate a number of policies and procedures to identify, prevent, manage and log conflicts in accordance with the highest possible professional standards and principles, adopting provisions equivalent to the stipulations of this Policy, in accordance at all times with the nature and specific features of their activity and the legal regulations applicable. Moreover, policies featuring any activities likely to generate conflicts of interest must contemplate the provisions of this Policy in order to be brought into line with it.

The CaixaBank Group Governance and Management Bodies must take pertinent decisions in order to take on board the stipulations of this Policy and apply the guidelines established therein, in accordance with the specific features of each of the companies and with any legal and/or regulatory provisions that may be applicable to them.

This Policy does not modify the working relations between Group companies and their employees, and cannot be interpreted as an employment contract or a promise of employment for any period of time.

The CaixaBank, S.A Board of Directors has the non-delegable power to determine the company's general policies and strategies, and it approved this Policy on 21 September 2017 on this basis.

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<sup>3</sup> At the date of approval of this Policy, the following documents form part of these internal regulations, although this list is for information purposes only and is not exhaustive:

- Code of Business Conduct and Ethics, October 2016.
- CaixaBank Group Internal Code of Conduct concerning the Securities Market, 27 April 2017.
- Policy concerning Conflicts of Interest in relation to Directors and the General Meeting, January 2016.
- Policy concerning Conflicts of Interest as per MiFID requirements, 2016.
- Regulations concerning conflicts of interest in the specific context of companies making up the CaixaBank Group.
- General CaixaBank Group Remuneration Policy, December 2016.

## 2. TARGET

This Policy sets out to furnish a global benchmark framework for Group companies stating, in a standard harmonized way, the general principles and procedures of action to be taken to address any real or potential conflicts of interest arising in the course of their respective activities and services.<sup>4</sup>

In this regard, the Policy shall serve as a guide for CaixaBank Group companies mainly in relation to the following:

- Identification of areas and situations the nature of which makes them more vulnerable to potential conflicts of interest that could be detrimental to the general interests of the Group, of the Covered Persons, of shareholders and/or of customers.
- Definition and adoption of measures to prevent, identify, manage and log conflicts of interest.
- Procedure for disclosure of conflicts when appropriate, for cases in which the aforementioned measures prove ineffectual to eliminate or, failing this, to satisfactorily mitigate any residual risk which could be disclosed to the detriment of the Covered Persons, shareholders and/or customers.<sup>5</sup>

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<sup>4</sup> This global framework is enhanced by policies, procedures and regulations in force, notwithstanding their possible adaptation to the provisions of this Policy.

<sup>5</sup> The general procedure for action to be taken, which addresses the phases stipulated herein, is set out in section 6. "Action Procedures".

### 3. REGULATORY FRAMEWORK

A list of regulations concerning conflicts of interest issued by the various regulatory bodies is provided in Appendix I. This is not exhaustive and is for information purposes only, indicating the regulatory context of the Policy. If any discrepancies are observed between this Policy and the local regulations cited, or any other applicable regulations, the CaixaBank Group company concerned must report these in accordance with the established procedure<sup>6</sup>. If the local regulation is more restrictive, it must prevail.

The regulatory framework shall be updated as part of the review of the Policy, in order to include all additional regulations and modifications concerning conflicts of interest coming into force in the various geographic regions.

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<sup>6</sup> Set out in section 7.4 addressing Exceptions and Specific Cases.

## 4. SCOPE OF APPLICATION

### 4.1. Definition of a Conflict of Interest

On the basis of the general concept furnished by the European Banking Authority (EBA), a conflict of interest is defined as a situation of discrepancy or collision between the duty of an individual or a legal entity and their private interests / the interests of another individual or legal entity, exercising unwarranted influence on the performance of their duties and responsibilities.

For the purposes of establishing common criteria to identify any conflicts of interest that may arise at companies within the CaixaBank Group, it shall be necessary to determine whether any of the following situations are applicable to the companies:

- Obtaining economic, political or personal gain or any other type of gain at the expense of another Covered Party and/or customer.
- Existence of interests other than those of a Covered Party and/or a customer in the outcome of the service or activity concerned.
- Existence of financial incentives or incentives of other types to favour the interests of a Covered Party and/or a customer as opposed to third Covered Persons and/or customers.
- Carrying on a professional activity which is identical to that of the Covered Party and/or customer.
- Receiving incentives from a third party in relation to the service or activity, in the form of money, goods or services, political or professional benefits, other than the commission or habitual remuneration for the service or activity concerned.

### 4.2. Corporate and Objective Scope

This document shall be applicable throughout the CaixaBank Group, as a benchmark document for all Group companies to draw up their own policies and procedures for action to be taken in connection with each specific activity, notwithstanding any adaptations that may arise from obligations to comply with the requirements stipulated by the regulator.

### 4.3. Subjective Scope: Covered Persons

This Policy shall apply to those involved in, or who may be involved in, the activities of CaixaBank Group companies<sup>7</sup>.

These Covered Persons must avoid all conflicts of interest and, when they cannot be avoided, the necessary internal mechanisms shall be in place to resolve them without granting privileges to any of said parties.

Associated parties shall comply with the principles underpinning this Policy, although its literal nature does not apply to them.

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<sup>7</sup> This is without prejudice to the Regulations of the Board of Directors of CaixaBank, and Royal Legislative Decree 1/2010 of 2 July, enacting the restated text of the Corporate Enterprises Act in respect of persons related to the members of the Board of Directors.



## 5. GENERAL PRINCIPLES

### 5.1. General Principles of the Policy

The Policy described in this document is intended to be:

- **General**, acting as a framework for all Group companies, with the capacity to take on board the internal regulations of Group companies.
- **Flexible**, to enable it to be properly applied to the size and organization of each Group company, and to the nature, scale and complexity of their activity.
- **Permanent**, thereby acting as a stable benchmark to enable conflicts of interest to be addressed at Group companies.
- **Dynamic**, to enable it to be reviewed on a recurring basis to help maintain its validity and effectiveness.
- **Enforceable**, so that it may be applied and serve to address specific situations in practice.

### 5.2. General Principles applicable to the Covered Persons

Notwithstanding the specific duties and obligations stipulated throughout this Policy, the Covered Persons must provide services and carry out their functions in accordance with the guiding inspirational principles set out in the "Code of Business Conduct and Ethics". Consequently, in due compliance with their duty of loyalty, they must place the interests of customers, the Group and its shareholders ahead of their own personal interests when discharging their duties.

They must also undertake the following as general principles of action to be taken:

- **Independence.** Covered Persons must act at all times with freedom of judgment, showing good faith and loyalty to the Group, its shareholders and customers, and independently of their own interests or the interests of any parties that may be related to them.
- **Abstention.** Covered Persons must abstain from participating in or influencing decision-making that may affect them, shareholders and/or customers with which a conflict exists, and from gaining access to relevant information or insider information which may affect said conflict.
- **Communication.** Covered Persons must report any conflicts of interest in which they may be involved due to their activities outside the Group, their family relationships, their personal assets, or for any other reason. Potential conflicts of interest shall be reported through the communication channels established by Group companies, and must be reported as soon as possible, and in any case prior to any decision that may be affected by the potential conflict of interest.
- **Transparency.** Covered Persons must provide precise, truthful and comprehensible information concerning any conflict of interest to have arisen, thus enabling the Covered Person and/or the customer to reach an informed decision as to whether or not the activity or service in question should continue.

## 6. PROCEDURES FOR ACTION TO BE TAKEN

The procedures for action to be taken in connection with conflicts of interest described in this section shall apply to companies making up the CaixaBank Group. Any Group companies implementing additional procedures within the scope of their own activities must do so in accordance with this Policy.

### 6.1. Identification of Conflicts of Interest

Conflicts of interest may be classified in the following categories, depending on the parties involved:

#### i Conflicts of interest between CaixaBank Group companies and their customers

CaixaBank Group companies may have a conflict of interest with their customers in the event of one of the situations described below:

- Receiving incentives in the form of money, goods or services, political or professional rewards, or rewards other than the commission or habitual remuneration for the provision of services to the customer.
- Making use of the capacity of CaixaBank Group companies to influence or condition the decision taken by the customer, to the detriment of the latter.
- Using confidential information which gives CaixaBank Group companies an advantage with respect to the customer concerning a service or activity.
- Giving priority to the interests of CaixaBank Group companies by providing a service which does not suit the needs of the customer and is not provided in the best possible conditions for the customer.
- Carrying out the same activity as the customer, if this leads to an incompatibility which generates discrepancies between the interests of both parties.

In order to prevent any conflicts of interest with their customers, the employees and members of the Board of Directors, with respect to themselves and to their Related Persons, must not accept gifts, favours or gratifications or other benefits from a customer, especially when an operation is being carried out, except in circumstances permitted by social customs specified in CaixaBank's internal regulations.

#### ii Conflicts of interest between customers

A conflict of interest is identified when the CaixaBank Group company gives preferential treatment to one of its customers with respect to other customers of CaixaBank Group companies, as the result of economic links or other kinds of links, to the detriment or disadvantage of another customer.

#### iii Conflicts of interest between CaixaBank Group companies and the members of their respective Boards of Directors

Within the context of their duty to avoid conflicts of interest, Directors of CaixaBank Group companies and related parties must refrain from:

- Using the name of the CaixaBank Group company or making use of their status as director to unduly influence private operations.
- Making use of the CaixaBank Group company's assets and availing themselves of their position at the Company to obtain a financial advantage, or for any private reasons.
- Availing themselves of any Company business opportunities that may have arisen in connection with the exercise of functions by the director.

- Obtaining advantages or remuneration from third parties other than the Company and its Group in association with the exercise of their functions.
- Carrying on activities on their own account or as an employee when doing so effectively competes, whether actually or potentially, with CaixaBank Group companies.
- With the exceptions set out in the consolidated text of the law on corporations and in the operational regulations of the Board of Directors, carrying out either directly or indirectly professionals or commercial transactions with the CaixaBank Group company.

iv Conflicts of interest between CaixaBank Group companies<sup>8</sup> and their shareholders (including shareholder proxies)

In connection with the CaixaBank General Shareholders' Meeting, shareholders and their proxies may have a conflict of interest when an attempt is made to adopt a resolution the purpose of which is to:

- Release the shareholder concerned from an obligation or grant rights to the shareholder concerned.
- Furnish any kind of financial assistance to the shareholder, including the provision of collateral in favour of the shareholder.
- Release the shareholder from obligations arising from the duty of loyalty legally established for directors.

v Conflicts of interest between employees, Associated Persons or their Related Persons and CaixaBank Group companies

Employees, Associated Persons or their Related Persons may have conflicts of interest in the event of one of the following situations:

- Putting their interests before those of CaixaBank Group companies, interfering with their professional activity.
- Taking part in activities or transactions of any kind in which the employees themselves or related parties are the beneficiaries or direct or indirect participants.
- Making unwarranted use of any information to which they have access due to their position, funds of CaixaBank Group companies, intellectual property or assets for personal reasons or reasons unrelated to the business purpose of the CaixaBank Group company. The situation shall be particularly serious in cases involving insider information or confidential information.
- Using the name of the Group or of a CaixaBank Group company for the purpose of unduly influencing the provision of an activity or service which leads to economic, personal or political rewards or other types of rewards, and is detrimental to the interests, values or reputation of a CaixaBank Group company.
- Making use of their position or status as employees, Associated Persons or Related Persons to obtain economic advantage.
- Carrying on activities on their own behalf or as an employee when doing so constitutes real or potential competition with the business activities of their employer company.

vi Conflicts of interest between CaixaBank Group companies and their suppliers

CaixaBank Group companies may have conflicts of interest with their suppliers in the event of one of the following scenarios:

- Unduly influencing the selection of suppliers to which employees of CaixaBank Group companies / members of governance bodies or their Related Persons have economic or family ties.

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<sup>8</sup> In cases where this is applicable.

- Receiving gifts, favours or gratifications or other benefits from a supplier, except in circumstances permitted by social customs specified in CaixaBank's internal regulations.
- Disclosing confidential information concerning the economic or technical conditions or other conditions submitted by competing suppliers for the purposes of favouring a third party.
- Issuing a call for tenders for a specific item or service with differing requirements, depending on the supplier to which it is sent.

vii Conflicts of interest between departments of the same CaixaBank Group company or between departments of different CaixaBank Group companies

Different departments of CaixaBank Group companies may have a conflict of interest in the event of one of the following situations:

- Exchanging confidential information or insider information concerning an activity or service that is detrimental to the interests of customers/of the CaixaBank Group company itself.
- Exercising unwarranted influence on other departments in carrying out their activities or services.
- Being simultaneously or consecutively involved in various services or activities, leading to a potential risk of jeopardising the interests of the customer or of the CaixaBank Group company itself.

viii Conflicts of interest between CaixaBank Group companies and the Group

CaixaBank Group companies may have conflicts of interest with the Group when they are in one of the following situations, although this list is not exhaustive:

- Implementing corporate development strategies or other structural modifications that are detrimental to the interests of the Group or its companies.
- Approving and offering products or services the characteristics and distribution strategy of which are not suited to or respond to the needs of the target market, with a consequent detrimental impact on the interests and reputation of the entire Group.
- Using a brand which is contrary to the positioning, values and attributes of the Group.
- Issuing communications to the market, investors, analysts or media, inter alia, where the message conveyed is detrimental to the interests of the Group.
- Giving preferential treatment to one customer with respect to other Group customers, as the consequence of economic ties or other ties.
- Using the name of the Group for the purpose of unduly influencing the provision of an activity or service which leads to economic, personal or political benefits or other types of benefits, and is detrimental to the interests, values or reputation of the Group.

ix Other potential conflicts of interest

Other situations shall also be identified that have not been addressed in the aforementioned categories but that are liable to generate conflicts of interest as the result of services and activities provided and relations with the various Covered Persons, shareholders and/or customers.

## 6.2. Prevention Measures

CaixaBank Group companies shall have measures in place to prevent the conflicts of interest identified. There follows a list of the main measures, although this is for information purposes and is not exhaustive:

- The principles enshrined in the Code of Ethics are also there to mitigate conflicts of interest and must govern the activity of all persons subject to this Policy.

- The Group takes it upon itself to define and implement policies and procedures establishing best practices for the prevention of conflicts of interest by specific areas of application, in addition to common corporate frameworks for action to be taken which shall constitute benchmark criteria, and these may be taken on board by CaixaBank Group companies independently exercising their responsibility for preventing conflicts of interest.
- As a result of the foregoing, there shall be an organizational structure in connection with the prevention and management of conflicts of interest to guarantee proper monitoring of the stipulations of the aforesaid policies and procedures, and ensure that a sturdy solvent control environment is in place. The current model, structured as three lines of defence, ensures that functions are properly segregated.
- Periodic reports to Senior Management and Governance Bodies to verify the existence of appropriate control procedures and the suitability of the measures taken.
- Establishment of specific training plans for the purposes of creating awareness and implementing honest and transparent professional action as a measure to prevent potential situations of conflicts of interest relating, inter alia, to improper use or use for personal reasons of confidential information, information media, intellectual property or goods of CaixaBank Group companies.
- Any information received from customers shall be considered confidential, and must therefore be treated in a rigorous and responsible fashion pursuant to the regulations in force.

For the purposes of maintaining this confidentiality, CaixaBank Group companies shall have the necessary barriers to prevent unwarranted usage and transmission of information.

- Departments shall have sufficient human, economic and material means to guarantee the autonomy, independence and objectivity of their activities, with supervision of functions involving sensitive activities or services which could entail a risk of conflicts of interest.
- Annual review and periodic update of this Policy, with the adoption of additional prevention measures on the strength of the experience obtained in procedures for action to be taken at CaixaBank Group companies.

### 6.3. Managerial Measures

There follows a description of the managerial measures applicable to the Covered Persons, shareholders and customers, and the criteria for resolving conflicts of interest:

#### i Covered Persons and shareholders

Any employee who becomes aware of a conflict of interest must act accordingly by following the procedures set out in the internal regulations implementing this Policy.

Directors of CaixaBank Group companies must report to their respective Boards of Directors any situation of a direct or indirect conflict of interest concerning either them or parties related to them with respect to the interests of CaixaBank Group companies. In this regard, pursuant to the Group's firm commitment to act in a transparent fashion, any situations of a conflict of interest concerning directors of the CaixaBank Group shall be stated in the corporate report.

However, it shall be possible to dispense with the prohibition concerning conflicts of interest set out in section 6.1.iii *Identification of Conflicts of Interest between CaixaBank Group companies and the members of their respective Boards of Directors* only in specific cases with express authorization from the Board of Directors or the General Meeting, depending on the specific case concerned, as per the stipulations of Article 230 of Royal Legislative Decree 1/2010 of 2 July approving the revised Law on Corporations (*Ley de Sociedades de Capital*).

Potential conflicts of interest concerning shareholders shall be reported through the communication channels established by CaixaBank Group companies, and the Board of Directors shall be responsible for addressing these conflicts.

## ii Customers

Should customers identify any situations that could lead to potential conflicts of interest, they may report these through the communication channels established by CaixaBank Group companies. The CaixaBank Group company's Regulatory Compliance Unit shall address the situations reported and shall take charge of the investigation, and to this end it shall require participation by other areas or departments of the CaixaBank Group company.

## iii Criteria for resolving conflicts of interest

The following criteria shall be taken into account when resolving any conflicts of interest affecting customers:

- In the event of a conflict between CaixaBank Group companies and a customer, the interests of the latter must be safeguarded.
- In the event of a conflict between customers:
  - An attempt shall be made to ensure that no party receives preferential treatment.
  - The services or activities contracted by customers cannot be disclosed to other customers under any circumstances.
  - A customer cannot be encouraged to contract a service or an activity for the purposes of benefiting another.

Conflicts of interest that do not involve customers will be resolved accordingly, depending on their nature and characteristics, by following the relevant procedures set out in the internal regulations implementing this Policy.

## 6.4. Disclosure of Situations of a Conflict of Interest

If the measures adopted by CaixaBank Group companies are insufficient to ensure, with reasonable certainty, elimination of conflicts of interest relating to investment or ancillary services, the CaixaBank Group company shall apply the procedures for notifying and warning customers established in current regulations concerning the Securities Market.

## 6.5. Logging of Conflicts of Interest

Each CaixaBank Group company shall keep an up-to-date record of all conflicts of interest that arise.

The logging process shall be carried out in two separate stages in relation to the phases which make up the life cycle of conflicts of interest.

- a) The phase of identification of the potential conflict of interest, defined in section 6.1 of this document. The following information is logged during this phase:
  - Case study identified, including the causes and circumstances which may give rise to the conflict of interest.
  - Area or department in which the conflict of interest may arise.
  - Covered Persons, shareholders and/or customers affected by the conflict of interest.
  - Preventive measures and managerial measures established to effectively mitigate the inherent risk.
- b) The phase of management and resolution of the conflict of interest, addressed in section 6.3, which gives rise to the following logs:
  - Area or department responsible for management and resolution.
  - Mitigation measures applied.
  - Date of identification of the conflict of interest.
  - Outcome of resolution.

The information logged concerning the phase of disclosure of conflicts of interest in relation to investment or ancillary services shall be governed by the stipulations of internal regulations.



## 7. GOVERNANCE OF THE POLICY

### 7.1. Organisational Structure

#### 7.1.1. CaixaBank Board of Directors

CaixaBank's Board of Directors is ultimately responsible for ensuring compliance with the provisions of this Policy, and consequently for addressing compliance risk in relation to conflicts of interest.

It has legally attributed non-delegable powers to determine the general policies and strategies of the Group and set the strategic and management guidelines of Group Companies of which it is the parent. The corporate governance system defined by the Board of Directors includes the prevention of conflicts of interest, and its functions in this regard include the following:

- Defining a corporate governance system to guarantee healthy prudent management of CaixaBank Group companies, including proper distribution of functions in terms of organization and prevention of conflicts of interest, supervising application of this system and regularly checking and assessing its effectiveness, taking appropriate measures where applicable to resolve any discrepancies.
- Establishing the general principles on how to act, monitor and communicate conflicts of interest. These principles will serve as a reference point, enabling CaixaBank Group companies to implement the necessary organisational measures and procedures.

As regards the committees attached to the Board of Directors:

The Audit and Control Committee shall ensure that information on Related-Party Transactions is reported to the market, in compliance with the provisions of current legislation, and shall report on any transactions which involve or may involve conflicts of interest.

The Remuneration Committee shall disseminate and draw up policies concerning categories of employees whose professional activities significantly affect the Company's risk profile, in addition to policies the purpose of which is to prevent or address conflicts of interest with the Company's customers.

#### 7.1.2. Governing bodies of CaixaBank Group companies

The governance bodies of CaixaBank Group Companies are tasked with the following:

- Taking pertinent decisions in order to integrate the stipulations of this Policy and apply the guidelines established therein, in accordance with the specific features of each of the companies and with any legal and/or regulatory provisions that may be applicable to them.
- Establishing and maintaining a proper organizational structure in proportion to the nature, scale and complexity of the services and activities carried out.
- Fostering conduct in keeping with the Policy by the Covered Persons at the company, and identifying and mitigating any risks of compliance with the Policy.
- Allocating human, technical and economic resources to ensure the effectiveness of the organisational and administrative measures put in place to address and resolve conflicts of interest.
- Fostering communication and knowledge of the Policy among Covered Persons at the CaixaBank Group company through training programmes and awareness campaigns.



### 7.1.3. Business Areas

Business and management areas at CaixaBank Group companies act as a first line of defence within their scope of activity, due to their proximity to the risk of the conflicts of interest inherent to business, and they are tasked with the following:

- Applying the regulations in force, including this Policy, and the manuals with procedures on courses of action in relation to their activity.
- Establishing procedures and proactively implementing measures to identify, mitigate and address risks of compliance concerning conflicts of interest.
- Establishing and applying proper controls to guarantee compliance with obligations concerning conflicts of interest.
- Keeping a centralized updated log of conflicts of interest concerning their area of responsibility.
- Ensuring that training programmes in conflicts of interest are utilized.
- Reporting to the Regulatory Compliance Unit at the CaixaBank Group company or the party designated for this purpose on relevant situations concerning compliance with the stipulations of current regulations on conflicts of interest.
- Undertaking any other function with which they are specifically tasked in relation to their role as first line of defence in the event of potential situations involving conflicts of interest.

### 7.1.4. Regulatory Compliance at the CaixaBank Group

Regulatory Compliance shall strive to ensure proper compliance and correct application of this Policy within the corporate, subjective and objective scopes defined in the respective sections, and shall carry out a centralized function.

Regulatory Compliance shall avail itself of the communication channels established with Regulatory Compliance Units at CaixaBank Group companies or the parties designated for this purpose, to provide backup and spearhead courses of action to implement this Policy.

Notwithstanding the functions assigned to it within the Group's internal regulations, CaixaBank Group Regulatory Compliance shall undertake the following functions in connection with conflicts of interest in order to address the aforementioned objectives:

- Submitting a proposal for approval of the Policy by the Board of Directors, and of any major modifications to it.
- Reviewing the effectiveness of, and compliance with, the general procedures and actions put in place by CaixaBank Group companies to address the conflicts of interest described in this Policy.
- Reviewing and assessing the Policy, on an annual basis or more frequently if the situation so requires, addressing any possible changes to the regulations applicable and to internal procedures.
- Drawing up recommendations to improve or adopt further measures in relation to general procedures for action to be taken concerning conflicts of interest as a result of the aforementioned review.

- Reporting to the Board of Directors in due time and form concerning any relevant events or facts<sup>9</sup> arising in relation to conflicts of interest.
- Drawing up an annual report to assess the Policy's compliance, which shall be submitted to the Board of Directors, and shall also take account of any guidelines that may be issued by supervisory and regulatory bodies.
- Reviewing the central record of all conflicts of interest to have been identified at CaixaBank Group companies, as per the identification phase described in section 6.5.
- Clarifying any doubts in relation to the Policy that may arise during its application by CaixaBank Group companies.
- Ensuring adequate dissemination and awareness of the Policy across the entire CaixaBank Group through campaigns and training plans.

#### **7.1.5. Regulatory Compliance Units at CaixaBank Group companies and parties designated for this purpose<sup>10</sup>**

Regulatory Compliance Units at CaixaBank Group companies or parties designated for this purpose shall carry out the following functions:

- Submitting proposals to the company's governance bodies to approve this Policy or the adaptation of the Policy in accordance with the specific features of the company and any legal and/or regulatory provisions that may be applicable to them.
- Reviewing the procedures put in place to ensure the effectiveness of the policy on conflicts of interest, with regard to the specific features and circumstances of the activity and applicable law and based on the principles of proportionality and reasonableness.
- Ensuring there is a centralized updated log of conflicts of interest.
- Monitoring and supervising adaptation of this Policy.
- Establishing communication and reporting channels with the respective areas of business, taking action in accordance with the principles of reciprocal cooperation and information.
- Reporting to CaixaBank Group Regulatory Compliance, using the channels established, on the action described in section 6 "Procedures for Action to be Taken" of this Policy.
- Reporting to the company's governance body on the effectiveness of the Policy.

#### **7.1.6. Internal Audit**

As a third line of defence providing an independent assessment, Internal Audit is responsible for the following functions:

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<sup>9</sup> A relevant event or fact is defined as any conflict that has not been previously addressed and had to be escalated to the CaixaBank Group's Regulatory Compliance Unit.

<sup>10</sup> This section also considers Regulatory Compliance Units at Branches.

- Adding reviews to audit plans concerning the effectiveness of management, control and governance procedures concerning conflicts of interest at Group companies. Issuing important recommendations and monitoring proper implementation to propitiate achievement of strategic targets and improvement of the control environment.
- Among other areas, reporting to the Regulatory Compliance Unit of the Group company concerned on risks of non-compliance or any other potential conflicts of interest it may detect in the course of its functions.

## 7.2. Provision of the Policy for Customers and Covered Persons

### 7.2.1 Customers

Customers of CaixaBank Group companies may consult the abridged version of the Policy on the CaixaBank corporate website.

### 7.2.2 Covered Persons

The Policy and other internal regulations concerning conflicts of interest are available to employees and members of the Board of Directors on the Corporate Intranet.

## 7.3. Training for Covered Persons

Employees and members of the Board of Directors who are subject to the Policy shall be given continuous training to ensure proper awareness of any conflicts of interest that might arise, focusing especially on identification, prevention and management and fostering professional, honest and transparent action.

Notwithstanding the fact that all Covered Persons must comply with the provisions of this Policy, CaixaBank Group companies shall strive to ensure that shareholders and their proxies, Associated Persons and Related Persons who are not given any specific training are governed by standards of conduct and values similar to those established in the Policy and in other internal regulations concerning conflicts of interest.

CaixaBank Group Regulatory Compliance shall carry out recurring reviews to ensure that training plans at CaixaBank Group companies provide the main parties involved with proper updated qualifications that are in accordance with regulatory requirements concerning conflicts of interest and also with the guiding principles of their Code of Ethics, in keeping with the nature and specific features of their activities.

The Regulatory Compliance Unit at the CaixaBank Group company or the party designated for this purpose is responsible for conducting a review of the following:

- Training plan currently implemented at the CaixaBank Group company.
- List of topics on courses taught to employees and members of the Board of Directors.
- Course trainees, by areas of business and employment categories.
- Criteria for selection of target trainees.
- Measurement of the level of success and acceptance of courses by means of internal surveys.

- Frequency of courses taught, and their duration.

Specific training plans shall also be implemented for employees carrying out their functions in areas which are more likely to be exposed to potential conflicts of interest, such as investment and ancillary services, and which call for greater awareness.

New employees and new Board members of CaixaBank Group companies will receive information on the terms of the Policy, which is available on the corporate Intranet.

## 7.4. Management of Exceptions and Specific Cases

Any situation which, as the result of local legal stipulations governing conflicts of interest, requires a specific procedure to add the casuistry to the policies of CaixaBank Group companies on conflicts of interest<sup>11</sup> shall be:

- Reported to the Regulatory Compliance Unit at the CaixaBank Group company or the party designated for this purpose.
- Escalated to Group Regulatory Compliance, which shall take action accordingly, in accordance with the specific characteristics of the situation.

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<sup>11</sup> The regulatory framework applicable to CaixaBank Group companies is set out in Appendix I to this Policy.

## 8. INFRINGEMENTS AND PENALTIES

Failure to comply with the provisions of this Policy by any Covered Persons carrying out functions in connection with securities markets is considered a serious or extremely serious infringement, as stipulated in securities market regulations.<sup>12</sup>

Any conduct, either through action taken or failure to take action, that is contrary to the obligations set out in this Policy and in all internal regulations at each company forming part of the Group in connection with conflicts of interest shall be liable to constitute an infringement of discipline. In this regard, bodies at CaixaBank Group companies exercising disciplinary powers shall take action accordingly in each case.

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<sup>12</sup> Revised Securities Market Law of 24 October 2015.

## 9. APPENDICES

### 9.1. Appendix I

There follows a list of regulations making up the regulatory context of this Policy:

#### European Union

- Directive 2000/12/EC of the European Parliament and of the Council of 20 March 2000 relating to the taking up and pursuit of the business of credit institutions.
- Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments.
- Commission Directive 2006/73/EC of 10 August 2006 implementing Directive 2004/39/EC of the European Parliament and of the Council as regards organizational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive.
- Commission Regulation (EC) No 1287/2006 of 10 August 2006 implementing Directive 2004/39/EC of the European Parliament and of the Council as regards record-keeping obligations for investment firms, transaction reporting, market transparency, admission of financial instruments to trading, and defined terms for the purposes of that Directive.
- 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 firms.
- Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (recast).
- EBA Guidelines on Internal Governance (GL44) / - Proposed EBA Guidelines on Internal Governance (EBA / CP / 2016 / 17).
- Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 on insurance distribution.

#### Spain

- Royal Legislative Decree 1/2010 of 2 July approving the revised Corporate Enterprise Law.
- Royal Decree 217/2008 of 15 February on the legal framework governing investment service companies and other companies providing investment services.
- Revised Securities Market Law of 24 October 2015. (Article 73 of the Revised Securities Market Law - Management of conflicts of interest concerning members of official secondary markets - and Article 108 of the Revised Securities Market Law - Requirements for the organization of CCPs).

#### Germany

- German Banking Law: "KWG – Kreditwesengesetz", September 1998
- Securities trading law for companies operating in securities markets: "WpHG - Wertpapierhandelsgesetz", 9 September 1998
- German capital investment code for corporates and asset management companies: "KAGB – Kapitalanlagegesetzbuch", 4 July 2013

#### United Kingdom

- The 2006 Companies Act, the legal benchmark for businesses in the United Kingdom
- The Model Articles for Public Companies, 2008
- Retail Distribution Review, 2012
- Principle 8 of the FSA Principles for Business
- The Conduct of Business Sourcebook, COBS 11 & 12
- FCA Handbook Senior Management Arrangements, Systems and Controls, SYSC 4 & 10

#### Poland

- Requirements in relation to risk management, internal control, policy for remuneration of directors and capital adequacy self-assessment processes, 4 October 2011
- Local recommendations and guidelines issued by the Polish Financial Supervisory Authority (PFSA) enhancing the provisions of the Polish Banking Law:
  - PFSA Recommendation H on internal control, 2011
  - PFSA Recommendation M on operational risk management, 2013
  - PFSA Recommendation U on bancassurance, 2014
- Corporate Governance Principles for supervised banks, issued by the PFSA in July 2014.

#### Morocco

- Moroccan Constitution, 29 July 2011. Dahir no. 1-11-91 du 27 chaabane 1432 portant promulgation du texte de la constitution.
- Capital Market Code of January 2012, amended on 1 October 2014, issued by the Moroccan Securities Ethics Council (CDVM).
- Circular from the Conseil Déontologique des Valeurs Mobilières (CDVM), of January 2012 and amended on 1 October 2014.

#### Portugal

- Código das Sociedades Comerciais, Decreto-Lei no 262/86, de 2 de setembro.
- Regime Geral das Instituições de Crédito e Sociedades Financeiras, aprovado pelo Decreto-Lei número 298/92, de 31 de dezembro.
- Código dos Valores Mobiliários, Decreto-Lei no. 486/99, de 13 de Novembro.