



## Underwriting and Placing Policy

CaixaBank, S.A.

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## 1 INTRODUCTION

Directive 2014/65/EU on markets in financial instruments ("**MiFID II**") has built on the requirements provided for in Directive 2004/39/EC ("**MiFID I**", the two Directives together hereinafter being referred to as "**MiFID**") with a view to comply with the objectives of client protection and transparency, inter alia. Under MiFID II, companies that provide advice on corporate finance strategy advisory and financial instrument underwriting and placing services must adopt, implement and have in place certain arrangements aimed at compliance with the above investor protection objectives.

Recital 57 of the Commission Delegated Regulation 2017/565/EU of 25 April 2016, supplementing MiFID II Directive as regards the organisational requirements and operating conditions for investment firms (the "**Delegated Regulation**"), provides that investment firms should ensure that their own interests or interests of their other clients do not improperly influence the quality of underwriting and placing services provided to the issuer client.

Having regard to this general principle, articles 38 to 43 of the Delegated Regulation list a number of requirements aimed at regulating the provision of underwriting and placing services, which are based on: (i) ensuring that additional information is supplied to the issuer client before a mandate to manage the offer is accepted; (ii) the adoption of certain measures to prevent and manage potential conflicts of interest that may arise in placing or underwriting activities; and (iii) the adoption of certain organisational measures to allow the appropriate oversight by the entity of compliance with these obligations.

Specifically, article 40 of the Delegated Regulation calls for the approval and implementation of an allocation policy that sets out the process for developing allocation recommendations, as well as any relevant information available on the issuance process and the proposed allocation methodology for issuance to all kinds of clients.

This framework document sets out the Underwriting and Placing Policy (the "**Underwriting and Placing Policy**" or the "**Policy**") implemented by CaixaBank, S.A. ("**CaixaBank**" or the "**Entity**") in respect of its underwriting and placing services and, specifically, the allocation policy on the basis of which CaixaBank makes allocation recommendations to its issuer clients.

This Policy shall be governed by the provisions of the applicable legislation in force from time to time and by any legislation amending or replacing it in the future.

In its CaixaBank Code of Business Conduct and Ethics (hereinafter referred to as the "**Code of Ethics**"), CaixaBank undertakes to act with the utmost professionalism, honesty and transparency in its dealings with its clients, even where this Underwriting and Placing Policy does not apply.

## 2 SCOPE OF APPLICATION

This Policy applies to all dealings between CaixaBank, S.A. and its clients in relation to the provision of corporate finance strategy advice involving financial instrument underwriting and placing services.

This Policy applies to and shall be mandatory for the Entity, as an entity authorised to render investment and/or ancillary services, and for all professionals and employees of the Entity engaging in activities directly or indirectly related to the provision of investment and/or ancillary services, including agents.

Specifically, the obligations and principles set out in this policy shall apply to the provision by CaixaBank of the following services:

- Placing of financial instruments; and
- Underwriting of financial instruments.

## 2.1 PLACING AND UNDERWRITING OF FINANCIAL INSTRUMENTS

CaixaBank places and/or underwrites financial instruments for its issuer clients in the primary securities market, on both regulated and unregulated markets.

Such offerings are made having regard to such restrictions as the issuer decides to include in the issue documentation, and are usually aimed at professional investors and eligible counterparties. The geographical limitations in respect of placing and/or underwriting are determined by the Entity's license and by the specific restrictions set out in the documentation concerning the transaction. In any event, CaixaBank, as placing/underwriting bank, shall comply with all such statutory and specific obligations as may be set out in the issue documentation.

The issue documentation must expressly state the existence of a placing and/or underwriting agreement executed between the issuer and CaixaBank and, as the case may be, may include additional information if so accepted by the issuer in relation to the existence of an order book or the pro rata rules to be applied in the placing and/or underwriting of the securities.

In the case of certain issues placed and/or underwritten in unregulated markets in which there is no obligation to provide an offering circular or offering memorandum, it may not be possible to expressly include the information referred to in the preceding paragraph. Notwithstanding, placings and/or underwritings in these kinds of markets shall be restricted to investors with sufficient knowledge and experience and, in any event, shall be assessed on an individual basis.

CaixaBank shall make every possible effort in all cases to achieve the best possible outcome in placings and allocations to clients, in line with the basic principles set forth in this Policy. Where an underwriting undertaking exists, i.e. where the Entity undertakes to subscribe the financial instrument itself where it is not possible to place the securities with investors, CaixaBank shall comply with its obligations in line with the clauses and covenants set forth in the underwriting agreement executed with the issuer client.

## 3 GENERAL PRINCIPLES GOVERNING UNDERWRITING AND PLACING ACTIVITIES

### 3.1 INFORMATION FOR THE ISSUER CLIENT

When providing underwriting or placing services in respect of financial instruments, CaixaBank shall inform the issuer client prior to managing the offering of the following:

- The tentative timing and the process with regard to the corporate finance advice on the pricing and placing of the financial instrument.
- The potential investors to whom the issuer may offer the issuance. CaixaBank shall provide the client with information on the type of targeted investors that may be suitable depending on the offering and the issuer, although this aspect must be agreed with the issuer client.
- Details of the job titles and departments involved in the pricing and advisory processes during the placing allocation process.
- The measures and policies in force at the Entity, adopted to prevent conflicts of interest.

Throughout the operation CaixaBank shall provide its clients with information about how the recommendation as to the price of the offering and the timings involved is determined. In particular, the issuer client shall be informed, where applicable, about any hedging or stabilisation strategies CaixaBank intends to undertake with respect to the offering, including how these strategies may impact the issuer client's interests.

During the offering process the Entity shall take all measures necessary to keep the issuer client informed about developments with respect to the pricing of the issue.

Before agreeing to provide underwriting or placing services and, therefore, accepting a mandate to manage the issuer client's offering, CaixaBank shall inform the issuer client of this policy in order to provide it with the information necessary to provide the advisory and placing service.

### 3.2 MEASURES TO PREVENT CONFLICTS OF INTEREST

CaixaBank shall identify any potential conflicts of interest that may arise as a result of providing investment underwriting and placing services and shall apply suitable management procedures.

Notwithstanding, CaixaBank has identified the following measures aimed at preventing potential conflicts of interest in its issue underwriting and the placing activities:

- Where it provides advice on corporate finance strategy, CaixaBank has a separate department structure to prevent conflicts of interest in its underwriting and placing activities, so that different teams are used to provide financing and close the placing.
- Where CaixaBank offers investment and performance analysis services and engages in underwriting and placing activities, the Entity has a separate department structure to prevent conflicts of interest and performs the necessary prevention controls.
- With regard to the pricing procedure for offerings related to the issuance of financial instruments, CaixaBank has in place systems, controls and procedures to identify and prevent or manage conflicts of interest that arise in relation to possible under-pricing or over-pricing of an issue or involvement of relevant parties in the process. In particular, CaixaBank establishes, implements and has in place internal procedures to ensure:
  - a) That the pricing of the offering does not promote the interests of other clients or the Entity's own interests, in a way that may conflict with the issuer client's interests; and
  - b) The prevention or management of any situation whereby persons responsible for providing services to CaixaBank's investment clients are directly involved in decisions about corporate finance advice on pricing of the amounts lent to the issuer client.

Specifically, when providing the placing service in respect of financial instruments, CaixaBank has in place systems, controls and procedures to identify and manage any conflicts of interest that may arise in the following situations:

- Where recommendations on the placing of the instrument may be inappropriately influenced by any existing or future relationships.
- Where the persons responsible for providing services to the Entity's investment clients are directly involved in decisions regarding allocation recommendations made to the issuer client.
- Where, upon providing investment services to an investment client to participate in a new issuance, the Entity receives commissions or any other monetary or non-monetary benefits in relation to arranging the issuance that do not comply with the requirements laid down in MiFID II. In such cases, CaixaBank shall not accept said payments or benefits from third parties.
- Where CaixaBank participates in the placing of financial instruments issued by CaixaBank or by Group entities, in which case it shall be possible to refrain from engaging in the activity, where conflicts of interest cannot be appropriately managed so as to prevent any adverse effects on clients.

Where it is necessary to disclose any conflicts of interest identified to the client, CaixaBank shall provide an explanation of the nature and source of the conflicts of interest inherent to this type of activity, providing details of the specific risks related to such practices in order to enable clients to make an informed investment decision.

Notwithstanding, CaixaBank has in place a Conflict of Interests Policy which sets out in detail the potential conflicts of interest that may arise as a result of the provision by the Entity of the various investment and ancillary services. This policy is available on CaixaBank's website: [www.caixabank.es](http://www.caixabank.es).

### 3.3 RECORDS RELATING TO UNDERWRITING AND PLACING

CaixaBank shall keep records stating the content and the dates of the instructions received from clients to provide underwriting and placing services. A record of the allocation decisions taken for each operation shall be kept to provide a complete audit trail between the movements registered in clients' accounts and the instructions received by the Entity.

In particular, the final allocation made to each investment client shall be clearly justified and recorded. The complete audit trail of the material steps in the underwriting and placing process of issues shall be made available to the competent authorities upon request.

## 4 PLACING ALLOCATION POLICY

When providing financial instrument placing services, CaixaBank shall allocate the issue in accordance with the allocation recommendations issued to the issuer client and the decisions and guidelines received from the issuer.

### 4.1 FACTORS TO CONSIDER IN ISSUE ALLOCATIONS

In order to ensure that the issue is allocated to investors that are suited to the offering and to the issuer, CaixaBank shall allocate, or recommend to the issuer client that it allocate, the instruments issued taking into account the following **allocation factors**:

- i. The type of target client. To this end, CaixaBank shall assess: (i) the classification of the client for the purposes of the legislation regulating securities markets; (ii) the commercial segment; (iii) the investor's intention to maintain its investment in the long term; (iv) investor quality and repute; (v) the investor's financial soundness and capacity with a view to participation in future issues by the issuer client; and (vi) other factors that may be deemed advisable in the specific case at hand.

Where issues are targeted at retail investors, additional criteria may be taken into account, such as: (i) age group; and (ii) investor profile, based on knowledge and experience.

- ii. Geographical location of the client. When placing an issue, CaixaBank shall assess differences between jurisdictions, as well as the geographical restrictions of the issue. To this end, the Entity shall comply with the best market practices for allocating issues (both nationally and abroad) in order to minimise any regulatory and other risks that may apply.
- iii. Time frame for the issue. The Entity shall take into account the time frame of the issue with a view to allocating the financial instrument to clients whose investment objectives are suited to the instrument issued.
- iv. Nature and risks of the product. CaixaBank shall determine the type of target investor on the basis of the nature and risks of the product (distinguishing between complex and non-complex products, for the purposes of the applicable legislation regulating securities markets), and may establish quantitative limits for allocation recommendations for a certain type of client whose investor profile (as defined in point i) may not be suited to the instrument to be issued.
- v. Charges and costs of the instrument. Where the product is targeted at retail clients, CaixaBank shall assess the costs and charges deriving from the acquisition of the financial instrument by the

investment client when establishing an efficient allocation that ensures compliance with the operational criteria in accordance with the best interests of its clients.

- vi. Potential conflicts of interest identified. The Entity shall assess the appearance of potential conflicts of interest that may arise from the allocation of the issue to a certain client profile to which other investment services are provided, based on the identifications made by CaixaBank in its Conflicts of Interest Policy.

CaixaBank declares that investors to which the Entity proposes allocation of issued financial instruments may in turn be CaixaBank customers.

In order to ensure that the issuance is carried out in accordance with the obligations to which CaixaBank is subject in order to correctly prevent conflicts of interest, CaixaBank shall not accept any third-party payments or benefits unless such payments or benefits comply with the inducements requirements laid down in Article 24 of the MiFID II Directive. Specifically, **CaixaBank is prohibited from the following practices:**

- a) allocations made to incentivise the payment of disproportionately high fees for unrelated services provided by CaixaBank ('laddering'), such as disproportionately high fees or commissions paid by an investment client, or disproportionately high volumes of business at normal levels of commission provided by the investment client as a compensation for receiving an allocation of the issue;
- b) allocations made to senior executives of an existing or potential issuer client, in consideration for the future or past award of corporate finance business ('spinning');
- c) allocations that are expressly or implicitly conditional on the receipt of future orders or the purchase of any other service from CaixaBank by an investment client, or any entity of which the investor is a senior executive.

Where CaixaBank subscribes for an offering or otherwise guarantees a price in relation to an offering, the Entity shall take into account the reasonable liability governing its risk management when determining the allocation, as well as the manner in which it is to be implemented and its timing.

## 4.2 APPROVAL BY THE ISSUER CLIENT

CaixaBank shall be governed at all times by the principles set out in this Policy for providing allocation recommendations to the issuer client.

In order to advise on a suitable allocation, CaixaBank shall involve the issuer client in discussions about the placing process so that the Entity has an understanding of and may take into account the client's interests and objectives.

## 4.3 RECORDS OF ALLOCATIONS

In order to demonstrate how CaixaBank meets its required obligations and in order to manage the potential conflicts of interest identified, the Entity shall keep a record detailing the main decisions at material stages in the allocation process. Specifically, the record of allocations shall include:

- i. The Allocation Policy in force at the time of the commencement of the service.
- ii. CaixaBank's initial discussion with the issuer client and the type of allocation agreed.
- iii. The content and timing of allocation requests received from each investment client with an indication of their type.
- iv. Where relevant, any further instructions or preferences provided by the issuer client, other members of the syndicate, or the Entity itself, on the allocation process, including any emerging in light of allocation requests received from investment clients.

- v. In cases where CaixaBank manages the order book for the issue, the final allocations registered in the order book for the issue.

## 5 ROLES AND RESPONSIBILITIES AS REGARDS COMPLIANCE WITH THE POLICY

CaixaBank has identified the following areas which, based on the Entity's organisational structure, are involved in the provision of underwriting and placing services:

- CIB, in charge of Equity Capital Markets, Debt Capital Markets, Syndicate and Sales.
- Financial-Markets Department

In order to ensure compliance with the Policy and its effective execution, CaixaBank has defined the following areas which are responsible for the proper execution of the Policy:

- i. The first area comprises the operational areas, which are responsible for the correct recording of all information and the correct provision of the underwriting and placing services in accordance with the principles set out in this Policy. The CIB Business Control area shall be responsible for reviewing the aggregated information on the issuance of transactions.
- ii. The second area comprises Regulatory Compliance, which is responsible for receiving the reports prepared by CIB Business Control and alerts pertaining to the potential conflicts of interest identified. Regulatory Compliance shall perform the pertinent controls as part of its supervisory activities in accordance with the control map.

## 6 POLICY MONITORING

In accordance with legislation regulating securities markets, CaixaBank shall periodically verify the efficiency of the Underwriting and Placing Policy; to this end, the Entity has procedures in place to review this Policy and verify compliance herewith.

Specifically, this review shall be carried out at least once a year and, additionally, whenever a material change occurs that affects CaixaBank's ability to continue to achieve the best possible outcome for its clients under the terms set out in this Policy.

## 7 AMENDMENT OF THE POLICY

The CaixaBank Underwriting and Placing Policy is updated and/or amended, at least in the following cases:

- In the event of legal or regulatory changes that affect the Policy.
- Where, at the proposal of the board of directors or the relevant delegated body, the inclusion of new procedures or modifications to existing procedures are approved.
- At the proposal of auditors and supervisory bodies.

**CaixaBank, S.A.**