

# **CAIXABANK PAYMENTS & CONSUMER, E.F.C. E.P., S.A.U.**

## **REPORT ON REMUNERATION POLICIES AND PRACTICES RELATING TO IDENTIFIED STAFF – FINANCIAL YEAR 2024**

Rule 60(k) of Circular 2/2016

July 2025

CaixaBank Payments & Consumer, E.F.C., E.P., S.A. (hereinafter, the "**Company**", the "**Entity**" or "**CaixaBank P&C**") is a specialised lending institution forming part of the CaixaBank Group (the "**Group**"), whose parent company is CaixaBank, S.A. ("**CaixaBank**"). The Company is recognised as a market leader in consumer finance and payment solutions.

As a specialised lending institution ("**SLI**"), the Entity is subject to Royal Decree 309/2020<sup>1</sup>, which establishes the legal framework applicable to SLIs and to consolidatable groups or sub-groups of SLIs headquartered in Spain. Royal Decree 309/2020 expressly provides that SLIs are governed, inter alia, by the rules on remuneration policies applicable to credit institutions, as set out in Chapter V of Title I of the Law on the organisation, supervision and solvency of credit institutions (LOSS)<sup>2</sup> and its implementing regulations<sup>3</sup>.

Accordingly, in line with the applicable regulations concerning credit institutions, the Entity is required to publish on its website the information set out under Rule 60(k) of Circular 2/2016<sup>4</sup>, regarding those categories of staff whose professional activities have a material impact on the institution's risk profile (the "**Identified Staff**").

The details of this information, as it relates to the financial year 2024, are provided in this Report on Remuneration Policies and Practices Relating to Identified Staff.

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<sup>1</sup> Royal Decree 309/2020 of 11 February, on the legal regime applicable to Specialised Lending Institutions, and amending the Regulations of the Commercial Registry approved by Royal Decree 1784/1996 of 19 July, and Royal Decree 84/2015 of 13 February, implementing Law 10/2014 of 26 June on the organisation, supervision and solvency of credit institutions ( "**Royal Decree 309/2020**" ) .

<sup>2</sup> Law 10/2014 of 26 June, on the organisation, supervision and solvency of credit institutions ("**LOSS**").

<sup>3</sup> Royal Decree 84/2015 of 13 February, implementing Law 10/2014 of 26 June on the organisation, supervision and solvency of credit institutions ("**Royal Decree 84/2015**"), and Circular 2/2016 of 2 February of the Bank of Spain, addressed to credit institutions, on supervision and solvency, completing the adaptation of the Spanish legal framework to Directive 2013/36/EU and Regulation (EU) No 575/2013 ("**Circular 2/2016**").

<sup>4</sup> In accordance with Rule 60(k) of Circular 2/2016, the Entity is also required to publish the information referred to in Article 450 of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, and amending Regulation (EU) No 648/2012 ("**Regulation 575/2013**"). This Regulation was amended by Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019, amending Regulation 575/2013 ("**Regulation 2019/876**").

## 1. General Remuneration Policy. Composition and Mandate of the Appointments, Remuneration and Sustainability Committee

### Introduction

Among the specialised committees of the Company's Board of Directors is the Appointments, Remuneration and Sustainability Committee (the "**Committee**" or the "**ARSC**"), a body that assists the Board in matters relating to remuneration. In accordance with the Company's General Remuneration Policy (the "**Policy**" or the "**Remuneration Policy**"), the Committee is responsible for preparing remuneration-related decisions to be taken by the Board of Directors, in particular with regard to the remuneration of executive directors and other professionals of the Company who are members of the Identified Staff.

### Functions of the Appointments, Remuneration and Sustainability Committee

Pursuant to the LOSS, the ARSC is directly responsible, among other duties, for overseeing the remuneration of senior executives responsible for risk management and compliance functions. The Rules of Procedure of the Board of Directors of CaixaBank P&C are aligned with this requirement.

Specifically, the functions of the ARSC include, among others: (i) preparing remuneration-related decisions to be taken by the Board of Directors; (ii) supporting and advising the Board on the definition of the Company's remuneration policies and related control procedures; (iii) reviewing the validity and effectiveness of existing remuneration policies and proposing any necessary changes; (iv) assessing the appointment of external advisers; (v) evaluating the mechanisms and systems in place to ensure that the remuneration framework duly considers all types of risks, as well as liquidity and capital levels, and verifying that the Remuneration Policy promotes sound and effective risk management and is aligned with the business strategy, objectives, corporate values, risk culture, and long-term interests of both the Company and the CaixaBank Group. This includes the assessment of performance target achievement and, where applicable, the application of ex post risk adjustments, including malus (reduction) and clawback (recovery) provisions for variable remuneration already awarded or paid.

In order to fulfil these responsibilities appropriately, the ARSC submits its proposals to the Company's Board of Directors for consideration and, where required, for subsequent approval by the Annual General Meeting.

### Composition of the Appointments, Remuneration and Sustainability Committee

The Committee is currently composed of the following members of the Board of Directors:

Member	Position	Category	Date of first appointment to the Committee
Ms Sarah Marie Harmon	Chairwoman	Independent	30-06-2021 <sup>(1)</sup>
Mr Alfredo García-Valdés Yrizar	Member	Independent	25-05-2016 <sup>(2)</sup>
Ms Laura González-Estéfani Ramiro	Member	Independent	17-12-2023

(1) Reappointed as a member of the Board on 11 March 2025

(2) Reappointed as a member of the Board on 12 May 2022

The ARSC membership is conditional upon holding the office of director, which shall have a maximum duration of four (4) years, without prejudice to the possibility of reappointment under the terms set out in the Company's current Articles of Association.

In 2024, the ARSC met on 8 occasions, during which it reviewed and analysed matters within its remit in accordance with applicable regulations.

### Functions of the Management Committee and Control Functions

Where internal control functions (risk management, compliance, and internal audit) are exercised directly by the Company, these—alongside other relevant areas and business units—are responsible for providing the necessary information for the definition, implementation and oversight of the Company's remuneration policies.

In particular, the Remuneration Policy must be subject to prior review by the Compliance Function of the CaixaBank Group with respect to remuneration linked to the Company's product distribution activity. The Company must adopt effective measures to identify cases where relevant individuals may act in a manner misaligned with client interests and, where necessary, implement appropriate corrective actions. In addition, the Company's Management Committee includes representatives from, among others, the Risk (RMF), Finance, Compliance, and People functions, and is responsible for ensuring the acquisition and preparation of the information required for the governing bodies to discharge their responsibilities efficiently. The People and Organisation function of CaixaBank P&C is tasked with promoting these actions within the Management Committee.

## Approval of the Remuneration Policy

In accordance with its responsibilities, the ARSC reviewed and updated the Remuneration Policy of CaixaBank P&C at its meeting held on 13 December 2024, and submitted the updated Policy to the Board of Directors for approval. The Board approved the revised Remuneration Policy at its meeting held on 17 December 2024.

## **2. Process for Determining the Identified Staff**

The identification of those professionals within the Company who form part of the Identified Staff has been carried out in accordance with Article 32.1 of the LOSS and Commission Delegated Regulation (EU) 2021/923<sup>5</sup>, which set out the specific criteria for identifying individuals whose professional activities have a material impact on the risk profile of credit institutions.

In compliance with the above-mentioned regulations, the following information is provided:

Criteria	Position	People
✓ Member of the management body in its managerial function	CEO	1*
✓ Member of the management body in its supervisory function	Chairman of the Board, Proprietary Directors, Independent Directors	12
✓ Member of Senior Management	Management Committee	10
✓ Executive responsibility for the following control functions: (i) risk management; (ii) compliance; and (iii) Internal audit	Director of the Risk Management and Planning Function**	1
✓ Executive responsibility for a material business unit ("MBU")	Already included under one or more of the criteria above	

<sup>5</sup> Commission Delegated Regulation (EU) 2021/923 of 25 March 2021 supplementing Directive 2013/36/EU of the European Parliament and of the Council with regard to regulatory technical standards setting out the criteria to define managerial responsibility, control functions, material business units and a significant impact on a material business unit's risk profile, and setting out criteria for identifying staff members or categories of staff whose professional activities have an impact on the institution's risk profile that is comparably as material as that of staff members or categories of staff referred to in Article 92(3) of that Directive ("**Delegated Regulation 2021/923**").

\* As of 31 January 2024, the management body was composed of 13 members, one of whom held an executive position.

✓ Leads a function responsible for legal affairs, the integrity of accounting policies and procedures, finance—including taxation and budgeting—among others***	Already included under one or more of the criteria above		
✓ Responsibility for managing risks referred to in Articles 79 to 87 of Directive 2013/36/EU, excluding credit risk and market risk	Already included under one or more of the criteria above		
✓ Credit risk	Already included under one or more of the criteria above		
✓ Trading book activities, where the small trading book exemption does not apply (market risk)	Director, Lending Office and Director, Companies Approvals	2	
✓ Responsibility for a group of staff members with authority to commit the institution	N/A	N/A	
✓ Authority to approve or veto the introduction of new products	Already included under one or more of the criteria above		
✓ High level of total remuneration in the previous financial year and (i) remuneration equal to or greater than EUR 500,000; and, (ii) the staff member performs their professional activity within an MBU	N/A	N/A	
✓ Quantitative criteria	N/A	N/A	

\*\* More professionals are identified under this criterion, although these individuals have already been included within the Identified Staff under other categories.

\*\*\* This section includes directors responsible for economic analysis, anti-money laundering, human resources, implementation of the remuneration policy, technology and information security and the management of outsourcing agreements for critical and important functions.

In line with the above, the total number of professionals included in the Identified Staff of CaixaBank P&C amounts to 26 individuals.

### **3. Qualitative information concerning remuneration of the Identified Staff**

#### **General principles**

The Remuneration Policy sets out the general remuneration principles applicable to all professionals at CaixaBank P&C, and, by extension, to the members of the Identified Staff.

In addition to the general principles applicable to all employees of the Company, the Remuneration Policy also stipulates that the general requirements set out in Article 33 of the LOSS concerning the remuneration of Identified Staff shall apply specifically to this group.

#### **Balance between fixed and variable remuneration**

In accordance with the provisions of the LOSS, the Policy states that the variable remuneration of Identified Staff may not exceed 100% of the fixed components of their total remuneration, unless a higher ratio is approved by the General Shareholders' Meeting of the Company, provided that it does not exceed 200% of the fixed components.

Consistent with applicable regulations, the Company's Remuneration Policy recognises that (i) variable remuneration can represent a potential incentive to take on risk; and (ii) the level of risk-taking must also reflect the professional category of the Identified Staff, applying the principle of internal proportionality, whereby the appropriate balance between fixed and variable components may vary across different staff categories.

In line with these principles, and in pursuit of a prudent and well-balanced structure, fixed remuneration levels at CaixaBank P&C are set at a sufficient level, and the variable-to-fixed remuneration ratio is, in general, relatively low. Consequently, the Annual General Meeting of CaixaBank P&C has not approved any increase in the variable-to-fixed remuneration ratio above 100% for the 2024 financial year.

For the year 2024, the average ratio of variable to fixed remuneration for Identified Staff stood at 25%, remaining fully within the 100% cap in all cases.

### Fixed remuneration

In determining fixed remuneration, members of the Identified Staff are subject to the professional classification system and salary scales set out in the applicable collective bargaining agreements and labour agreements negotiated with the legal representatives of employees.

Fixed remuneration is based on the position held by each professional, by applying the relevant salary scale from the applicable collective agreements, according to their professional level, and in accordance with the terms of the current labour agreements.

Additionally, the amounts are defined with reference to the Company's competitive positioning, with a view to ensuring external competitiveness.

### Variable remuneration<sup>6</sup>

#### **Annual Variable Remuneration**

Where applicable, risk-adjusted variable remuneration for members of the Identified Staff is based on the remuneration mix (i.e., the proportion of fixed to variable components) and on performance measurement.

For this purpose, and in accordance with the Company's Remuneration Policy, performance is assessed through both ex-ante and ex-post adjustments to variable remuneration as part of the institution's risk control framework.

Specifically, the Company's Remuneration Policy provides for the use of both quantitative (financial) and qualitative (non-financial) performance criteria for assessing individual performance and results. The combination of these criteria depends on the role and responsibilities of each professional. In all cases, the quantitative and qualitative criteria and the balance between them, for each level and category, must be specified and clearly documented.

In this context, the Remuneration Policy provides that variable remuneration is determined based on a target annual variable remuneration and a maximum achievement percentage.

In addition, a correction factor is established by the Company each year and applied consistently to all members of the Identified Staff.

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<sup>6</sup> In accordance with the provisions of the Articles of Association, only members of the Board of Directors who have been assigned executive functions may be entitled to receive variable remuneration.



For professionals assigned to control functions, their performance targets—used to determine eligibility for the payment of annual variable remuneration—are based on performance parameters agreed between the staff member and the head of the respective function, and are not linked to the performance of the business areas they oversee, in accordance with Article 33.1(c) of the LOSS. As a general rule, the total variable remuneration for independent control functions shall not exceed 50% of their fixed remuneration.

### **Risk Adjustment Indicator**

For professionals included within the Identified Staff, the indicators used to apply ex-ante risk adjustment in determining variable remuneration vary depending on the category of staff.

Risk adjustment is based on grouped or individual metrics—both quantitative and qualitative—from the Risk Appetite Framework ("**RAF**") of the CaixaBank Group, which reflects all of the Entity's relevant risk areas (e.g., solvency, profitability, non-performing loans, market risk, etc.).

Depending on their area of responsibility or position, each member of the Identified Staff is assigned the individual groupings or metrics over which they have management capacity, in addition to the groupings or metrics that are considered transversal in nature. The overall performance of these assigned metrics determines the value of the Risk Adjustment Indicator ("**RAI**").

The specific metric groups or individual metrics that make up each professional's RAI must be communicated to the individual concerned, along with the Remuneration Policy.

Based on the above, the amount to be paid to Identified Staff is calculated using the following formula:

$$\text{Risk-adjusted actual bonus} = \text{RAI} \times \text{Target bonus} \times (\% \text{ achievement of performance objectives}) \times \text{Correction factor}$$

## Special incentives

Certain members of the Identified Staff may be granted one-off incentives for the achievement of specific objectives, typically linked to the distribution of third-party products or other specific goals. The amount of such incentives granted during a given financial year will be accumulated during that year, added to the accrued annual variable remuneration, and treated as part of the non-deferred cash portion for the purposes of deferral, to be paid from the following financial year onwards. The amount of the incentive will be set based on the conditions and parameters established in each particular case.

## Variable remuneration payment cycle

The Remuneration Policy sets out the schedule for the settlement of variable remuneration for members of the Identified Staff according to the following rules:

- A deferral rate of 60% will apply to any variable remuneration granted that exceeds 50% of the minimum total remuneration defined by the *European Banking Authority* ("**EBA**") as the threshold for high earners in the relevant financial year<sup>7</sup>.

Where the above threshold is not exceeded, a deferral rate of 40% will apply to the variable remuneration of Identified Staff.

- On the payment date specified in the variable remuneration arrangement applicable to each professional, the non-deferred portion of the accrued variable remuneration must be paid (the "**Initial Payment Date**"), in accordance with the category to which the individual belongs.

The deferred portion of the variable remuneration shall be paid in four instalments, with the corresponding amounts and payment dates as follows:

- 1/4: 12 months after the Initial Payment Date.
- 1/4: 24 months after the Initial Payment Date.
- 1/4: 36 months after the Initial Payment Date.

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<sup>7</sup> In accordance with the Guidelines on the data collection exercise regarding high earners under Directive 2013/36/EU and Directive (EU) 2019/2034, published by the European Banking Authority (EBA) on 30 June 2022, a "high earner" is defined as an employee whose annual remuneration is equal to or exceeds EUR 1 million. This threshold is also referenced in other reports and publications issued by the EBA where the term is used (e.g., "*Benchmarking of remuneration practices at the European Union level (2019 and 2020 data) and data on high earners (2020 data)*").

- 1/4: 48 months after the Initial Payment Date.
- 50% of the amount payable on the Initial Payment Date shall be paid in cash, and the remaining 50% shall be delivered in instruments, after deduction of any applicable taxes (withholding or advance payments).

In respect of the deferred portion, 30% shall be paid in cash and 70% in instruments, after deduction of any applicable taxes (withholding or advance payments).

Whenever the payment is made in instruments, it may be made in CaixaBank shares; However, CaixaBank P&C may deliver other eligible instruments for the payment of variable remuneration, in accordance with the conditions and requirements established under applicable regulations.

- All instruments delivered are subject to a one-year retention period from the date of delivery, during which the professional may not dispose of them. However, in the case of instruments delivered as variable remuneration to professionals other than directors or senior managers of the Company who are included in the Identified Staff, the retention period may be reduced to six months, provided that the deferral period was, exceptionally, at least five years.
- During the deferral period, the entity required to pay the remuneration shall own both the instruments and cash whose delivery is deferred.

Pursuant to the principles of labour and contractual law applicable in Spain, and particularly the bilateral nature of contracts and equity in the accrual of reciprocal considerations, the deferred cash accrues interest in favour of the recipient, calculated by applying the corresponding interest rate to the first tranche of the account payable to the employee. Interest will only be paid at the end of each payment date, and will apply solely to the cash component of the variable remuneration actually payable, net of any reduction that may be applicable under malus or clawback clauses.

With regard to the returns on instruments, and in compliance with the EBA Guidelines<sup>8</sup>, the Company will not pay interest or dividends in respect of deferred instruments, either during or after the deferral period.

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<sup>8</sup> EBA Guidelines on sound remuneration policies under Directive 2013/36/EU, dated 2 July 2021 and published by the EBA (the "**EBA Guidelines**").

Without prejudice to the above, and in line with Article 34.2(b) of the LOSS, the provisions of the Remuneration Policy relating to deferral percentages and periods, payment in instruments, and retention policies shall not apply to members of the Identified Staff whose annual variable remuneration does not exceed EUR 50,000 and does not represent more than one-third of their total annual remuneration. In such cases, variable remuneration shall be paid in cash and in full on the applicable payment date.

### **Ex post adjustments to variable remuneration**

#### **Malus (reduction)**

Consistent with applicable regulations, members of the Identified Staff may see their entitlement to variable remuneration reduced in whole or in part, including amounts not yet paid, whether in cash or in instruments, in the event of poor financial performance by the Company as a whole; underperformance by a specific division or business area; or any exposure generated by the individual concerned. In this regard, the Company shall compare the assessed performance with the subsequent performance of the variables that contributed to achieving the targets.

#### **Clawback (recovery)**

In cases where the situations described above occurred prior to the payment of any amount of variable remuneration, and had such circumstances been known at the time, the payment would not have been made in whole or in part, the professional concerned shall be required to reimburse the Company for the portion of variable remuneration unduly received, including any returns that may have been paid thereon. This reimbursement must be made in cash or instruments, as applicable.

### **Employee benefits**

In line with the provisions of the LOSS, the pension policy of CaixaBank P&C must be compatible with the Company's business strategy, objectives, values and long-term interests.

Members of the Identified Staff at CaixaBank P&C are not covered by Company-level pension schemes. However, in certain cases, individuals retain acquired rights under pension plans offered by the CaixaBank Group.

In this respect, the rules currently in force under the Remuneration Policy for Identified Staff of the CaixaBank Group relating to pension arrangements shall apply in full, mutatis mutandis, to those members of the Company's Identified Staff who maintain rights under CaixaBank Group pension plans, in accordance with the principles laid down in the LOSS, its implementing regulations and the Remuneration Policy.

## Payments for early termination

The LOSS states that payments for early termination must be based on the results obtained over time, and must not reward poor results or improper conduct.

In general, the obligations regarding termination payments by the Company are governed by the applicable regulations. Thus, in the case of common labour contracts, the Workers' Statute establishes the payment of specific compensation in the scenarios and in the amounts established therein, which are minimum, mandatory and non-negotiable.

For members of the Identified Staff employed under Senior Management contracts, and unless a higher mandatory amount is established by applicable law, severance payments upon dismissal or termination will generally not exceed one year of total fixed remuneration, without prejudice to any contractually agreed compensation for post-contractual non-compete undertakings.

Severance payments to members of the Identified Staff shall be considered variable remuneration for the purposes of the Remuneration Policy, although certain elements of the variable remuneration payment cycle may not apply, in accordance with the provisions of the EBA Guidelines.

Ordinary payments relating to the duration of applicable notice periods shall not be treated as severance payments.

Exceptionally, post-contractual non-compete agreements may be included in the contracts of members of the Company's Identified Staff.

Any portion of the termination payment that qualifies as variable remuneration under applicable regulations shall be subject to the same provisions on deferral, payment in instruments, variable-to-fixed remuneration ratio, and malus and clawback clauses, as described above.

#### 4. **Quantitative information concerning remuneration of the Identified Staff**

4.1. Number of individuals earning EUR 1 million or more per financial year There are no professionals whose total remuneration amounts to EUR 1 million or more.

#### 4.2. Principle of proportionality

In accordance with the Remuneration Policy, the Company may apply the exception provided for in Article 94(3)(b)<sup>9</sup> of Directive 2013/36/EU, whereby the provisions of the Remuneration Policy concerning deferral percentages and periods, payment in instruments and retention policies shall not apply to members of the Identified Staff whose annual variable remuneration does not exceed EUR 50,000 and does not represent more than one-third of their total annual remuneration. In such cases, remuneration shall be paid in cash and in full on the applicable payment date.

In this regard, the Company applied the principle of proportionality during the 2024 financial year to the following members of the Identified Staff:

	Members of Identified Staff
No of recipients	26
Directors	13
Senior Management	10
Control Functions	1
Other	2
Fixed remuneration 2024	€3,329,792.77
Variable remuneration 2024	€855,488.71
Total remuneration 2024	€4,185,281.48

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<sup>9</sup> Insofar as the average individual value of the assets of CaixaBank P&C has exceeded EUR 5 billion over the four-year period immediately preceding 2024, the exception set out in Article 94(3)(a) of the Directive is not applicable.

#### 4.3. Aggregated quantitative information concerning the remuneration of Identified Staff

During the 2024 financial year, remuneration paid to the Identified Staff—to whom the regulatory provisions on remuneration apply—has been allocated as detailed below, based on the roles and responsibilities of the professionals within the Company.

	Directors	Other Members of the Identified Staff <sup>10</sup>	Total Identified Staff
<b>Number of identified professionals</b>	13	13	26
Senior Management	0	10	10
Control Functions	0	1	1
Other	0	2	2
<b>Fixed remuneration 2024<sup>11</sup></b>	€836,249.95	€2,493,542.82	€3,329,792.77
<b>Variable remuneration 2024</b>	-	€855,488.71	€855,488.71
In cash	-	€522,141.68	€522,141.68
In instruments	-	€333,347.03	€333,347.03
<b>Deferred variable remuneration pending payment</b>	-	€229,894.49	€229,894.49
In cash	-	€68,968.34	€68,968.34
In instruments	-	€160,926.15	€160,926.15

<sup>10</sup> Management Committee, Director of the Risk Management and Planning Function, Director of the Companies Lending Office, and Director of Companies Approvals. It should be noted that a breakdown of the aggregated quantitative information by business area has not been provided, due to the small number of individuals in each area (in order to avoid disclosing identifiable remuneration data).

<sup>11</sup> Fixed remuneration includes all compensation received during the financial year (salaries and wages, expenses, medical insurance and other remuneration in kind, etc.)

Deferred remuneration paid in financial year 2024	-	€54,543.07	€54,543.07
In cash	-	€24,767.26	€24,767.26
In instruments	-	€29,775.81	€29,775.81
No. recipients of severance payments	N/A	N/A	N/A
Amount of severance payments	N/A	N/A	N/A
Payments related to new hires	N/A	N/A	N/A

With regard to the above amounts, no circumstances arose requiring the application of malus or clawback clauses.

In addition, no guaranteed variable remuneration was awarded during the 2024 financial year.