

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

REPORT ON REMUNERATION POLICIES AND PRACTICES IN WITH
REGARD TO IDENTIFIED STAFF

Rule 60.k) of Circular 2/2016.

Barcelona, 30 June 2022

1. INTRODUCTION

CaixaBank Payments & Consumer, E.F.C., E.P., S.A. ("**the Company**", the "**Entity**" or "**CaixaBank P&C**") is a financial credit institution that forms part of the CaixaBank Group (the "**Group**"), the parent company of which is CaixaBank, S.A. ("**CaixaBank**"), and which has established itself as a leader in consumer finance and payment methods.

The Bank, as a financial credit institution ("**FCI**"), is subject to Royal Decree 309/2020¹, which implements the legal regime applicable to FCIs and to groups or subgroups of FCIs with a parent company in Spain that can be consolidated. The aforementioned Royal Decree 309/2020 expressly establishes that FCIs shall be governed, inter alia, by the rules governing remuneration policies laid down for credit institutions in Chapter V of Title I of the LOSS ²and in its implementing regulations³.

Accordingly, and pursuant to the regulations applicable to credit institutions, it would be necessary to publish the information included in rule 60.k) of Circular 2/2016⁴ on the Entity's website with regard to those categories of employees whose professional activities have a significant impact on the Entity's risk profile (the "**Identified Staff**").

Full details of this information are set out in this remuneration document.

¹ Royal Decree 309/2020 of 11 February on the legal regime of financial credit establishments and amending the Companies' Registry Regulations, 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 regulation, supervision and solvency of credit institutions ("**Royal Decree 309/2020**").

² Law 10/2014, of 26 June on the regulation, supervision and solvency of credit institutions ("**LOSS**" for its acronym in Spanish).

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

⁴ In accordance with Rule 60.k) of the Circular, the information provided for 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**") must also be published. Said Regulation has been 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. Remuneration policy: composition and term of office of the Appointments, Remuneration and Sustainability Committee

Introduction

Among the Committees of the Board of Directors of the Company is the Appointments, Remuneration and Sustainability Committee (the "**Committee**" or the "**ARSC**"), the body that assists the Board of Directors in matters of remuneration, and which, in accordance with the LOSS and the provisions of the Company's General Remuneration Policy (the "**Policy**" or the "**Remuneration Policy**"), is responsible for the direct supervision of the remuneration of senior executives in charge of risk management and with compliance duties.

Functions of the Appointments, Remuneration and Sustainability Committee

Pursuant to the LOSS, the Appointments and Remuneration Committee is responsible for directly overseeing the remuneration of senior executives in charge of risk management and compliance duties.

The Regulations of CaixaBank Payments and Consumer's Board of Directors are consistent with this principle.

More specifically, the functions of the ARSC include, inter alia, (i) preparing the remuneration decisions to be taken by the Board of Directors, (ii) providing support and advice to the Board on the definition of the company's remuneration policies, as well as on control procedures, (iii) verifying the currency of the existing remuneration policies and proposing appropriate changes, (iv) reviewing the appointment of external consultants, (v) assessing the mechanisms and systems in place to ensure that the remuneration system adequately takes into account all types of risks, liquidity and capital levels, and that the general remuneration policy promotes and is consistent with adequate and effective risk management, as well as being in line with the business strategy, objectives, corporate culture and values, risk culture and the long-term interests of the Company and the CaixaBank Group, and (vi) the assessment of the achievement of performance targets and, if applicable, the need for ex-post adjustments to risk, including the application of malus and clawback clauses.

For the proper performance of all these functions, the ARSC's proposals shall be submitted to the Company's Board of Directors for consideration and, where appropriate, subsequent approval. Furthermore, pursuant to the Company's Remuneration Policy, in the event that decisions are to be taken at the Company's Annual General Meeting, the Board of Directors will approve their inclusion in the agenda.

Composition of the Appointments, Remuneration and Sustainability Committee

This Committee currently has the following composition:

Director	Description	Position
Sarah Marie Harmon	Independent	Chair
Rita Almela Conesa	Independent	Member
Alfredo García-Valdés Yrizar	Independent	Member

The ARSC met six times in 2021, dealing with the following remuneration matters, and others:

- Composition of the Identified Staff 2021-2022.
- General Remuneration Policy.
- Targets and Fixed Remuneration Plan 2021 for the Identified Staff.
- Contracts of the executive Directors.

Functions of the Management Committee and control functions

The internal control functions (risk management, compliance and internal audit), should these be assumed directly by the Company, other relevant areas and the business units will provide the necessary information with regard to defining, implementing and monitoring the Company's remuneration policies.

Specifically, the Remuneration Policy must have the prior approval of the CaixaBank Group's Regulatory Compliance function with regard to remuneration linked to the marketing of products by the Company, and the Company must adopt measures to effectively identify cases in which the relevant persons may not have acted in line with the interests of customers, and must adopt any corrective measures that may be necessary in this regard.

The Company's Management Committee comprises representatives from risks (RMF), finance, regulatory compliance, human resources and is responsible for ensuring that the necessary information is obtained and prepared so that the governance bodies may perform their responsibilities efficiently. The CaixaBank P&C Human Resources area is responsible for promoting these actions in the Company's Management Committee.

Approval of the Remuneration Policy for Identified Staff

In fulfilment of its functions, the ARSC reviewed the general Remuneration Policy of CaixaBank P&C at its meeting of 15 December 2021 and proposed its approval to the Board of Directors, which approved the Policy at its meeting of 22 December 2021.

2. Process for determining the Identified Staff

The Company's professionals who should form part of the Identified Staff were identified in accordance with the provisions of article 32.1 of the LOSS and Delegated Regulation 2021/923⁵, which establish the specific criteria for identifying persons whose professional activities have a significant impact on the risk profile of credit institutions.

In compliance with the provisions of the aforementioned standard, the following information is provided:

Criteria	Position	Individuals
✓ Member of the management body in a management role	Chief Executive Officer and Executive Directors	3
✓ Member of the management body in a supervisory role	Chairman of the Board, Secretary to the Board of Directors, Proprietary Directors, and Independent Directors	12
✓ Member of senior management	Management Committee	8
✓ Management responsibility for the (i) risk management; (ii) compliance; and (iii) internal audit functions.	Director of the Risk Management Function*	1
✓ Management responsibility in a significant business unit (" SBU ")	Already listed below one of the preceding criteria	

⁵ Commission Delegated Regulation (EU) 2021/923 of 25 March 2021 supplementing Directive 2013/36/EU of the European Parliament and of the Council as regards regulatory technical standards setting out the criteria for defining the responsibilities of management, control functions, significant business units and the significant impact on the risk profile of a significant business unit, and laying down the criteria for determining the members of staff or categories of staff whose professional activities have an impact on the risk profile of the institution comparable in importance to that of the members of staff or categories of staff referred to in Article 92(3) of that Directive ("**Delegated Regulation 2021/923**").

✓ Oversees a function responsible for legal matters, the robustness of the accounting policies and procedures, finance, including taxation and budgeting, and other matters**.	Already listed below one of the preceding criteria		
✓ Responsibility for the management of risks other than credit risk and market risk falling under Articles 79 to 87 of Directive /36/EU	Already listed below one of the preceding criteria		
✓ Credit risk	Already listed below one of the preceding criteria		
✓ Transactions in the trading portfolio, provided the small volume exception does not apply		N/A	N/A
✓ Responsibility for a group of staff members who have the authorisation to bind the Entity		N/A	N/A
✓ Power to approve or veto the introduction of new products	Already listed below one of the preceding criteria		
✓ Significant remuneration in the previous financial year and (i) is equal to or greater than 500,000€; and (ii) the staff member is employed by a SBU		N/A	N/A
✓ Quantitative considerations		N/A	N/A

* This criterion identifies more professionals, even though they have already been included in the Identified Staff under other categories.

** This includes managers of economic analysis, anti-money laundering, human resources, remuneration policy implementation, information technology and security, and the management of outsourcing arrangements for critical and important duties.

In accordance with the above, the number of professionals included in the CaixaBank P&C Identified staff amounts to 24 professionals.

3. Qualitative information concerning the remuneration of Identified Staff

General principles

The Company's Remuneration Policy establishes the general remuneration principles applicable to all CaixaBank Group employees, and consequently to the members of the Identified Staff, and are duly adapted to the Company's own characteristics.

In particular, these principles are set out below:

- a) The total remuneration policy is aimed at encouraging behaviours that ensure the generation of long-term value and the sustainability of results over time; therefore, variable remuneration takes into consideration not only the achievement of targets but also how they are met.
- b) Individual professional targets are defined on the basis of the commitment employees undertake and establish with their managers.
- c) The remuneration policy bases its strategy of attracting and retaining talent on providing professional people with a distinctive corporate business project, the possibility of professional development and enjoyment of competitive overall remuneration, without distinguishing between gender or other issues not intrinsic to the post.
- d) In these conditions of overall remuneration, remuneration policy focuses on a competitive position in terms of the sum of fixed remuneration and corporate benefits, basing its ability to attract and retain talent on both components of remuneration.
- e) The Remuneration Policy is consistent with managing sustainability risks. The variable remuneration component includes sustainability-related metrics, taking into account the duties and functions assigned.
- f) The fixed components and the social benefits offered constitute the bulk of the remuneration packages offered. In general, variable remuneration tends to be more moderate, given its potential to generate risk for the entity.
- g) The promotion system is based on an assessment of skills, performance, commitment, and professional merits over time.
- h) Employee remuneration, established within the general framework defined in the CaixaBank Group's remuneration policy and set out in the Policy, is approved by the competent governance bodies.

In addition to the general principles applicable to all of the Company's professionals, the Remuneration Policy establishes that the general requirements

of the remuneration policy for this group established in Article 33 of the LOSS will also apply to the members of the Identified Staff, as detailed below:

- a) The remuneration policy must encourage and be compatible with adequate and effective risk management, and not offer incentives to assume risks that exceed the level tolerated by the entity.
- b) The remuneration policy should be consistent with the business strategy, objectives, values and long-term interests of the bank and include measures to avoid conflicts of interest.
- c) Personnel exercising control functions must be independent of the business units they supervise, have the necessary authority to perform their duties and be remunerated on the basis of the achievement of the objectives related to their duties, regardless of the results of the business areas they control.
- d) The remuneration of senior executives in charge of risk management and with compliance functions should be directly supervised by the remuneration committee.
- e) The remuneration policy must clearly distinguish between the criteria for the establishment of:
 - Fixed remuneration, which should primarily reflect relevant professional experience and responsibility within the organisation as stipulated in the job description of duties as part of the terms and conditions of employment; and
 - Variable remuneration, which should reflect a sustainable and risk-adjusted performance, as well as performance beyond that required to meet that stipulated in the job description as part of the terms and conditions of employment.
- f) The remuneration policy should be gender-neutral, understood as being based on equal pay for men and women workers for equal work or work of equal value.

Balance between fixed and variable remuneration

In compliance with the LOSS, the Policy establishes that the variable remuneration of the members of the Identified Staff may not exceed 100 % of the fixed components of the total remuneration of each of them, unless the General Meeting approves a higher level, which may not exceed 200 % of the fixed components.

In line with the applicable regulations, the Company's Remuneration Policy establishes that (i) variable remuneration may become a potential incentive to assume risks; and (ii) the level of risk assumption must also take into account the category of the professionals included among the Identified Staff through the application of the principle of internal proportionality, whereby the appropriate balance of fixed and variable components of remuneration may vary according to professional category.

Taking into account the above and with the aim of achieving a reasonable, prudential balance between the fixed and variable remuneration components, the fixed remuneration amounts at CaixaBank P&C are sufficient and the percentage of variable remuneration over the annual fixed remuneration is generally relatively low.

Insofar as the amounts of fixed remuneration are sufficient, and the percentage represented by variable remuneration over annual fixed remuneration is relatively low in general terms, the Annual General Meeting of CaixaBank P&C has not raised the ratio of variable remuneration over fixed remuneration above 100 percent for the 2021 financial year.

For the year 2021, the ratio between the variable components over the fixed components of the remuneration of the Identified Staff was 26%, respecting the limit of 100% at all times.

Fixed remuneration

In order to determine the fixed remuneration, the different members of the Identified Staff are classified according to their professional category, with the corresponding salary table being applied to each one in line with the position they hold. The amounts are defined according to the Company's competitive positioning, ensuring external competitiveness.

Specifically, in accordance with the Company's Remuneration Policy, the fixed remuneration and its update applied to the positions of the members of the CaixaBank P&C Management Committee is mainly based on a market approach using salary surveys and specific ad hoc studies.

Variable remuneration

Annual variable remuneration

Risk-adjusted variable remuneration for Identified Staff is based on the remuneration mix (a proportional balance between fixed and variable remuneration) and on performance measurements.

To this end, and in line with the Company's Remuneration Policy, performance measurement is conducted through ex-ante and ex-post adjustments of variable remuneration, as a means of applying risk control.

In particular, the Bank's Remuneration Policy stipulates the use of both quantitative (financial) and qualitative (non-financial) criteria for measuring performance and assessing individual results, with the combination of both criteria depending on the functions and responsibilities of each professional. In all cases, the quantitative and qualitative criteria and the balance between them should be specified and clearly documented for each level and category of staff.

Accordingly, the Remuneration Policy provides that variable remuneration is determined on the basis of a target annual variable remuneration and a maximum achievement percentage of 120 %, with the level of achievement being established in accordance with the following measurable parameters:

- (i) overall objective of the Company; and
- (ii) Scorecard, which is defined on the basis of four categories, with the number and weighting of objectives being determined according to the level of the position, and is among the following: (i) business/financial category (i.e. ROA, ROE); (ii) customer category (i.e. customer satisfaction index); (iii) excellence category (i.e. objectives related to operational performance); and (iv) people/development category (i.e. people management, training).

Furthermore, the weight of each of the objectives will depend on the level of each position in the organisation, with there being a corrective factor established for each year by the Company that will be applied across the board to all professionals forming part of the Identified Staff, ranging from a minimum of 0.85 to a maximum of 1.15.

Moreover, the Policy stipulates that, in order to be eligible to receive the annual variable remuneration, it will be essential to have completed the relevant regulatory training for relations, information and management from a position of transparency and customer orientation.

Furthermore, the targets of the professionals who are assigned to the control areas, on the basis of which their performance is determined for the payment of the annual variable remuneration, are established taking as a basis the performance parameters agreed by the professional and the head of the area, and are unrelated to the results of the business areas that they control and supervise.

Risk adjustment indicator

For professionals included in the Identified Staff, the ratios used to adjust for ex-ante risk in the calculation of variable remuneration may vary according to the different categories, in line with the following model:

The risk adjustment is based on the groupings of metrics or individual metrics of CaixaBank's Risk Appetite Framework ("**RAF**"). Each member of the Identified Staff is assigned, according to their area of responsibility or position, the individual groupings or metrics over which they have management authority, in addition to the groupings or metrics that are considered to be of a cross-cutting nature. The total performance of these groupings or metrics determines the value of the Risk Adjustment Indicator ("**RAI**").

The RAF consists of a set of quantitative and qualitative metrics that assess all CaixaBank's risks. Some of the metrics, due to their high correlation, have been grouped together for the purposes of the RAI. The metrics or metric groupings are listed below:

- Grouping of solvency metrics (grouping on a cross-cutting basis).
- Grouping of profitability metrics.
- Grouping of non-performing loans metrics.
- Market risk metric.
- Grouping of interest rate risk metrics.
- Grouping of liquidity risk metrics.
- Concentration per borrower metric.
- Concentration metrics by sector.
- Grouping of public sector metrics.
- Longevity risk metric.
- "Non-strategic assets metric".
- Operational loss metric (cross-cutting metric).
- Regulatory compliance metric (cross-cutting metric).
- Reputational risk metric (cross-cutting metric).

The specific groupings or metrics that constitute the RAI for each professional must be individually disclosed to the person concerned together with the Remuneration Policy.

Although the assessment of the quantitative indicators that make up the RAF may be a numerical result, the RAF summarises the status of the metrics in a colour: green, amber or red. The colour of the RAF metrics will be taken into account for the purposes of the RAI. In the case of metric groupings, the colour of worst of the metrics that make up the metric grouping shall be used.

The resulting RAI for the groupings and metrics for each professional must have a value of between 0 and 1, and be based on the following:

- The impacts indicated in the attached table shall be summed for each of the variations in the level of the applicable RAF groupings and metrics between the end of the reference year and the approved budget for that year. The value of the indicator will range between 0.85 and 1, in accordance with the following compliance scale:

Presupuesto	Cierre	% ajuste
Green	Green	0,0%
Green	Yellow	-1,5%
Green	Red	-4,5%
Yellow	Green	1,5%
Yellow	Yellow	0,0%
Yellow	Red	-3,0%
Red	Green	4,5%
Red	Yellow	3,0%
Red	Red	0,0%

- In the event that at the close of the financial year one of the metrics included in the risk adjustment of each group becomes Recovery (black colour in the RAF), the value of the RAI indicator will be 0.

The amount to be paid for professionals in the Identified Staff is calculated using the following formula:

$$\text{Actual risk-adjusted bonus} = \text{IAR} \times \text{Target bonus} \times (\% \text{ of target achieved}) \times \text{correction factor}$$

In the case that the RAF is recalibrated during the year, unless otherwise indicated by the Board of Directors, the approved budget for the year will not be reprocessed, neither in terms of the thresholds applied when determining the target colours nor in terms of the grouped metrics considered (additions and deletions of metrics in the same grouping). Furthermore, if a grouping considered in the budget were to be removed, it would no longer be included in the calculation and the corresponding number of ambers on the target would be reversed. If a new grouping were to be introduced, it would not form part of the RAF for the year.

Long-term incentive plan

The Remuneration Policy provides for the possibility that all or part of the members of the Identified Staff may be remunerated through a long-term incentive plan ("LTIP"), as a form of multi-year variable remuneration.

The LTIP can be implemented through different mechanisms (i.e. shares or other instruments, options on them, or in cash), provided that the conditions set out in the LTIP are met. At the recommendation of the ARSC, these conditions must be established by the Board of Directors of CaixaBank P&C in the corresponding regulatory agreements and implementing documents, and must be adapted to and compatible with the principles of the Remuneration Policy and be subject to approval by the Annual General Meeting of CaixaBank P&C to the extent required depending on the participation of executive directors in the LTIP.

Special incentives

Members of the Identified Staff may also be awarded one-off incentives for the achievement of certain objectives, normally linked to the marketing of third party products, or of any other nature. The amount of the incentives awarded during any given financial year will accrue during that year and be added to the annual variable remuneration accrued in that year and this amount will be deemed to form part of the non-deferred portion in cash for the purposes of deferral and be paid from the following financial year onwards. The amount of the incentive to be awarded shall be set in accordance with the conditions and parameters established on a case by case basis.

Payment cycle for variable remuneration

The Remuneration Policy sets out the schedule for the settlement of variable remuneration for members of the Identified Staff in accordance with the following rules:

- A deferral rate of 60 % will be applied to any variable remuneration awarded which when totalled exceeds 50 % of the minimum amount of total remuneration that the EBA considers to be a high earner for any given financial year.

If the aforementioned amount is not exceeded, a deferral percentage of 40 percent of the variable compensation of the Identified Staff will be applied.

- The non-deferred part of the accrued variable remuneration corresponding to the category to which the professional belongs should be paid on the payment date foreseen in the variable remuneration corresponding to each professional ("**Initial Payment Date**").

The deferred part of the variable remuneration is to be paid in four payments, the amounts and dates of which are set out below:

- 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
- 1/4: 48 months after the Initial Payment Date

- 50 % of the amount to be paid on each of the dates in the preceding section will be paid in cash and the remaining 50 % will be paid in instruments, once the applicable taxes (withholdings or payments on account) have been paid.

Where payment is to be made in financial instruments, this may be in the form of CaixaBank shares. However, CaixaBank P&C may deliver other eligible instruments for payment of the variable remuneration, subject to the conditions and requirements set out in the applicable regulations.

- All instruments delivered are subject to a holding period of one year from delivery, during which time they may not be used by the professional. However, in the case of instruments in the payment of the variable remuneration of professionals other than directors or senior executives of the Company included in the Identified Staff, the withholding period may be reduced to six months, provided that the deferral period is, exceptionally, at least five years.
- During the deferral period, the entity obliged to pay the remuneration shall have ownership of both the instruments and cash, the delivery of which 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 shall only be paid at the end of each payment date, and shall be applied to the cash amount of the variable remuneration that is actually to be received, net of any reductions under malus and clawback clauses.

With respect to returns on instruments, the Company shall not pay, either during or after the deferral period, any interest or dividends on deferred instruments to have accrued.

Nevertheless, in compliance with article 34.2.b of the LOSS, the provisions of the Remuneration Policy regarding percentages and deferral periods, payment in instruments and withholding policies will not apply to members of the Identified Staff whose annual variable remuneration does not exceed €50,000 and does not represent more than one third of their total annual remuneration, which will be paid in cash and in full on the corresponding payment date.

Ex-post adjustments to variable compensation

Circumstances for reductions

In accordance with applicable law, persons included in the Identified Staff will have their entitlement to receive variable remuneration amounts, including any outstanding amounts, whether in cash or by delivery of instruments, reduced, in whole or in part, in the event of poor financial performance of the Company as a whole or of a particular division or area thereof, or of the exposures generated by such person. In this regard, the Company must compare the assessed performance with the subsequent performance of the variables that helped meet the targets.

Scenarios entailing reductions in variable remuneration are as follows:

- i. Material failures in risk management by the Company, or by a business unit or risk control unit, including any qualified opinions in the external auditor's report or circumstances which would impair the financial parameters used as a basis to calculate the variable remuneration.
- ii. An increase in capital requirements suffered by the Company or one of its business units that was not envisaged at the time the exposure was generated.
- iii. Regulatory sanctions or legal rulings relating to issues that may be attributed to the unit or the professional responsible for them.
- iv. Breach of the Company's internal regulations or codes of conduct, including, in particular:
 - Any regulatory breach attributable to the subject that qualifies as serious or very serious.
 - Any serious or very serious breaches of internal regulations.
 - Breach of the applicable suitability and behavioural requirements.
 - Regulatory breaches attributable to them which, whether or not involving losses, could jeopardise the solvency of a line of business and, in general, participation in or responsibility for conduct that has generated significant losses.

- v. Any irregular behaviour, whether individual or collective, particularly negative effects resulting from the misleading selling of products and the responsibilities of the persons or bodies that make such decisions.
- vi. Fair dismissal or, in the case of business contracts, with just⁶ cause by the Company (in this case a full deduction shall be made).
- vii. Where payment or consolidation of these amounts is not sustainable in light of the Company's overall financial situation, or where payment is not justified in view of the results of the Company as a whole, the business unit, or the employee in question.
- viii. Any other circumstances expressly stipulated in the relevant contracts.
- ix. Any other circumstances established by applicable legislation or by the regulatory authorities in exercising their powers to implement the law through regulations, executive powers or powers to interpret law and regulations.
- x. Whenever CaixaBank is subject to any requirement or recommendation from competent authorities to restrict its dividend distribution policy, or if this is required by the competent authority under its regulatory powers, pursuant to Royal Decree 84/2015 and Circular 2/2016.

Clawback

In cases in which the causes giving rise to the situations described above occurred at a time prior to the payment already made of any amount of variable remuneration, whereby if such a situation had been considered such payment would not have been made in whole or in part, the professional affected must reimburse the Company the part of the variable remuneration unduly received, together with the income that may have been paid to him, if any. This reimbursement must be made in cash or instruments, as applicable.

Scenarios in which the professional concerned has made a major contribution to poor or negative financial results will be regarded as being particularly serious, as shall cases of fraud or other instances of fraudulent behaviour or gross negligence leading to significant losses.

⁶ Just cause shall be understood as any serious and culpable breach of the duties of loyalty, diligence and good faith pursuant to which the officer must discharge their duties in the Company, as well as any other serious and culpable breach of the duties undertaken in their contract, or any other organic or service relationships that the individual and the Company may enter into.

Employee benefits

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

The members of the CaixaBank P&C Identified Staff do not have employee benefits schemes in the Company. However, in certain cases, they retain the rights derived from their CaixaBank Group pension plans.

In this respect, the rules contained at all times in the Remuneration Policy of the CaixaBank Group's Identified Staff in relation to employee benefits will be fully applicable, *mutatis mutandis*, to the members of the Company's Identified Staff who retain the rights deriving from their CaixaBank Group social welfare plans, in accordance with the principles established in the LOSS and its implementing regulations and in the Remuneration Policy.

Severance for early termination

Pursuant to the LOSS, severance for early termination shall be based on results obtained over time and shall not reflect bad results or misconduct.

In general, the Company's severance obligations are conditioned by the applicable legislation; thus, in the case of ordinary employment contracts, the Workers' Statute establishes the payment of a certain severance payment in the events and in the amounts established therein as a minimum, mandatory and non-available amount.

In general terms and provided that the applicable legislation does not establish a higher mandatory amount, the amount of severance pay for the dismissal or termination of professionals in the Identified Staff with a Senior Management employment relationship shall not exceed once the annual amount of all the fixed components of remuneration, without prejudice to the compensation agreed for post-contractual non-competition commitments.

Severance payments for dismissal or termination of professionals of the Identified Staff shall be considered as variable compensation for the purposes of this Policy, without prejudice to the possible non-application of certain requirements of the variable compensation payment cycle as established in the EBA Guidelines.

Ordinary payments related to the length of the applicable notice periods shall not be considered severance payments.

On an exceptional basis, post-contractual non-competition agreements may be established in the contracts of the members of the Company's Identified Staff.

The amount of severance payments for early termination is considered as variable remuneration in accordance with the applicable regulations and will be subject to the adjustments for deferment, payment in instruments, ratio of variable

remuneration to fixed remuneration and the malus and clawback clauses described above.

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

4.1. Number of persons receiving a remuneration of one million euros or more per financial year

There is no professional who receives a total remuneration equal to or greater than one million euros.

4.2. Principle of proportionality

In accordance with the Remuneration Policy, the Company may apply the exception set out in Article 94(3)(b) of Directive 2013/36/EU, i.e. the provisions of the Remuneration Policy regarding deferral rates and periods. Payment in instruments and withholding policies shall not apply to members of the Identified Staff whose annual variable remuneration does not exceed €50,000 and does not represent more than one third of their total annual remuneration, which shall be paid in cash on the relevant payment date.

In this regard, in 2021 the Company applied the principle of proportionality to the following members of the Identified Staff:

	Members of the Identified Staff
No. of beneficiaries	20
Non-executive Directors	12
Senior Executives	7
Control functions	1
Fixed remuneration 2021	1,631,747
Variable remuneration 2021	232,187
Total remuneration 2021	1,863,934

4.3. Aggregate quantitative information on the remuneration of the Identified Staff

During the 2021 financial year, the remuneration paid to the Identified Staff to which the current regulatory provisions concerning remuneration apply, according to the duties of the various professionals of the Company, is detailed below.

	Non-executive Directors	Executive directors	Other (includes professional members of the Investment Banking and Commercial Banking areas) ⁷	Total Identified Staff
No. of professionals identified	12	3	9	24
Senior Executives	0	3	8	11
Control functions	0	0	1	1
Fixed remuneration 2021	€521,800	€844,087	€1,301,947	€2,667,834
Variable remuneration 2021	-	€114,234,64*	€286,720	€400,954,64
In cash	-	€57,117	€255,910	€313,027
In instruments	-	€57,117	€30,810	€87,927
Deferred and unpaid variable remuneration	-	€76,156,43*	€41,080	€117,236,43
In cash	-	€38,078,21	€20,540	€58,618,21
In instruments	-	€38,078,21	€20,540	€58,618,21
Deferred remuneration paid in 2021	-	-	-	-
In cash	-	-	-	-
In instruments	-	-	-	-

⁷ There are no members of Identified Staff who exercise duties in the area of asset management.

*The remuneration of the Chief Executive Officer is not included.

No, beneficiaries of severance payments	N/A	N/A	N/A	N/A
Amount of severance payments	N/A	N/A	N/A	N/A
Payments for new hires				

In relation to the above amounts, no case has arisen for the application of adjustments by means of malus or claw-back clauses,