



Policy on Conflicts of Interest on Matters Relating to
the Securities Market
CaixaBank S.A.
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Version control

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1 Introduction

1.1 Background

Caixabank, S.A. (hereinafter CaixaBank) as a credit institution authorized to provide all investment services, must pay particular attention to the activities of investment research and consulting, proprietary trading, portfolio management and the provision of financial services to companies, including underwriting or selling as part of a securities offering and advice on mergers and acquisitions. Therefore, in this conflicts of interest on matters relating to the securities market policy, CaixaBank, S.A. sets out the circumstances that could give rise to actual or potential conflicts of interest in the provision of investment and corporate banking services, and the procedures to be followed in managing these.

1.2 Concepts

“**Policy**” means CaixaBank’s Policy on conflicts of interest.

“**Entity**” means CaixaBank, S.A.

“**Group**” means the CaixaBank Group, the financial group formed by CaixaBank and its dependent companies.

“**Affected Persons**” means all CaixaBank S.A. employees, including contracted and subcontracted employees, related agents, executives and members of the Board of Directors.

“**ICR**” means the Internal Conduct Regulations on the securities market.

“**Related Persons**” means the following people:

- a) People with a family relationship up to the second degree with an affected person, whether through blood or marriage (ascending, descending, siblings, spouses and persons related by analogous relationships) pursuant to prevailing legislation, and the children of a spouse or common-law partner in the care of the affected person.
- b) Any legal person, trust or partnership in which the affected person or the persons indicated in the previous paragraph discharges managerial responsibilities or that are directly or indirectly controlled by such a person, or that has been set up for the benefit of such a person, or whose economic interests are substantially equivalent to those of such a person.

Control is deemed to exist over any legal person when:

- 20% or more of the voting or economic rights of that legal person are held directly or indirectly, or through a relationship of control;
- there is a relationship of control,
- there is a lasting connection with that person via a relationship of control.

A "relationship of control" is deemed to exist when:

- i. the majority of voting rights are held,
- ii. there is the ability to appoint or remove the majority of the members of the administrative body,
- iii. by virtue of agreements with third parties, the majority of voting rights can be held;
- iv. it has appointed the majority of members of the governing body, where these individuals hold their positions at as of the date of preparation of the consolidated financial statements and during the two years preceding that date.

- c) Legal persons with which the person affected by the conflict of interest, or any of the persons described in paragraphs (a) or (b) above, has economic ties due to their direct or indirect ownership of a stake or interest in that legal person exceeding 5% of its share capital, or at which they hold an executive post.

1.3 Purpose

The objective of this Policy is to implement all of the steps required to act in the best interest of its customers and offer them the utmost protection. We can summarise the underpinnings of the Policy as:

- Identification of conflicts of interest
- Prevention
- Management
- Logging
- The elimination of actual, possible and future conflicts of interest
- Communication with customers and information, as necessary

This Policy sets out a general framework for the identification, prevention and management of conflicts of interest related to the provision of investment and associated services. It is complemented by other internal policies and procedures setting down regulations for more specific areas.

2 *Scope of application of CaixaBank's Conflicts of Interest Policy*

2.1 Objective and scope

The Policy applies to all services, activities, departments or areas within CaixaBank that are related to providing investment services. In particular, it shall apply to all departments, areas and work groups that, because of their services or activities, are considered separate areas, as defined in CaixaBank's internal regulations and procedures. Other CaixaBank Group companies and their subsidiaries may have their own conflicts of interest Policy, as necessary.

2.2 Scope of subjective application

The Policy applies to all affected persons, as defined in the "Concepts" section.

3 *Regulatory Framework. Applicable Standards and Regulations*

This policy shall be governed by Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council (MiFID I) as regards organisational requirements and operating conditions for investment firms and its transposition through Law 6/2023, of 17 March on securities markets and investment services and the approval of Royal Decree 813/2023 of 8 November on the legal framework for investment firms and other entities providing investment services that are obliged to adopt effective measures to ensure the protection of their clients. Directive 2014/65/CE, on markets in financial instruments (hereinafter, "MiFID II") extended the requirements set down in MiFID I (both referred to jointly as "MiFID") to comply with customer protection and transparency objectives. All actual and potential conflicts of interest that arise in relation to the activities of CaixaBank, S.A. must be detected and avoided, or at least managed adequately if it is impossible to eliminate them.

Due to changes in this regulatory landscape and the services the Entity itself provides, it is important to draw up a specific policy in order to explain and regularly update these general rules, measures

and criteria governing this particular type of conflict of interest; all without prejudice to and pursuant to the provisions of the CaixaBank Code of Ethics, the Corporate Conflicts of Interest Policy and the Internal Conduct Regulations in the Securities Market currently in force.

4 Governance Framework

4.1 CaixaBank governing bodies

4.1.1 *Board of Directors*

The Board of Directors of CaixaBank is responsible for introducing a risk governance framework in keeping with the Group's risk appetite. This includes the promotion of a solid and diligent risk culture, establishing the risk appetite within a Risk Appetite Framework (RAF) and well-defined accountability for risk-taking, management and control.

The CaixaBank Board of Directors shall have the following functions:

- a. Establishes and monitors the implementation of a risk culture at CaixaBank that promotes behaviour consistent with the identification and mitigation of the risks of conflicts of interest in the securities market set out in this Policy.
- b. Establishing and maintaining a suitable organisational structure at CaixaBank for managing the risk and that is commensurate to the nature, scale and complexity of the activities that it carries out.
- c. Ensures that staff involved in risk management have the appropriate skills and experience.
- d. Ensures that there are sufficient internal controls for compliance with this Policy.
- e. Periodically receives the activity report of the Internal Conduct Regulations for Securities Markets.
- f. Ensuring the effective implementation of an ongoing policy on training and information for all staff members and, in particular, for those acting on behalf of the Entity who hold positions vulnerable to the risk of conflicts of interest in securities markets.

The Board of Directors may delegate any of the foregoing duties to the Audit and Control Committee, Risks Committee or other internal bodies should this be deemed appropriate to ensure the more effective implementation and enforcement of these duties. The approval of this Policy and any successive updates may not be delegated.

4.1.2 *Risks Committee*

The Risks Committee advises CaixaBank's Board of Directors on the Group's overall risk appetite and its related strategy. As part of the management of the risk of conflicts of interest in securities market, this Committee:

- a. Proposes approval of this Policy to the Board.
- b. Monitors the degree of adaptation of the assumed risk to the previously agreed profile and ensures that Group operations are consistent with the established tolerance levels.
- c. Determines, together with the Board of Directors, the information that the latter must receive and establishes the information that the Committee must receive, in such a way that knowledge of exposure to this risk is sufficient in the decision-making process.
- d. Oversees regulatory compliance risk in this scope of action and decision-making, detecting any risk related to non-compliance and monitoring this risk and examining possible shortcomings in an ethical manner.

- e. Verifies that the Group has the means, systems, structures and resources in accordance with best practices to implement its strategy for managing the risk of conflicts of interest in the securities market.
- f. Examines the reporting and control processes for the Group's risks, as well as information systems and indicators.

4.1.3 Global Risks Committee

The CaixaBank Global Risk Committee reports to the Risk Committee and is responsible for globally managing, controlling and monitoring conflict of interest in the securities market risk, among others.

To this end, it analyses the global positioning in relation to this risk and establishes, directly or through its delegated committees, the policies or procedures that optimise its management, monitoring and control within the framework of the Group's strategic objectives.

The Committee is specifically responsible for adapting the strategy in this area to what is set out in the Risk Appetite Framework by the Board of Directors, coordinating measures to mitigate any breaches and reactions to early warnings, as well as keeping CaixaBank's Board of Directors informed through its Risks Committee of the main lines of action and their status in the Group.

4.2 Remit of CaixaBank's corporate bodies in relation to conflicts of interest in the field of securities markets

4.2.1 Management Committee

All employees are responsible for compliance with this policy. The Management Committee is responsible for ensuring that the systems and controls established comply with the requirements of applicable regulations.

In this regard, the Management Committee must:

- a. Be involved in identifying and managing conflicts.
- b. Be aware of the conflicts identified and the mitigation measures in the business areas under their supervision.
- c. Oversee the implementation of the policies and procedures implemented to ensure consistent treatment of conflicts and ensure fair treatment for customers throughout the Entity.
- d. Ensure that it receives information on the conflicts that arise and how they are managed.
- e. Periodically receipt of the activity report of the Internal Conduct Regulations for Securities Markets.

4.2.2 Internal Regulatory Control Committee

The ICR Committee, whose activity will be governed by an operating Regulation, will have the following duties, which include but are not limited to the following:

- a. Promoting compliance with this Policy.
- b. Identifying and assessing, with the assistance of the Compliance Department, compliance risk issues arising from this Policy.
- c. Proposing to the Management Committee the procedures and action plans for managing the risks arising from this Policy.
- d. Interpreting the specific applications of the Policy.
- e. Submitting to the CaixaBank Management Committee the periodic activity report on Internal Conduct Regulation activity issued by the Compliance Department.

5 *Conflicts of interest management framework for the securities market*

5.1 General principles

Without prejudice to the specific duties and obligations set down in this Policy, all affected persons must provide services and carry out their work honestly, impartially and professionally, and always in the best interests of their customers. The following general principles of action must be respected, without prejudice to the provisions of the CaixaBank Group's Code of ethics and corporate Policy concerning conflicts of interest:

Independence: Affected Persons must act at all times with freedom of judgement and loyalty to CaixaBank, its shareholders and customers, and independently of their own interests or the interests of any parties that may be related to them. Accordingly, they shall abstain from placing their own interests ahead of those of CaixaBank, from placing those of CaixaBank ahead of those of their customers, and from placing those of certain customers ahead of other customers.

Abstention: Affected Persons must abstain from participating in or influencing decisions that may affect the persons or companies with whom a conflict exists, as well as from accessing inside or privileged Information that might affect that conflict.

Communication: Affected Persons must inform the Compliance Department of any conflicts of interest in the securities markets in which they may be involved due to their activities outside CaixaBank, their family relationships, their personal assets or for any other reason. This circumstance must be reported as soon as possible, and in any case before reaching any decision that might be affected by the potential conflict of interest.

Any doubts as to whether or not a conflict of interest exists must be brought before the Compliance Department.

5.2 Definition of conflicts of interest and identification of situations representing possible conflicts

This Policy covers all classes of actual and potential conflicts that might harm the interests of CaixaBank's customers. We can divide conflicts of interest into the following main groups:

- **Conflicts between the interests of CaixaBank and the interests of its customers:** i.e. situations in which, for commercial reasons, CaixaBank might put its own interests ahead of those of its customers, for example through incentives that bias advice on the investments it offers.
- **Conflicts between the interests of CaixaBank employees and the interests of its customers:** i.e. situations caused by the receipt of incentives from third parties or because the company's remuneration structure does not incentivise action in the best interests of customers, such as remuneration policies that foster risks of misselling due to the objectives set, or when managers prioritise actions on their own behalf ahead of those of their customers in the event of good investment opportunities.
- **Conflicts between the interests of two or more CaixaBank customers:** the interests of one customer may sometimes conflict with those of another, such as for example in situations in which CaixaBank might be able to prejudice the interests of one customer with regard to another (e.g. through the assignment of orders amongst customer accounts in limited investment opportunities with great potential).
- **Conflicts between CaixaBank Group companies:** situations in which the interests of other CaixaBank Group companies might have an influence when providing investment services to customers by prioritising their interests.

- **Conflicts between CaixaBank areas, departments and work groups:** i.e. situations in which conflicts might arise within CaixaBank due to the differing nature of the activity of each area, which might generate conflicts resulting in a particular area not acting objectively or in the client's best interest.
- **Conflicts between CaixaBank and other investment services companies:** situations in which agreements or relationships with other investment services companies that might have an influence when providing investment services to customers by prioritising their interests.

In order to identify the types of conflicts of interest that might arise when providing investment or ancillary services, or a combination of the two, the existence of which may impair the interests of a customer, it is necessary to consider, at least, whether CaixaBank or any other persons covered by the scope of application of this Policy might find themselves in any of the following situations, whether as a consequence of providing investment or ancillary services, engaging in investment activities, or for other reasons:

- (i) CaixaBank or the affected person can obtain a financial profit or avoid a financial loss, at the expense of the client.
- (ii) CaixaBank or the affected person have an interest in the outcome of a service rendered to the customer, or of a transaction made by the customer that it is different from the customer's interest.
- (iii) CaixaBank or the affected person have financial or other incentives to promote the interests of another customer or group of customers over the interests of the customer.
- (iv) CaixaBank or the affected person engages in the same activity as the customer.
- (v) CaixaBank or the affected person receives, or is going to receive, an incentive from a person other than the customer in relation to a service provided to the customer, in the form of money, goods or services, in addition to the usual fee or remuneration for the service.

Obtaining a benefit or avoiding a loss will not be sufficient for these purposes unless it also entails possible harm or loss for a customer.

It is not necessary that the risk of harm to one or more customers actually materialises. The mere existence of a possible risk of harming customers' interests warrants in itself the effective application of this policy.

5.3 Possible conflicts of interest

When identifying conflicts of interest, CaixaBank considers the circumstances surrounding the investment services it provides, the persons involved, and the existence of potential scenarios that might undermine the interests of the customer.

The following circumstances have been identified as potentially giving rise to a conflict of interest that might undermine the interests of customers:

1. **Key transactions.** One of the Entity's financial intermediaries could be involved in a transaction in which there is a predominant interest, and for which they are also the analyst, lender, etc. creating an incentive to place their interests above those of their customers.
2. **Loans to investors.** The Entity may offer loans at less than market rates to investors on condition that the funds are used to subscribe to the instruments in an issuance, in order to try to guarantee its success.
3. **Spinning.** When involved in initial public offerings (IPOs), the Entity might be tempted to place shares with the directors or executives of its customers, seeking to generate future business. Such practices transfer wealth to these persons at the expense of the other investors.

4. **Front running.** This conflict involves the Entity's capacity to perform transactions on its own account at an advantage, to the detriment of those performed by customers, which might impact the market.
5. **Reverse front running.** This conflict arises when the Entity performs transactions for one customer to the detriment of those performed by other customers that might impact the market.
6. **Own-account transactions.** This conflict arises when the Entity uses its position to guarantee itself contracts and business with its customers. This arises when the Entity manages the assets of a customer while at the same time acting as the counterparty in this.
7. **Incompatibility with client interests.** The Entity may have relationships with two or more customers who have a conflict of interests between themselves.
8. **Involuntary cross selling and tied selling.** This situation arises when a customer is forced to acquire additional products or services to have access to a particular financial service or contract.
9. **Misleading information.** The Entity may be reluctant to provide information on, for example, its own management (particularly if this is not positive), if this could harm business generation. This conflict may also arise when information is provided to clients about particular aspects that might be harmful to them or more beneficial to the Company (*e.g.* limiting information on alternative sources of funding when providing advice on corporate finance strategies in which the option of issuing securities is offered as an alternative while providing underwriting and placement services for financial instruments).
10. **Biased advice.** The Entity's capacity to guide the customer's investments, directing them to alternatives that foster the Entity's interests, rather than those that best meet their needs.
11. **Excessive trading.** This conflict arises when the Entity artificially increases the transactions associated with a customer's portfolio in order to increase its fee revenues.
12. **Non-performance of order execution.** The Entity may not execute a client order if doing so would benefit the Company. This could also arise if payment were delayed to increase liquidity.
13. **Loans for inappropriate investments.** The Entity may tempt customers to leverage their investments through loans, exposing them to market risk and high borrowing costs.
14. **Conflicting analysis and advice.** Investment analysis may give rise to various conflicts of interest, such as:
 - conflicts deriving from the professional remuneration and promotion of the individual analyst,
 - conflicts with the provision of other investment services (mainly underwriting and placement activities and stock market intermediation services);
 - conflicts with the shareholding of the company, the analyst or an employee of the company that is the subject of the report or recommendation.
15. **Inappropriate recommendations.** This conflict of interest arises when the Entity offers its customers particular financial products or provides them with specific services that might objectively represent good investment options, but not the best option for the customers' needs.
16. **Biased portfolio management.** This conflict can arise in situations such as: (i) where, having launched a secondary offering, the Entity is unable to place all of the shares and is tempted to allocate unwanted shares to portfolios over which it exercises absolute discretion; (ii) where priority is given to own products of those of Group companies when offering products, ahead of third-party products that might offer better margins or returns; (iii) when optimistic or pessimistic recommendations are given in situations where a Group entity is coordinating, leading or underwriting an issuance of securities, in comparison with an own issuance; etc.

17. **Customer privilege.** Important customers tend to receive better services than others (in other industries as well as financial services). A conflict of interest arises when this discrimination harms the interests of one customer segment to the benefit of another. This privilege has recently arisen in practices known as “market timing” and “late trading”.
18. **Transfer of credit risk to investors.** This conflict can arise when the entity is highly exposed to a company whose credit risk has increased. The Entity may therefore be tempted to help this company in the issuance of its instruments, transferring the credit risk from the financial institution to the investors.
19. **Scaling.** This occurs when the Entity tries to motivate its customers to acquire stock in an IPO in the initial days of trading, promising preferential treatment. The conflict arises because its real interest is in guaranteeing the success of the IPO.
20. **Inadequate use of inside information.** This conflict arises when the Entity acquires relevant information from a customer that has not been disclosed to the market, which it then uses for its own benefit or the benefit of its customers. This may arise, for example, when the Entity, as the lender, obtains private information from the customer, which can be used to harm its interests (“misuse of private information”).
21. **Biased allocation of transactions.** This conflict arises when the Entity invests in a security jointly with its customers. This means that the Entity can benefit from the acquisition, holding and settlement of an investment, to the detriment of its customers.
22. **Use of securities in custody with customer authorisation.** This conflict involves the use of securities belonging to a customer that are in custody with the Entity, which the Entity uses for its own-account trading or in transactions on account of other customers.
23. **Transactions not at market price.** This conflict arises when the Entity has the capacity to simultaneously manage two or more portfolios, carrying out transactions between them that are not at market prices, so as to profit its own position or benefit some customers to the detriment of others.
24. **Sales in markets with limited liquidity.** Sales of securities on behalf of customers in markets that are not very liquid or transparent, obtaining a profit for itself or others.
25. **Incentives.** The Entity or its employees may receive incentives, understood as any fee, commission or non-monetary benefit paid or received by the Entity for providing an investment or associated service to a customer or the marketing or sale of financial instruments. For example, this conflict can arise in the following circumstances: (i) when the Entity offers its clients financial instruments for which it receives greater economic rewards (e.g. because of higher fees), such that it has an implicit incentive to sell or recommend products based on its own interests rather than those of its clients; (ii) when the Entity’s agreements with third parties could induce or reward the marketing of a particular financial instrument or the provision of an investment service.
26. **Issuances not at market price.** This conflict arises when the Entity recommends setting an issue price to the customer that is above or below the market price, in order to foster its own interests or those of its other customers over those of the issuer.
27. **Laddering.** The companies involved in an issuance, including the Entity, may place financial instruments to incentivise payment of disproportionately high fees for services not related to the service provided by the Entity.
28. **Own-account issuances, placements and/or underwriting.** This conflict arises when the Entity markets financial instruments to its customers that it has issued, placed or underwritten itself, considering its own interests rather than those of its customers.
29. **Loans to issuers.** This conflict arises when an issuer-customer has a loan from the Entity that will be amortised through the funds obtained as a result of an issuance entrusted to the Entity.

- 30. Difference between similar products.** This conflict arises when orders are executed or decisions taken to trade OTC products, including tailored products, without checking the fairness of the price proposed to the customer by collecting the market data used in estimating the price for the product or, as far as possible, comparing it to similar or comparable products.
- 31. Direct and indirect Investments.** This conflict arises when a financial instrument invests in or is benchmarked, directly or indirectly, against a financial instrument issued by a Group entity.
- 32. Influence between areas.** This conflict relates to the capacity of some areas of the Entity to influence decisions by other areas or centres.

The Business Control units attached to areas that provide investment services or take part in activities relating to the securities market shall identify relevant scenarios for potential conflicts of interest in the conflict of interest catalogue and inform the Compliance Department of the suitability of the measures adopted to manage any conflicts of interest liable to occur in such scenarios.

Any doubts as to whether or not a conflict of interest exists must be brought before the Compliance Department.

The Compliance Area shall include any incidents it identifies in this area in its regular report to senior management and the Audit and Control Committee, pursuant to the Internal Conduct Regulations at least once a year.

5.4 General measures for the prevention and management of conflicts of interest

Having identified the circumstances likely to give rise to potential conflicts of interest, and it being impossible to avoid their existence, CaixaBank has put the following measures in place to manage any potential conflicts of interest that might arise, and, within reason, to avoid significant risks of undermining the interests of its customers.

In this regard, it should be noted that the areas potentially generating conflicts of interest at CaixaBank have internal procedure manuals containing measures to prevent or manage conflicts of interest in accordance with this policy, which are reviewed by the second line of defence.

In addition, the business areas and Business Control units, as the first line, within the Three Lines of Defence corporate model detailed in section 6, shall be responsible for identifying, recording and notifying the compliance function of potential conflicts of interest that may arise and shall be included in the conflicts of interest catalogues.

Without prejudice to these, this section sets out the main measures that underpin the prevention and management of conflicts of interest.

These will be supplemented by any measures that CaixaBank deems necessary to manage new potential conflicts it identifies in its investment services activity.

These measures to manage conflicts of interest can be grouped into the following categories, depending on the subjects involved: some may be applicable to several categories:

- Between CaixaBank and its clients:
 - Control of own-account transactions:
 - CaixaBank's own-account transactions involving marketable securities or financial instruments are carried out in a separate area to avoid potential conflicts with respect to the provision of services to third parties. Potential source areas have a procedures manual that includes a specific section to avoid the existence of incentives in the provision of investment services or in the marketing of financial instruments.
- Between CaixaBank clients:
 - Priority of customer transactions:

Pursuant to applicable regulations, CaixaBank has put in place a best execution Policy, which aims to obtain the best results for its customers, by providing a receipt, transfer and execution service for orders.

CaixaBank's best execution Policy establishes, inter alia, priority criteria for avoiding potential conflicts of interest.

- Between Group companies:

- Priority of customer transactions:

Pursuant to applicable regulations, CaixaBank has put in place a best execution Policy, which aims to obtain the best results for its customers, by providing a receipt, transfer and execution service for orders.

If the service of reception, transmission and execution of orders is provided to any of the CaixaBank Group companies, they will receive the same treatment as any other customer, applying the principles set out in the Best Execution Policy with regard to the priority of orders at all times.

In order to prevent such conflicts, CaixaBank has developed a range of internal policies, manuals and procedures, setting out specific measures to ensure the prevention and management of any conflicts of interest that might arise.

- Between CaixaBank areas, departments and work groups:

- Establishing separate areas:

Departments and working groups involved in activities related to the securities market have been established as separate areas within CaixaBank, both in relation to the rest of the organisation and between each other, to prevent or control the exchange of information between Affected Persons who participate in activities that generate the risk of a conflict of interest, when this exchange might prejudice CaixaBank or the interests of one or more customers, and to avoid the flow of privileged information; among others, the areas that carry out activities of own portfolio management, third-party portfolio management, analysis, investment banking, brokerage in negotiable securities and financial instruments, as well as any other areas with regular access to Insider Information.

The companies of the Group that provide investment services or that carry out investment activities shall also be deemed separate areas, both between each other and with the departments of CaixaBank engaged in this type of services or activities.

- Separate supervision of Affected Persons

Affected persons whose functions are to carry out activities or provide investment services on behalf of or for the benefit of clients form part of separate areas and are therefore subject to the ICR. In circumstances where interests are conflicting or represent different interests that may conflict, including those of CaixaBank, they are supervised by the first and second line of control established in section 6 of this Policy and by the person in charge of the area.

- Exercising undue influence

CaixaBank has established hierarchical and governance lines in decision-making within areas that provide investment services to prevent any person from exercising undue influence over the way in which an affected person performs their duties.

- Simultaneous involvement in various activities and services

In order to prevent the simultaneous or consecutive involvement of an affected person in different services or activities, in so far as such involvement may be detrimental to the proper management of conflicts of interest, areas providing investment services shall

establish separation of teams. If conflict management is not possible, the mandate for the provision of the service should not be accepted.

- Other

- Remuneration policies

Under no circumstances may the remuneration system for persons providing investment or ancillary services be linked to certain investment banking transactions carried out by CaixaBank or by any legal person related to CaixaBank. Neither may remuneration schemes be established that directly relate the remuneration of Affected Persons who carry out different activities, or between the revenues generated by these people, where a conflict of interests might arise in relation to the activities they carry out.

Under the prevailing regulations, the Compliance Department will regularly check the remuneration systems in place to ensure they comply with these principles and limits.

- Permitted incentives

CaixaBank shall provide its investment services and perform investment activities with honesty, impartiality and professionalism, in the best interests of its customers.

CaixaBank shall be able to pay or offer to a third party, or receive from a third party or individual acting on behalf of this third party, fees, commission or non-monetary considerations for providing an investment or associated service to a customer to the extent that this payment improves the quality of the service rendered to the customer and does not impede CaixaBank from acting in the best interests of the customer. In these circumstances, before the investment or associated service is provided, CaixaBank shall furnish the customer with full, accurate and understandable information on the existence, amount and nature of the fees, commission and benefits offered by CaixaBank or the third party or, if it is not possible to calculate the amount, the method of calculating the aforementioned sum.

The aforementioned communication obligation does not refer to the fees that enable investment services to be rendered or other fees required for this purpose, such as custody fees, settlement or exchange fees, taxes or legal advisory fees, which, due to their nature, cannot enter into conflict with CaixaBank's duty to act with honesty, impartiality and professionalism and in the best interests of its customers.

Affected Persons may not accept - for themselves or for their related persons - gifts, favours, gratifications or other benefits in relation to the work they perform in CaixaBank, except in circumstances acceptable under CaixaBank's normal practices, as set down in its internal regulations.

In order to facilitate the identification of potential conflicts of interest that might arise in the provision of investment and associated services, a non-exhaustive list of potential conflicts of interest that are embodied in the various conflicts of interest catalogues is provided in Appendix I.

5.5 Procedure for the resolution of identified conflicts of interest

Any conflicts of interest shall be resolved by the head of the area or department involved. If several areas are affected, the conflict of interest shall be resolved by the immediate supervisor of all those areas. If none of these rules can be applied, it shall be resolved by the person appointed by the Compliance Department.

The following rules shall be followed when resolving conflicts of interest:

- (i) In the event of a conflict between CaixaBank and a customer, the interests of the latter shall be protected.

- (ii) In the event of a conflict between customers:
 - a) Avoid favouritism,
 - b) customers shall not be provided with the details of transactions performed by other customers under any circumstances,
 - c) customers shall not be encouraged to perform a specific transaction for the purpose of benefiting another.

If the measures adopted by CaixaBank are insufficient to guarantee, with reasonable certainty, that the risks of prejudicing customers' interests have been mitigated, the Entity shall notify the affected parties of the nature and source of the conflict, and shall only be able to provide the services or perform the transactions giving rise to the conflicts of interest if authorised to do so by the customers. If no management measures are possible and the customers are not informed of this, the transaction shall not go through.

The Compliance Department shall be notified of the decision on the conflict of interest and any resulting issues or incidents.

5.6 Procedure for registering services or activities that give rise to conflicts of interest

Conflicts that arise but were not identified as potential in the scenarios analysed by the business areas, or that have been managed other than as initially envisaged in internal procedures shall be communicated to the Compliance Department, which will analyse the proposed management and resolution, and include these in the conflicts of interest register. In addition, the separate areas will include these new conflicts as potential conflicts of interest in their procedures.

The Compliance Department shall keep an updated register of the types of investment and associated services provided and investment activities performed by or on behalf of CaixaBank where conflicts of interest have arisen leading to a significant risk of damaging the interests of one or more customers or, in the case of an ongoing service or activity, of those where a conflict of this type could occur.

The following information shall be recorded and numbered correlatively in the register in a clear manner that cannot be manipulated:

- (i) The identity of the Affected Persons that have been exposed to the conflict of interest.
- (ii) The date on which the conflict arose.
- (iii) The instruments or services involved in the conflict.
- (iv) The reason for the conflict arising and an exhaustive description of the situation.
- (v) A description of the process of managing, minimising or, where applicable, mitigating the conflict.

Any specific identification of a conflict of interest that arises but was not identified as potential in the scenarios analysed by the business areas, or that have been managed other than as initially envisaged must be registered by the employee or the business control units following the procedures laid down in the prevailing internal regulations.

5.7 Communications and notices to customers concerning conflicts of interest

The units responsible for providing investment services must provide customers, upon their request, to whom they render or perform investment services or activities involving financial instruments governed by securities market regulations with the following, prior to these services or activities being contracted:

- a) a summary of CaixaBank's conflicts of interest policy setting out the general procedures and measures established to mitigate and handle conflicts of interest

- b) the full version of this Policy will be available to the customer on the CaixaBank website. The customer may request a hard copy of this at any time.

Should the measures adopted by CaixaBank be insufficient to guarantee, with reasonable certainty, the prevention of risks of prejudicing customers' interests due to a conflict of interest, CaixaBank shall notify the customer in printed form of the nature and source of the conflict, before acting on their behalf. It shall include the following data to enable the customer to make an informed decision given the cause of the conflict:

- (i) The existence of the conflict.
- (ii) The general nature of the conflict and the source thereof.
- (iii) The possible impacts that the conflict could have in the context of the corresponding investment service rendered or activity performed.
- (iv) The measures adopted to mitigate the conflict of interest.

Disclosing the existence of a conflict of interest to the customer must be considered a last resort, only to be used when the organisational and administrative measures established to prevent and manage such conflicts prove insufficient to ensure the prevention of the risk of harm to the customer's interests.

5.8 Training for conflicts of interest

All Affected Persons, including those joining CaixaBank, must receive general training on the content of this Policy and, in particular, the specific content affecting them individually. Training updates shall be given in the event that established requirements and procedures are modified, either in response to new regulations affecting these requirements or to make the identification, prevention and management of conflicts of interest more effective.

6 Control Framework

CaixaBank has established an internal control framework pursuant to the three lines of defence model, which ensures the strict separation of functions and the existence of several layers of independent control:

- The **first line of defence** will be integrated into the operating units that effectively manage conflicts of interest in the securities market. These units will be responsible for implementing internal policies and procedures and will proactively implement risk identification, management, and mitigation measures in relation to conflicts of interest in the securities market environment; they will establish and introduce adequate controls, and will be responsible for knowing and applying the obligations resulting from this Policy.
- The Compliance function, as an internal control function that constitutes the second line of defence against the risk of conflicts of interest in the securities market, shall ensure the quality of the entire conflict of interest management process; it will review the consistency with the internal policy and the public guidelines of the related processes; it shall conduct specific controls on the implementation of the Policy; it will provide guidance on the design and review of processes relating to conflicts of interest in the securities market and on the controls to be put in place in securities risk management units.

Specifically, in the Entity's own sphere of action, the Compliance Department acts as a second line of defence in the definition, measures, management, registration, and training of conflicts of interest in the securities market.

- The internal audit function, as the **third line of defence**, is an independent and objective function for assurance and consultation; it is designed to add value and improve Group

operations. It plays an important role in achieving the strategic objectives of the CaixaBank Group, providing a systematic and disciplined approach to evaluating and improving risk control and management processes and corporate governance. In particular, Internal Audit will supervise the activities of the first and second lines of defence so as to provide reasonable levels of assurance to senior management and the governance bodies. It will periodically check the effectiveness and efficiency of the management framework of the Policy, including first- and second-line controls, and the compliance with the applicable laws, the requirements of supervisory bodies and the internal policies and procedures related to this risk. Based on the results of its controls, it will issue valuable recommendations to the areas, monitor their proper implementation and, where appropriate, make recommendations to the governance bodies and propose possible improvements.

7 Reporting Framework

The establishment of an adequate report framework is essential for the management of the risk of preventing conflicts of interest in the securities market environment.

The main objectives of this reporting framework are as follows:

- Provide Governance Bodies and Senior Management with precise, clear and sufficient information in advance to help decision-making.
- Meet the reporting requirements of regulatory bodies.

For its part, the Compliance Department will periodically provide the Governing Bodies and Senior Management with the report on the activity of the Internal Conduct Regulation in the field of the securities market.

8 Policy Updates

This Policy will be reviewed by the Board of Directors once every three years.

However, as the body responsible for the Policy, the Compliance department, attached to CaixaBank's Compliance, Control and Public Affairs division, shall conduct annual reviews of the information contained in this Policy and, if it sees fit, shall propose amendments to present to the Board of Directors for approval.

In addition, any update to the Policy may be initiated at any time at the request of any of those involved in conflict of interest risk management that may have identified the need to for its amendment, on the grounds of, for example:

- Changes in the regulatory framework.
- Changes in business strategy or objectives.
- Changes in the management approach or processes.
- Changes deriving from the results obtained during follow-up and control activities.
- New policies or modifications to existing policies that affect the provisions of this Policy.
- Modification of the organisational structure involving a change in conflict of interest risk management functions.

As part of the review procedure, the party responsible for the Policy will:

- It shall share the results of the analysis carried out with all others involved in managing conflicts of interest and shall make the necessary amendments to the Policy.
- Include a summary of the review carried out in the "Version control" section of the Policy.
- Propose that the Global Risks Committee submit the review to the Risks Committee, where its approval will be sought prior to its submission to the Board of Directors for approval.

However, minor changes made outside the default period (three years) may be approved by the Global Risks Committee. For these purposes, minor modifications are understood to be those resulting from organisational changes without implications for conflict of interest risk management functions, purely typographical corrections or as a result of updating the documents referenced in the Policy¹. The Risk Committee must always be informed of any amendments approved by the Global Risk Committee. If the Risks Committee sees fit, it may escalate any such amendments to the Board of Directors.

Furthermore, the Compliance Department will be responsible for the storage and accessibility of this Policy and will ensure the correct functioning of the archiving, distribution and, where applicable, publication processes. Access to the policy will be restricted to those persons indicated by the Compliance Division at the pertinent time.

¹ The "updating of documents referred to in this Policy" would include only the transcription of excerpts of documents approved by the competent bodies (Board of Directors, Global Risks Committee, etc.) or of regulatory provisions, provided that the amended content is not subject to regulation by the Policy.

9 Appendix I: Non-exhaustive list of potential conflicts of interest and mitigating measures for each investment and associated service.

Potential conflict of interest	Services affected	Management measure
1. Main operations	<ul style="list-style-type: none"> · Receipt and transmission of client orders · Granting of loans · Investment analysis 	<ul style="list-style-type: none"> · Determination of separate areas · Physical separation measures · Best execution policy · Remuneration policy · Communication and notification to clients · Training and other internal policies and procedures
2. Loans to investors	<ul style="list-style-type: none"> · Granting of loans · Underwriting · Placement 	<ul style="list-style-type: none"> · Determination of separate areas · Remuneration policy · Communication and notification to clients · Training and other internal policies and procedures
3. Spinning	<ul style="list-style-type: none"> · Underwriting · Placement · Advice to companies 	<ul style="list-style-type: none"> · Determination of separate areas · General duties in relation to privileged information · Communication and notification to clients · Internal manuals and procedimientos relating to provision of the underwriting and placement service · Training and other internal policies and procedures
4. Front running	<ul style="list-style-type: none"> · Receipt and transmission of client orders · Execution of customer orders · Dealing on own account 	<ul style="list-style-type: none"> · Determination of separate areas · Best execution policy · Communication and notification to clients · Training and other internal policies and procedures
5. Reverse front running.	<ul style="list-style-type: none"> · Receipt and transmission of client orders · Execution of customer orders 	<ul style="list-style-type: none"> · Determination of separate areas · Best execution policy · Communication and notification to clients · Training and other internal policies and procedures

6. Proprietary transactions	<ul style="list-style-type: none"> · Dealing on own account · Discretionary portfolio management · Investment advisory services 	<ul style="list-style-type: none"> · Determination of separate areas · Communication and notification to clients · Training and other internal policies and procedures
7. Incompatibility with client interests	<ul style="list-style-type: none"> · Receipt and transmission of client orders · Execution of customer orders · Investment advisory services · Advice to companies · Discretionary portfolio management 	<ul style="list-style-type: none"> · Determination of separate areas · Communication and notification to clients · Training and other internal policies and procedures
8. Involuntary cross selling and tied selling	<ul style="list-style-type: none"> · Receipt and transmission of client orders · Execution of customer orders · Investment advisory services · Advice to companies · Granting of loans · Discretionary portfolio management 	<ul style="list-style-type: none"> · Determination of separate areas · Remuneration policy · Communication and notification to clients · Training and other internal policies and procedures
9. Misleading information	<ul style="list-style-type: none"> · Receipt and transmission of client orders · Execution of customer orders · Discretionary portfolio management · Underwriting · Placement · Advice to companies 	<ul style="list-style-type: none"> · Determination of separate areas · Training and other internal policies and procedures
10. Biased advice	<ul style="list-style-type: none"> · Investment advisory services · Advice to companies · Discretionary portfolio management · Execution of customer orders 	<ul style="list-style-type: none"> · Determination of separate areas · Best Execution Policy · Communication and notification to clients · Training and other internal policies and procedures
11. Excessive trading	<ul style="list-style-type: none"> · Receipt and transmission of client orders · Execution of customer orders 	<ul style="list-style-type: none"> · Determination of separate areas · Best Execution Policy · Remuneration policy · Communication and notification to clients

		<ul style="list-style-type: none"> · Training and other internal policies and procedures
12. Non-performance of order execution	<ul style="list-style-type: none"> · Receipt and transmission of client orders · Execution of customer orders · Discretionary portfolio management · Dealing on own account 	<ul style="list-style-type: none"> · Determination of separate areas · Best Execution Policy · Communication and notification to clients · Training and other internal policies and procedures
13. Loans for inappropriate investment	<ul style="list-style-type: none"> · Granting of loans · Placement 	<ul style="list-style-type: none"> · Determination of separate areas · Remuneration policy · Communication and notification to clients · Training and other internal policies and procedures
14. Conflicting analysis and advice	<ul style="list-style-type: none"> · Investment analysis · Underwriting · Placement · Receipt and transmission of client orders · Execution of customer orders 	<ul style="list-style-type: none"> · Determination of separate areas · Physical separation measures · Best Execution Policy · Communication and notification to clients · Training and other internal policies and procedures
15. Inappropriate recommendations	<ul style="list-style-type: none"> · Investment advisory services · Advice to companies · Discretionary portfolio management · Underwriting · Placement 	<ul style="list-style-type: none"> · Determination of separate areas · Hierarchic levels within separate areas · Physical separation measures · Duty of loyalty, impartiality abstention and information · Communication and notification to clients · Training and other internal policies and procedures
16. Biased portfolio management	<ul style="list-style-type: none"> · Discretionary portfolio management · Dealing on own account · Underwriting · Placement 	<ul style="list-style-type: none"> · Determination of separate areas · Communication and notification to clients · Training and other internal policies and procedures
17. Cliente privilege	<ul style="list-style-type: none"> · Investment advisory services · Advice to companies · Discretionary portfolio management · Placement 	<ul style="list-style-type: none"> · Determination of separate areas · Communication and notification to clients · Training and other internal policies and procedures

18. Transfer of credit risk to investors	<ul style="list-style-type: none"> · Advice to companies · Dealing on own account · Placement 	<ul style="list-style-type: none"> · Determination of separate areas · General duties in relation to privileged information · Communication and notification to clients · Training and other internal policies and procedures
19. Scaling	<ul style="list-style-type: none"> · Receipt and transmission of client orders · Execution of customer orders · Investment advisory services · Advice to companies · Underwriting · Placement 	<ul style="list-style-type: none"> · Communication and notification to clients · Training and other internal policies and procedures
20. Inadequate use of inside information	<ul style="list-style-type: none"> · Affects all investment and ancillary services 	<ul style="list-style-type: none"> · Determination of separate areas · Physical separation measures · General duties in relation to privileged information · Training and other internal policies and procedures
21. Biased allocation of transactions	<ul style="list-style-type: none"> · Discretionary portfolio management · Dealing on own account · Execution of customer orders 	<ul style="list-style-type: none"> · Determination of separate areas · Best Execution Policy · Communication and notification to clients · Training and other internal policies and procedures
22. Use of securities in custody with client authorisation	<ul style="list-style-type: none"> · Dealing on own account · Discretionary portfolio management · Securities custody and administration 	<ul style="list-style-type: none"> · Determination of separate areas · Communication and notification to clients · Training and other internal policies and procedures
23. Transactions not at market price	<ul style="list-style-type: none"> · Discretionary portfolio management · Dealing on own account · Execution of customer orders 	<ul style="list-style-type: none"> · Determination of separate areas · Best Execution Policy · Communication and notification to clients · Training and other internal policies and procedures
24. Sales in markets with limited liquidity	<ul style="list-style-type: none"> · Receipt and transmission of client orders · Execution of customer orders 	<ul style="list-style-type: none"> · Determination of separate areas · Best Execution Policy

	<ul style="list-style-type: none"> · Discretionary portfolio management 	<ul style="list-style-type: none"> · Communication and notification to clients · Training and other internal policies and procedures
25. Incentives	<ul style="list-style-type: none"> · Affects all investment and ancillary services 	<ul style="list-style-type: none"> · Remuneration policy · Permitted incentives · Communication and notification to clients · Training and other internal policies and procedures
26. Issuances not at market price	<ul style="list-style-type: none"> · Advice to companies 	<ul style="list-style-type: none"> · Determination of separate areas · Physical separation measures · Communication and notification to clients · Training and other internal policies and procedures
27. Laddering	<ul style="list-style-type: none"> · Advice to companies · Placement 	<ul style="list-style-type: none"> · Determination of separate areas · Physical separation measures · Permitted incentives · Communication and notification to clients · Training and other internal policies and procedures
28. Proprietary issuances, placements and/or underwriting	<ul style="list-style-type: none"> · Underwriting · Placement · Placement advice to companies · Receipt and transmission of client orders · Investment advisory services · Discretionary portfolio management 	<ul style="list-style-type: none"> · Communication and notification to clients · Training and other internal policies and procedures
29. Loans to issuers	<ul style="list-style-type: none"> · Granting of loans · Advice to companies · Underwriting · Placement 	<ul style="list-style-type: none"> · Determination of separate areas · Physical separation measures · Communication and notification to clients · Training and other internal policies and procedures
30. Difference between similar products	<ul style="list-style-type: none"> · Underwriting · Placement · Placement advice to companies 	<ul style="list-style-type: none"> · Communication and notification to clients · Training and other internal policies and procedures

	<ul style="list-style-type: none"> · Receipt and transmission of client orders · Investment advisory services · Discretionary portfolio management 	
31. Direct and indirect investments	<ul style="list-style-type: none"> · Affects all investment and ancillary services 	<ul style="list-style-type: none"> · Communication and notification to clients · Training and other internal policies and procedures
32. Influence between areas	<ul style="list-style-type: none"> · Affects all investment and ancillary services 	<ul style="list-style-type: none"> · Determination of separate areas · Communication and notification to clients · Training and other internal policies and procedures