

CaixaBank S.A., UK Branch – Remuneration Code Disclosure

This disclosure is intended to provide information on the remuneration policies and practices of CaixaBank, S.A. UK Branch (“the Branch”).

The Branch is required to comply with certain remuneration requirements (the “Remuneration Codes”) set out in the Prudential Regulation Authority’s (“PRA”) Rulebook and the Financial Conduct Authority’s (“FCA”) Handbook of Rules and Guidance. As a branch of a non UK bank, the Branch is subject to the PRA’s Remuneration rules and the FCA’s Dual-regulated firms Remuneration Code (SYSC 19D) and the MiFID Remuneration Code (SYSC 19F).

CaixaBank S.A., has put in place a general remuneration policy (the “General Remuneration Policy”) to meet the remuneration obligations the CaixaBank group is subject to. The General Remuneration Policy applies to all entities in the CaixaBank group and the Branch. As referenced in the General Remuneration Policy, the managing bodies of the companies forming part of the CaixaBank group are required to adopt the decisions necessary to incorporate the principles of such General Remuneration Policy into their own remuneration schemes and to apply the guidelines set out in the General Remuneration Policy.

In order to ensure that the Branch is complying with the Remuneration Codes, CaixaBank S.A and the Branch have created a branch remuneration policy which incorporates and amends the General Remuneration Policy as necessary (as required by Rule 6.2 of PRA’s Remuneration Part of the Rulebook, the “Rulebook”, and SYSC 19D.3.7 R). The Branch policy is also based on principles and practices that are compatible with the General Remuneration Policy, the Spanish Law 10/2014, its implementing regulations and the EBA and ESMA Guidelines.

The Remuneration Codes recognise that not all remuneration principles apply to firms equally and introduce a concept of proportionality, which enables a firm to apply the requirements that it is appropriate to the Branch’s size, internal organisation (including legal structure) and the nature, scope and complexity of its activities. The PRA and the FCA have defined a high level proportionality framework split into three tiers based on a firm’s relevant total assets. The Branch applies the proportionality principle in accordance with the general expectations and guidance of the PRA and the FCA for firms of its proportionality level. In addition, the Branch is able to disapply certain rules where its total assets are below the specific thresholds.

The Branch recognizes there is a clear link between remuneration principles, the assessment of behaviours and performance, and reward. Performance management and reward are closely aligned to long-term business objectives. As a result, the remuneration is structured having regard to the business climate and results. The Branch endeavours to establish a remuneration system of its staff that rewards them in a fair and appropriate way for their contribution towards the success of the business and the level of service and performance delivered to the clients, based on financial and non-financial criteria. The remuneration policy is designed to be reliable with and endorse sound and effective risk management and not to encourage risk-taking that exceeds the Branch’s risk tolerance. The remuneration policy and procedures incorporate measures to avoid conflicts of interest. The remuneration policy is designed to accomplish a suitable balance of fixed and variable components of total remuneration to enable a fully flexible policy on variable remuneration, including the possibility to pay no variable remuneration. In order to achieve this, the remuneration of staff is annually reviewed for compliance with the remuneration policies and procedures, taking into account individual performance and market practice for the individual role being undertaken. Senior management finalise and authorise the annual salary awards for all staff, and specifically the remuneration of senior officers in the risk management and compliance functions. The Branch has appropriate risk adjustment mechanisms in place to ensure that all current and future risks are taken into account when paying variable remuneration.