

**UPDATED PROPOSED RESOLUTIONS TO SUBMIT TO APPROVAL BY THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF UNICAJA BANCO, S.A., TO BE HELD ON 26 APRIL 2018, ON FIRST CALL, AND IF THE REQUIRED QUORUM IS NOT REACHED, ON SECOND CALL ON 27 APRIL 2018<sup>1</sup>.**

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**ONE.- Approval of the annual accounts and management report of Unicaja Banco, S.A. and its consolidated group, corresponding to the year ended on 31 December 2017.**

(The proposed resolutions 1.1 and 1.2 will be voted separately.)

- 1.1. Approval of the Annual Accounts of Unicaja Banco, S. A. (balance sheet, profit and loss account, statement of recognised income and expense, statement of changes in equity, cash flow statement and notes), stated by the Board of Directors, as well as of the Management Report, prepared by the same body, corresponding to the year ended on 31 December 2017, all of them verified by the auditors of Unicaja Banco, S.A.
- 1.2. Approval of the Annual Accounts of the Consolidated Group of Unicaja Banco, S. A. (balance sheet, profit and loss account, statement of recognised income and expense, statement of changes in equity, cash flow statement and notes), stated by the Board of Directors, as well as of the Management Report, prepared by the same body, corresponding to the year ended on 31 December 2017, all of them verified by the auditors of Unicaja Banco, S.A.

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<sup>1</sup> This present documents takes into account the alternative proposed resolutions stated, in time and in due form, by the shareholder Fundación Bancaria Unicaja in relation to the proposed resolutions submitted to the Annual General Meeting of Shareholders under items 6.1, 8.1 and 8.2 of the Agenda (the "Alternative Proposed Resolutions"), as well as the rationale provided by the said shareholder with regard to the said proposals. The Board of Directors of Unicaja Banco considers that the Alternative Proposed Resolutions do not change the essence of the proposed resolutions initially presented under the mentioned items on the agenda and has resolved to assume them as of its own in lieu of its initial proposals. Likewise, on the occasion of the presentation of the Alternative Proposed Resolutions and according to Article 6.6 of the Regulations of the General Meeting of Shareholders of Unicaja Banco, the attendance and proxy form is made available on the Company's website, with the corresponding required modifications related to the statement of the Alternative Proposed Resolutions. Finally, the updated full text of the "Policy for the Remuneration of the Directors of Unicaja Banco, S.A. (2018-2020)", submitted by Fundación Bancaria Unicaja, is also available on the Company's website, as well as the rationale related to it.

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**TWO.- Approval of the Board of Directors' management during the financial year ended on 31 December 2017.**

Approval of the management of Board of Directors of Unicaja Banco, S.A. during the financial year ended on 31 December 2017.

**THREE.- Approval of the proposed allocation of profit for the financial year ended on 31 December 2017.**

Approval of the following proposal for distribution of profit of Unicaja Banco, S.A. for the financial year ended on 31 December 2017, which amounts to €201,974,436.07 euros, prepared by the Board of Directors:

(a) To legal reserve:	€20,197,443.61
(b) To dividends:	€34,605,396.73
(c) To capitalization reserve Law 27/2014:	€1,500,000.00 <sup>1</sup>
(d) To voluntary reserves:	€145,671,595.74
<b>Total:</b>	<b>€201,974,436.07</b>

(<sup>1</sup>) This reserve will be non-disposable for a period of 5 years and will be absolutely separated from the others and under the appropriate section in the Bank's accounting books, in compliance with that set forth in article 25.1.b) of the Spanish Law 27/2014 of 27 November, on Corporate Income Tax.

Payment of dividend is expected to take place on 10 May 2018.

#### **FOUR.- Re-election, ratification and appointment of Directors.**

(Each one of the proposals for re-election, ratification and appointment of Directors will be voted separately)

##### Prior favourable report of the Appointments Committee:

- 4.1. Re-election of Mr. Manuel Azuaga Moreno as director, with the status of executive director, for a new statutory period of four years.
- 4.2. Re-election of Mr. Agustín Molina Morales as director, with the status of proprietary director, upon proposal by Fundación Bancaria Unicaja, for a new statutory period of four years.
- 4.3. Re-election of Mr. Juan Fraile Cantón as director, with the status of proprietary director, upon proposal by Fundación Bancaria Unicaja, for a new statutory period of four years.

##### Prior favourable report and upon proposal by the Appointments Committee:

- 4.4. Re-election of Mr. Eloy Domínguez-Adame Cobos as director, with the status of independent director, for a new statutory period of four years.
- 4.5. Re-election of Mr. Victorio Valle Sánchez as director, with the status of independent director, for a new statutory period of four years.

##### Prior favourable report of the Appointments Committee:

- 4.6. Re-election of Mrs. Petra Mateos-Aparicio Morales as director, with the status of proprietary director, upon proposal by Fundación Bancaria Unicaja, for a new statutory period of four years.
- 4.7. Ratification of the appointment by co-option made by the Board of Directors, at its meeting of 21 February 2018, of Mr. Manuel Muela Martín-Buitrago and appointment as director, with the status of proprietary director, upon proposal by Fundación Bancaria Unicaja, for a new statutory period of four years.

##### Prior favourable report and upon proposal by the Appointments Committee:

- 4.8. Appointment of Mrs. María Antonia Otero Quintas as director, with the status of independent director, for the legal period of four years.

It is hereby stated that the effectiveness of the appointment is subject to obtaining the pertinent regulatory authorizations, from the Bank of Spain and the European Central Bank within the framework of the Single Supervisory Mechanism.

- 4.9. Appointment of Mrs. Ana Lucrecia Bolado Valle as director, with the status of independent director, for the legal period of four years.

It is hereby stated that the effectiveness of the appointment is subject to obtaining the pertinent regulatory authorizations, from the Bank of Spain

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and the European Central Bank within the framework of the Single Supervisory Mechanism.

- 4.10. Appointment of Mr. Manuel Conthe Gutiérrez as director, with the status of independent director, for the legal period of four years.

It is hereby stated that the effectiveness of the appointment is subject to obtaining the pertinent regulatory authorizations, from the Bank of Spain and the European Central Bank within the framework of the Single Supervisory Mechanism.

Prior favourable report of the Appointments Committee:

- 4.10. Appointment of Mrs. Teresa Sáez Ponte as director, with the status of proprietary director, upon proposal by Fundación Bancaria Unicaja, for a new statutory period of four years.

It is hereby stated that the effectiveness of the appointment is subject to obtaining the pertinent regulatory authorizations, from the Bank of Spain and the European Central Bank within the framework of the Single Supervisory Mechanism.

As a consequence of the resolutions adopted, the number of members of the Company's Board of Directors remains at 13.

**FIVE.- Approval of the merger by absorption of Banco de Caja España de Inversiones, Salamanca y Soria, S.A. in accordance with the common draft terms of merger dated 26 January 2018. Consideration of Unicaja Banco, S.A. individual annual balance sheet, as of 31 December 2017, as merger balance sheet. Submission to the special tax regime for mergers. Delegation of authority to the Board of Directors, with authority to subdelegate.**

Approval of the merger by absorption of Banco de Caja España de Inversiones, Salamanca y Soria, S.A. ("EspañaDuero" – absorbed company) by Unicaja Banco, S.A. ("Unicaja Banco" – absorbing company), with winding-up of EspañaDuero through dissolution without liquidation and en bloc transfer of all of its assets and liabilities to Unicaja Banco, which, by universal succession, acquires all the rights and obligations of the absorbed company (the "Merger"), under the terms and conditions laid down in the common draft terms of merger signed by Unicaja Banco and EspañaDuero directors on 26 January 2018 (the "Draft Merger Terms").

For those purposes, and in accordance with the provisions of the Spanish Law 3/2009 of 3 April, on Structural Modifications of Companies (the "Law 3/2009" or "Law on Structural Modifications") and other applicable regulations, the following resolutions are adopted as part of a single transaction:

**A) Consideration of the annual individual balance sheet of Unicaja Banco, S.A., as of 31 December 2017, as the merger balance sheet**

Approval of the consideration as merger balance sheet of Unicaja Banco's individual annual balance sheet as of 31 December 2017, included in the audited individual annual accounts of Unicaja Banco, pursuant to that established in article 36.1 of the Law on Structural Modifications.

Unicaja Banco's individual annual accounts for the financial year 2017 (including, therefore, Unicaja Banco's individual balance sheet as of 31 December 2017) were audited by its statutory auditor, PricewaterhouseCoopers Auditores, S.L., which issued its unqualified audit report on 21 March 2018, and are submitted to approval by this annual general meeting of shareholders under item 1.1 of the Agenda.

**B) Approval of the Draft Merger Terms**

Approval of the full text and without any modification of the Draft Merger Terms, which is deemed to be fully reproduced for all the appropriate purposes.

Pursuant to the provision of Article 32 of the Law 3/2009, the Draft Merger Terms were posted on Unicaja Banco's corporate website ([www.unicajabanco.com](http://www.unicajabanco.com)) from 26 January 2018, and on EspañaDuero's corporate website ([www.bancocajaespana-duero.es](http://www.bancocajaespana-duero.es)) from the same date, with the possibility to download and print the document.

The publication of the Draft Merger Terms on the mentioned websites was announced at the Official Gazette of the Companies Register (Boletín Oficial del Registro Mercantil), respectively, on 6 and 8 February 2018, indicating the corresponding corporate website and the insertion date.

**C) Approval of the merger agreement in accordance with Articles 40 of the Law 3/2009 and 228 of the Trade Register Regulations (Reglamento del Registro Mercantil)**

Approval of the Merger in strict accordance with the terms and conditions of the Draft Merger Terms.

Pursuant to the provisions of Article 228 of the Trade Register Regulations and as an integral part of this merger agreement, the following circumstances are indicated, which strictly adjust to that established in the Draft Merger Terms:

**C.1.- Identification of the merging companies**

Absorbing company: Unicaja Banco, S.A. is a Spanish banking institution with registered address in Málaga, Avenida de Andalucía, 10-12, 29007 and tax identification number A-93139053.

Unicaja Banco is registered in the Trade Register of Málaga (Registro Mercantil de Málaga), in Volume 4952, Book 3859, Section 8, Sheet MA-111580, Folio 1, 1st registration, and in the Special Register (Registro Especial) of the Bank of Spain with the number 2103.

Absorbed company: Banco de Caja España de Inversiones, Salamanca y Soria, S.A. is a Spanish financial institution with registered address in Madrid, Calle Titán, 8, 28045 and tax identification number A-86289642.

Banco de Caja España de Inversiones, Salamanca y Soria, S.A is registered in the Trade Register of Madrid, in Volume 29.418, Folio 1, Sheet M-529500, 1st registration, and in the Special Register (Registro Especial) of the Bank of Spain under the number 2108.

**C.2.- Exchange ratio**

The ratio for the exchange of the shares of Unicaja Banco and EspañaDuero, which has been set based on the real value of their corporate assets and liabilities, as established in Article 25 of the Law on Structural Modifications, will be of one share of Unicaja Banco, with a nominal value of 1 euro, for every five shares of EspañaDuero, with a nominal value of 0.25 euros per share, with no complementary cash consideration.

**C.3.- Manner of covering the exchange**

Unicaja Banco will cover the exchange of shares of EspañaDuero, set in accordance with the exchange ratio established in section C.-2 above, with treasury shares. Therefore, a capital increase of the absorbing company will not be necessary for the execution of the merger.

In any case, pursuant to Article 26 of the Law on Structural Modifications, any shares of EspañaDuero held by Unicaja Banco and any treasury shares held by EspañaDuero will not be exchanged but will be cancelled. In this regard, it is stated that, as at 31 December 2017, EspañaDuero held 202,280,425 treasury shares, representing 19.94% of its share capital.

It is also stated that, as at 31 December 2017, Unicaja Banco held directly 777,145,356 shares representing 76.63% of EspañaDuero share capital, and indirectly, 476,400 shares representing 0.047%. This grants Grupo Unicaja Banco a total shareholding of 76.68% in EspañaDuero share capital.

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Considering the exchange ratio mentioned in section C.-2 above, and considering that the total number of shares of EspañaDuero's current shareholders (other than Unicaja Banco and EspañaDuero itself) stands at 34,306,055 shares, the maximum number of shares that Unicaja Banco will have to deliver to the current shareholders of EspañaDuero (other than Unicaja Banco and EspañaDuero itself) is 6,861,211 shares.

In relation to the above, it is noted that Unicaja Banco will acquire, in accordance with the authorization granted by the general meeting of shareholders and by the European Central Bank, a maximum of 6,861,211 own shares during the precise period to cover the exchange ratio, always in compliance with the applicable regulations.

#### **C.4.- Exchange procedure**

Following the approval of the Merger by the general meetings of shareholders of Unicaja Banco and EspañaDuero, the next steps will be:

1.- Compliance with the following conditions precedent:

(i) Authorization by the Ministry of Economy, Industry and Competitiveness (Ministerio de Economía, Industria y Competitividad), as established in the twelfth additional provision of the Law 10/2014 of 26 June, on the ordering, supervision and solvency of credit institutions.

(ii) Obtaining any other authorizations that, because of the activity of EspañaDuero, may be required from the European Central Bank, Bank of Spain, Comisión Nacional del Mercado de Valores, Directorate General of Insurance and Pension Funds (Dirección General de Seguros y Fondos de Pensiones) or any other administrative body or supervisory institution.

2.- Registration of the merger deed at the Trade Register of Málaga.

3.- Exchange of the EspañaDuero shares for Unicaja Banco shares.

The exchange will take place from the date indicated in the notices that are required to be published in one of the most read newspapers in the provinces of Madrid and Malaga, in the Official Gazettes of the Spanish Stock Exchanges (Boletines Oficiales de las Bolsas de Valores españolas) and in the Official Gazette of the Trade Register (Boletín Oficial del Registro Mercantil).

For those purposes, Unicaja Banco will act as agent, and that fact will be indicated in the mentioned notices.

The exchange of EspañaDuero shares for Unicaja Banco shares will be carried out through the entities which participate in IBERCLEAR and that are the depositaries of the EspañaDuero shares, following the procedures established for the book-entry system, in accordance with the provisions of the Spanish Royal Decree 878/2015 of 2 October on the clearing, settlement and registration of negotiable securities represented by book entries, and applying, where applicable, the provisions of Article 117 of the Corporate Enterprises Act.

Holders of a number of EspañaDuero shares which, under the agreed exchange ratio, does not entitle them to receive an integer number of shares of Unicaja Banco may acquire or transfer shares for the resulting shares to entitle them to, according to the mentioned exchange ratio, receive an integer number of Unicaja Banco shares. This decision to buy or sell will correspond to each shareholder individually.

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Notwithstanding the above, the merging entities have decided to establish a mechanism for the number of Unicaja Banco shares to deliver to EspañaDuero shareholders (other than Unicaja Banco) under the exchange is an integer.

The said mechanism will consist of the appointment of Finanduro, S.V., S.A., institution of Grupo Unicaja, as "fractions agent" (*agente de picos*) to act as counterparty for the purchase of odd-lots of shares. This way, every shareholder of EspañaDuero shares which, under the agreed exchange ratio and taking into account the number of shares of EspañaDuero held, is not entitled to receive an integer number of Unicaja Banco shares or is entitled to receive an integer number of Unicaja Banco shares but then has a number of EspañaDuero shares left over that is insufficient to be entitled to receive an additional share of Unicaja Banco may convey those left-over EspañaDuero shares to the fractions agent, who will pay their value in cash at a price of 0.25 euros per share.

Unless otherwise expressly stated in writing, it will be understood that all the shareholders of EspañaDuero accept the system to acquire odd-lots by the fractions agent herein established, and they will not have to send instructions to the institutions where their shares are deposited, which will inform them of the result of the transaction once that it is concluded.

As a result of the Merger, the shares of EspañaDuero will be cancelled.

**C.5.- Rights to be granted in the absorbing company to the holders of special classes, to the holders of preferred participating securities and to those having special rights or, as applicable, the options that they are offered**

In the merging entities there are no special shares or holders of special rights other than simple holding of shares, and no special rights or options are going to be granted to holders of shares other than those representing the capital. Consequently, there is no need to grant any special right or to offer any kind of option.

**C.6.- Benefits extended to independent experts and directors**

With regard to Article 31.5 of the Law on Structural Modifications, it is hereby stated that no benefits will be extended to the independent expert who will act in the merger process or to the directors of Unicaja Banco or EspañaDuero.

**C.7.- Date from which the holders of the shares delivered in the exchange will have a right to participate in the corporate profits of Unicaja Banco**

In accordance with that established in Article 31.6 of the Law on Structural Modifications, it is hereby stated that, as no new shares of Unicaja Banco are to be issued within the framework of the Merger (the exchange will be covered with treasury shares), no mention is to be made on this particular. However, it is remarked that the shares delivered by Unicaja Banco to the shareholders of EspañaDuero to cover the exchange, in compliance with the terms set in section C.2 above, will confer its holders, from the date on which the shares are delivered, the right participate in the corporate profits of Unicaja Banco on the same terms as the rest of shares of Unicaja Banco in circulation on that date.

**C.8.- Effective merger date for accounting purposes**

For the purposes of Article 31.7 of the Law on Structural Modifications, 1 January 2018 is established as the date from which EspañaDuero transactions will be

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deemed as performed, for accounting purposes, on behalf of Unicaja Banco, as the merger will be approved by the general meetings of shareholders of Unicaja Banco and EspañaDuro in the year 2018.

It is hereby stated, for the appropriate purposes, that the accounting retroaction so determined complies with the General Chart of Accounting (*Plan General de Contabilidad*), approved by the Spanish Royal Decree 1514/2007 of 16 November, and with the Circular 4/2017, of 27 November, of the Bank of Spain, to credit institutions, on public and reserved financial information and financial statement models.

### **C.9.- Amendment of the Bylaws**

As a result of the merger, there will be no amendment to the Bylaws of the absorbing company. Therefore, once the merger is completed, Unicaja Banco, in its condition as absorbing company, will continue to be governed by its current corporate Bylaws, published on Unicaja Banco's corporate website ([www.unicajabanco.com](http://www.unicajabanco.com)) (copy attached as Annex to the Draft Merger Terms for the purposes of Article 31.8 of the Law on Structural Modifications).

Regardless of the above, two proposals to amend the Bylaws are submitted for approval at this General Meeting, under items 6.1 and 6.2 of the agenda. The Board of Directors of Unicaja Banco has prepared the corresponding explanatory report on the said proposals.

### **C.10.- Valuation of EspañaDuro assets and liabilities to be transferred**

As a result of the Merger, EspañaDuro will be dissolved without liquidation, and its assets and liabilities will be transferred en bloc and by universal succession to Unicaja Banco.

For the purposes of Article 31.9 of the Law on Structural Modifications, it is noted that the assets and liabilities transferred by EspañaDuro to Unicaja Banco will be registered in Unicaja Banco's accounting for the amount that would correspond, once the transaction is carried out, in the group's consolidated accounts as at the date of the accounting effect of this Merger, that is, 1 January 2018.

All of the previous in accordance with the General Chart of Accountants (*Plan General de Contabilidad*), approved by Royal Decree 1514/2007, of 16 November, and Circular 4/2017 of 27 November, of the Bank of Spain, to credit institutions, on public and reserved financial information and financial statement models.

### **C.11.- Possible consequences of the Merger for employment**

The merging entities will meet their obligations to inform and, where applicable, consult the legal representatives of their respective employees in accordance with employment law. Notice of the planned Merger will also be given to the appropriate public bodies, in particular the General Treasury of the Social Security Administration (Tesorería General de la Seguridad Social).

After the Merger, Unicaja Banco will complete the analysis of overlaps, duplicities and economies of scale arising from the process. As of this date, no decision has been made in relation to the possible measures on employment that may be necessary to adopt in order to proceed to the integration of the workforce as a consequence of the Merger. In any case, the integration of the workforce will be carried out respecting the legal procedures established in any case, and especially, those related to the right to information and consultation to the

workers' representatives, holding the corresponding meetings and negotiations to develop the mentioned workforce integration with the highest possible agreement between the parties.

The Merger is not expected to result in changes to the composition of Unicaja Banco's governing body.

The Merger is not expected to have an impact on Unicaja Banco's corporate social responsibility policy.

#### **C.12.- Conditions precedent**

The effectiveness of the merger is subject to the following conditions precedent:

- (i) Authorization by the Ministry of Economy, Industry and Competitiveness, as established in the twelfth additional provision of the Law 10/2014 of 26 June, on the ordering, supervision and solvency of credit institutions.
- (ii) Obtaining any other authorizations that, because of the activity of EspañaDuro, may be required from the European Central Bank, Bank of Spain, National Securities Market Commission (Comisión Nacional del Mercado de Valores), Directorate General of Insurance and Pension Funds (Dirección General de Seguros y Fondos de Pensiones) or any other administrative body or supervisory institution.

#### **D.- Submission to the special tax regime**

The Merger will qualify for the tax regime provided for in Chapter VII of title VII of the Spanish Law 27/2014 of 27 November on Corporation Income Tax Law ("CITL") and its second additional provision.

Consequently, this transaction will not be subject to the Tax on Property Transfer and Documents Duty (*Impuesto sobre Transmisiones Patrimoniales y Actos Jurídicos Documentados*, "ITPAJD"), modality Corporate Transactions (*Operaciones Societarias*), and will be exempt from the rest of modalities of the ITPAJD, in accordance with Article 45, paragraph I. B) 10. of the Restated Text of the Tax on Property Transfer and Document Duty, approved by Royal Legislative Decree 1/1993 of 24 September.

Within three months after the registration of the merger deed, Unicaja Banco will report to the appropriate Spanish Tax Agency the application of the mentioned tax regime.

#### **E.- Delegation of authority.**

Delegation to the Board of Directors, with express authorization to subdelegate, the broadest powers required in Law to execute and implement the preceding resolutions for the successful outcome of the Merger and to perform all such acts, legal dealings, contracts, declarations and transactions and to adopt all such resolutions and decisions that may be necessary or convenient for that purpose, with express authorization to ratify, clarify, rectify and correct, and, in particular, and without limitation, to:

- (i) Fix, complete, develop, amend, remedy omissions and adapt the preceding resolutions with regard to the Merger to the oral or written assessment given by the Trade Register and by any other authorities, government officials or competent institutions.

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- (ii) Draft, publish and issue all such notices or communications as may be necessary or convenient in relation to the Merger.
- (iii) Declare the fulfilment or non-fulfilment of, or waive, insofar as legally possible and convenient for the corporate interest, any conditions precedent to which the Merger has been made subject. This power includes authority to perform the acts and adopt the decisions needed for their fulfilment.
- (iv) Determine the date on which the resolutions regarding the Merger are to be executed and notarised and the public deed of the Merger filed for registration.
- (v) Notarise the Merger resolutions as well as the supplementary documents, public or private, that are needed for the integration of the assets and liabilities of the absorbed company into the absorbing company to take effect.
- (vi) Carry out all the necessary actions to make the settlements and guarantee the credit rights of those creditors who may oppose the Merger on the legally stipulated terms.
- (vii) Execute all deeds of inventory of property, where applicable, or such others as may be necessary or convenient to evidence the absorbing company's title to the assets and rights acquired as a consequence of the Merger and to obtain registration in the public registers in the name of the absorbing company of all assets susceptible to registration.
- (viii) Establish mechanisms aimed at facilitating the execution of the exchange of EspañaDuro shares for Unicaja Banco shares, by appointing Finanduro, S.V., S.V. as fractions agent (*agente de picos*) (or by any other mechanism) to act as counterparty to purchase odd-lots or fractions, fixing the amount that must be paid in cash to carry out the acquisition of the said odd-lots or fractions, and enter into all such contracts as may be necessary or convenient for that purpose.
- (ix) Appoint the entities of IBERCLEAR who act as agent(s) for the Merger exchange, and enter into all such contracts as may be necessary or convenient for that purpose.
- (x) Carry out any act, declaration, communication or formality before the Ministry of Economy, Industry and Competitiveness, the European Central Bank, the Bank of Spain, the Comisión Nacional del Mercado de Valores, the National Markets and Competition Commission (Comisión Nacional de los Mercados y la Competencia, CNMC), the Directorate General for Insurance and Pension Funds, the Governing Corporations of the Stock Exchanges, Sociedad de Bolsas, IBERCLEAR, the Directorate General for the Treasury and Financial Policy and any other public or private body or entity or register, in Spain or out of Spain, in relation to the Merger.
- (xi) Draw up, sign, execute and, if applicable, certify any other type of document regarding the Merger.
- (xiii) Determine, in short, all other circumstances that are needed, adopting and implementing the necessary resolutions, executing the required documents and carrying out all other pertinent formalities before any public or private body, entity or register, in Spain or abroad, and proceed to fulfill all other conditions required by law to give the Merger full effect.
- (xiv) And in general, perform all such acts as may be necessary or merely convenient for the successful conclusion of the Merger.

## **SIX.- Amendment of the Corporate Bylaws.**

(Proposed resolutions 6.1 and 6.2 will be voted separately.)

The shareholder Fundación Bancaria Unicaja, in the exercise of its right, in time and in due form, has presented an alternative proposed resolution to submit to the General Meeting related to the amendment of Article 29 of the Bylaws. The said proposed resolution varies with regard to that submitted by the Board of Directors to the General Meeting only in the incorporation in section 2 of Article 29 of the sentence which is underscored in the extract of the proposal below:

*"2. The remuneration of directors due to their role as such shall be composed of a fixed remuneration and of attendance fees for attendance at the meetings of the Board of Directors and its Committees. The maximum annual aggregate remuneration amount that all Directors receive due to their role as such shall be approved by the General Meeting and shall remain unchanged until its modification is approved. The distribution of the remuneration among the different directors, within the limits set in the policy for the remuneration of directors approved by the General Meeting, shall be responsibility of the Board of Directors in the way that it determines, and it will take into account the duties and responsibilities allocated to each Director, their participation in Board Committees, the attendance to the meetings of the Board of Directors and its Committees and other objective circumstances which may be deemed relevant."*

The Board of Directors has assumed as of its own the proposal made by Fundación Bancaria Unicaja, which incorporates to Article 29.2 the mentioned sentence, and shall submit it to voting at the General Meeting instead of its initial proposed resolution.

The rationale of the proposal made by Fundación Bancaria Unicaja is:

*"Within the framework of the provisions of Articles 529 septdecies and 529 octodecies of the Corporate Enterprises Act (Ley de Sociedades de Capital, LSC) a slight modification to the wording of Article 29 of the Bylaws prepared by the Board of Directors is proposed, so as to clarify that the capacity of the Board of Directors to distribute the remuneration internally among the directors according to the functions and responsibilities of each of them must respect, in any case, the terms and conditions of the remuneration policy of the General Meeting."*

### **6.1 Amendment of Article 29 of the Bylaws, which will read as follows:**

*"Article 29. Remuneration of Directors.*

1. The position of director is remunerated. The remuneration policy for Board Members shall be subject to approval by the General Meeting of shareholders on the same terms as those established for listed companies.

2. The remuneration of directors due to their role as such shall be composed of a fixed remuneration and of attendance fees for attendance at the meetings of the Board of Directors and its Committees. The maximum annual aggregate remuneration amount that all Directors receive due to their role as such shall be approved by the General Meeting and shall remain unchanged until its modification is approved. The distribution of the remuneration among the different directors, within the limits sent in the policy for the remuneration of directors approved by the General Meeting, shall be responsibility of the Board of Directors in the way that it determines, and it will take into account the duties and responsibilities allocated to each Director, their participation in Board Committees, the attendance to the meetings of the Board of Directors and its Committees and other objective circumstances which may be deemed relevant.

3. Executive Directors shall be entitled, too, to receive remuneration composed of: (a) a fixed part, adapted to the services and responsibilities assumed; (b) a variable part, correlated to any indicator of the performance of the Director and the Company; (c) an assistance part, covering the appropriate welfare and insurance systems; and (d) compensation in case of separation or any other way of termination of the legal relationship with the Company and which shall not be due to non-compliance attributable to the Director; all of that in accordance with the terms and conditions established in the corresponding contract that the executive director signs with the Company, according to the regulations in force.

Determination of the amount of the remuneration items comprising the fixed part, the manner of configuring and indicators for calculation of the variable part, the assistance provisions, and the compensation or the criteria for calculation thereof, also corresponds to the Board of Directors, taking into account the remuneration policy.

4. Executive directors, as a part of the variable remuneration system determined by the Board of Directors in accordance with the remuneration policy applicable from time to time, shall be entitled to be remunerated by the delivery of shares or stock options, or by remuneration linked to the value of shares.

The application of any of these remuneration modalities shall be previously agreed by the General Meeting of Shareholders, which shall determine the maximum number of shares that may be granted in each financial year, the strike price or the system for calculation of the strike price of stock options, the value of shares which, if applicable, will be considered as reference, and the period of duration of the plan.

5. Additionally, the Board Members shall be entitled to the reimbursement of any reasonable expense duly justified and directly related to the exercise of their position of Directors.

6. The Company shall take out a liability insurance for its Directors in the usual conditions and proportional to the circumstances of the Company itself.

7. In any case, the remunerations of the members of the Company's governing bodies shall be adjusted to the provisions which, on that matter, are established in the company and banking regulations."

#### 6.2 Derogation of the Transitional Provisions of the Corporate Bylaws.

Full effectiveness of the agreed statutory amendments is subject to administrative authorization of the Bank of Spain, in accordance with the provisions of Article 4 of the Law 10/2014 of 26 June, on the Ordering, Supervision and Solvency of Credit Institutions, and in Article 10 of the Royal Decree 84/2015 of 13 February, developing the mentioned Law 10/2014 of 26 June."

**SEVEN.- Delegation to the Board of Directors of the authority to issue debentures (*obligaciones*), bonds (*bonos*) and other non-convertible fixed-income securities, with the maximum limit of one thousand and five hundred million euros (€1,500,000,000), as well as to develop a promissory notes programme, with the maximum limit of one thousand and five hundred million euros (1,500,000,000), annulling, in the amount not yet used, the delegation related thereto granted by resolution adopted at the Annual General Meeting held on 30 April 2015.**

(Proposed resolutions 7.1 and 7.2 will be voted together.)

7.1. Delegation to the Board of Directors for it to be able, subject to the applicable legal provisions and to previously obtain the authorizations that may be required, where applicable, to issue securities non-convertible into shares, in accordance with the following conditions:

a) Securities to be issued.- The securities referred to in this delegation may be fixed interest securities or debt instruments of similar nature non-convertible into Unicaja Banco shares, in any of the forms admitted by Law, including simple bonds (*bonos*) or debentures (*obligaciones*) (senior or subordinate of any kind), promissory notes, covered bonds (*cédulas*), preferred shares or warrants (which may be settled by physical delivery or by cash differences).

b) Term.- The issuance of the securities under this delegation may be carried out in one or more issues, single or open, individual or under issuance programmes, putting them into circulation simultaneously or gradually during one or various financial years, within the maximum term of five years from the date of adoption of this present resolution.

c) Maximum amount of the delegation.-

(i) The total maximum amount of the issuance(s) of simple bonds (*bonos*) or debentures (*obligaciones*) and other fixed-income securities (other than promissory notes) agreed under this delegation will be ONE THOUSAND AND FIVE HUNDRED MILLION (1,500,000,000) EUROS or its equivalent in another currency.

(ii) The outstanding balance of the promissory notes issued under this delegation shall not exceed ONE THOUSAND AND FIVE HUNDRED MILLION (1,500,000,000) EUROS or its equivalent in another currency. This limit is independent from that established in section (i) above.

d) Admission to trading.- Unicaja Banco shall apply, when appropriate, for the admission to trading on official or unofficial secondary markets, organized or not, in Spain or abroad, of the securities issued under this delegation, giving powers to the Board of Directors, as broadly as may be required by Law, to carry out the necessary processes and actions for admission to trading before the competent bodies of the different securities market, in Spain or abroad.

Under the delegation of authority of this present resolution, it is agreed to grant powers to the Board of Directors for it to be able to, in the way that it considers more appropriate and including but not limited to, the following:

i) Set out, fix and determine each and any of the terms, features and conditions of all the debt issuances carried out by Unicaja Banco, under this resolution, including but not limited to, the amount -within the mentioned overall limits-; the place of issue -in Spain or abroad- and the currency, with the euro equivalence

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thereof if made in foreign currency; the denomination of the securities; the interest rate; the issue price; the nominal value of each issuance; the dates and procedures for the coupon payment; whether the issuances are perpetual or for a certain period and, in this latter case, the maturity date; whether the securities can be redeemable or not (and, should they be, whether redemption includes or not the return of the principal) and, when applicable, the timing and cases for redemption (total or partial) and, if applicable, the circumstance of being securities necessarily redeemable with or without return of the principal and interests, even with contingent nature, and the possible events for restitution of the principal; the type of reimbursement, premiums and lots, guarantees, including mortgages; their representation by certificates -simple or multiple, nominative or to the bearer- or by book entries; and, in general, any other condition of the issuance, as well as to determine all those topics not provided for in this resolution, and also, where applicable, to appoint the Commissioner and to approve the fundamental rules that may govern the legal relationships between Unicaja Banco and the Syndicate of holders of the securities issued that, if applicable, may exist.

ii) Appoint the person or persons who, in the name of and representing Unicaja Banco, will be able to grant and execute public and private documents that may be required, and to sign certificates -single or multiple-, whose signatures have to be printed, stamped or mechanically validated.

iii) Concur, through the appointed person or persons, before the corresponding entities and organisms, for the registration of the corresponding prospectus, registration document, base note or any other document required by the applicable regulations, as well as to request authorization of the issuances or of the issuance programmes, and for the launch and distribution of securities.

iv) Carry out the necessary actions to request, if applicable, through the appointed person or persons, the admission of the securities to trading in secondary markets, official or not, organized or not, in Spain or abroad.

v) Carry out, in accordance with the Company's Bylaws and the applicable legislation, and in the exercise of the broad powers granted, all such actions that may be convenient or necessary for the successful outcome of the issuances.

The delegation includes as well authorization to the Board of Directors to delegate, in accordance with that established in Article 249 bis of the Corporate Enterprises Act, this powers, totally or partially, to the Executive Chairman, the CEO or the person or persons that it deems convenient jointly or severally.

7.2. The present delegation of authority to the Board of Directors replaces the authorization granted, to carry out issuance of financial instruments and to set out issuance programmes, by the Annual General Meeting of Shareholders on 30 April 2015, with regard to the amounts which have not been used yet. The issuances and/or issuance programmes which have been agreed prior to the date of this Meeting will continue to be covered by the said authorization.

## **EIGHT.- Remuneration of Directors.**

(Proposed resolutions 8.1, 8.2 and 8.3 will be voted separately.)

The shareholder Fundación Bancaria Unicaja, in the exercise of its right, in time and in due form, has presented alternative proposed resolutions to submit to the General Meeting under items 8.1 and 8.2.

In relation to item 8.1, the proposal made by the shareholder consists in submitting to approval by the General Meeting of a Policy for the Remuneration of the Directors of Unicaja Banco, S.A., for the years 2018, 2019 and 2020 alternative to that submitted by the Board of Directors.

The Board of Directors, upon favourable assessment of the alternative proposed resolution presented by Fundación Bancaria, has agreed to consider the said proposal as of its own and to submit it to voting at the General Meeting instead of its original proposed resolution.

The document Policy for the Remuneration of the Directors of Unicaja Banco, S.A. for the years 2018, 2019 and 2020 proposed by Fundación Bancaria Unicaja, which will be submitted for voting, has been made available to shareholders on the Company's website, as well as the rationale of the said proposal.

In relation to item 8.2, the proposal of Fundación Bancaria Unicaja consists in modifying the denomination of the proposed resolution 8.2., from "Setting the maximum amount of the annual remuneration for the whole group of directors in their role as such" to "Maximum amounts to be received by the members of the Board of Directors", presenting alternative proposed resolutions.

The rationale of Fundación Bancaria Unicaja is as follows:

"Considering the proposal for the modification of the remuneration policy for the three-year period 2018-2020 presented in section B) above, and on the same grounds, the following proposal to amend item 8.2. ("Setting the maximum amount of the annual remuneration for the whole group of directors in their role as such") is submitted, to include in further detail the reference to the minimum and maximum limits set in the mentioned policy for the remuneration of directors acting in their capacity as such and for directors with executive functions in the Company."

The Board of Directors, upon favourable assessment of the alternative proposed resolution presented by Fundación Bancaria, has unanimously resolved to consider the said proposal as of its own, and to submit it to voting at the General Meeting instead of its initial proposed resolution.

### **8.1 Approval of the Policy for the Remuneration of Directors.**

Approval, upon proposal by Fundación Bancaria Unicaja, of the Policy for the Remuneration the Directors of Unicaja Banco, S.A., for the financial years 2018, 2019 and 2020, according to the terms and conditions in the document presented by the mentioned shareholder.

8.2. Maximum amounts to be received by the members of the Board of Directors.

The maximum amounts of the remuneration to be received by the members of the Board of Directors for the period 2018-2020, as established in the Policy for the Remuneration of the Directors approved by the General Meeting, will be:

1. Maximum amount of the annual remuneration to be received by the directors due to their role as such:

The maximum amount of the annual remuneration for the whole group of directors in their role as such is set in 950,000 euros, in accordance with and under the terms of section 3.3.1 of the Policy for the Remuneration of Directors, approved by the General Meeting. The said amount, which will be updated for the financial years 2019 and 2020 according to the percentage of salary review established in the collective agreement applicable to the employees of the Company, will be in force until amended by resolution of the General Meeting of Shareholders.

2. Maximum amount of the remuneration to be received by executive directors for the performance of executive functions.

The maximum amounts to be received by executive directors by the performance of executive functions will be, according that set in sections 3.3.2 and 3.3.3 of the Policy for the Remuneration of Directors approved by the General Meeting, the following: (i) year 2018: 1,741 thousand euros; (ii) year 2019: 1,721 thousand euros (the amounts corresponding to the fixed salaries of the Executive Chairman and the CEO, and the variable of the CEO, shall be updated as per the salary review percentage set in the collective agreement applicable to the Company's employees); and (iii) year 2020: 1,721 thousand euros (the amounts corresponding to the fixed salaries of the Executive Chairman and the CEO, and the variable of the CEO, shall be updated as per the salary review percentage set in the collective agreement applicable to the Company's employees).

These amounts do not include the cost of a hypothetical compensation.

8.3 Approval of the delivery of shares to executive Directors for their executive functions.

Authorization to the Board of Directors to deliver to the executive Directors, during the three years of validity of the Remuneration Policy for Directors (2018-2020) and, provided compliance with the conditions set to that aim, up to a total overall maximum of 187,500 shares of the Company, representing 0.01% of the share capital, at up to 62,500 shares of the Company per each year of validity of the mentioned Policy.

For the purposes of determining the number of shares to deliver on any of the corresponding dates, the price of Unicaja Banco share corresponding to the average value of the weighted average listing price of the Unicaja Banco shares between the dates of financial year end and the approval of the annual accounts of the said year by the Annual General Meeting of Directors (excluding both dates) will be used.

Delegation to the Board of Directors to, as broadly required by Law, develop, execute, implement and terminate, if applicable, this present resolution, adopting such agreements and signing such public or private documents as may be necessary or convenient for its full effects, with authority even to correct, rectify, modify or supplement this present resolution, and in particular, including but not limited to, the following powers:

- (a) To develop and set the specific conditions of the schemes of variable remuneration in shares for all those aspects not foreseen in this present resolution.
- (b) To draft, sign and present any public or private communications or documents deemed necessary or convenient for the implementation and execution and settlement of the system of variable remuneration in shares including, if necessary, the corresponding prospectus.
- (c) To determine the specific number of shares which correspond to each of the beneficiaries of the resolution, respecting the established maximum limits.
- (d) To carry out any action, make any declaration or pursue any procedure before any institution or body or public or private register, national or from abroad, to obtain any authorization or verification needed for the implementation, execution and settlement of the system of variable remuneration in shares.
- (e) To negotiate, agree and sign counterparty and liquidity contracts with the financial institutions freely appointed, on the terms and conditions deemed appropriate.
- (f) To draft and publish the notices that may be required or convenient.
- (g) To draft, sign and grant or, if applicable, to certify any kind of document related to the system of variable remuneration in shares.
- (h) To adapt the contents of the system to the requirements or remarks that the competent supervisory authorities may make.
- (i) And, in general, to carry out any action and sign any document considered necessary or convenient for the validity, effectiveness, implementation, development, execution, settlement and successful outcome of the system of variable remuneration in shares and of the adopted resolution.

**NINE.- Advisory vote of the Annual Report on Directors Remuneration corresponding to the fiscal year 2017.**

Approval, with advisory nature, of the Annual Report on Remuneration of the Board Members of Unicaja Banco, S.A. corresponding to the year 2017.

**TEN.- Delegation of authority to execute, interpret, supplement, develop, correct and implement the resolutions adopted by the General Meeting of Shareholders.**

Without prejudice to the delegations included in the previous resolutions, grant powers:

- A) To the Board of Directors to (i) carry out any legal acts or actions that may be required or convenient to implement, interpret, supplement, correct or develop the resolutions, to grant public or private documents which may be deemed necessary or convenient for their fullest effectiveness, including rectification, supplement or correction; (ii) to prepare restated texts of the Bylaws, incorporating the amendments approved in this General Meeting of Directors; (iii) to determine any other circumstances that may be required, adopting and implementing the necessary resolutions, publishing the notices and providing the guarantees that may be required for the purposes established in the law, as well as executing the necessary documents and completing the appropriate procedures, proceeding to comply with the requirements set by the law for the broadest implementation of the resolutions approved by this General Meeting of Shareholders; and (iv) to delegate to any executive Director of the Company all or part of the powers received from this General Meeting, both under the preceding resolutions and under this resolution Ten.
- B) To Mr. Manuel Azuaga Moreno, Mr. Enrique Sánchez del Villar Boceta, Mr. José Manuel Domínguez Martínez and Mr. Vicent Orti Gisbert for any of them, jointly and without prejudice to any other existing power, to be able to, as broadly as required (i) to appear before the Notary of their choice to arrange attestation as a public document of the resolutions adopted in this General Meeting, including, in particular and among other authorizations, the granting of the public deeds and notarial acts or convenient to that end, the correction, ratification, interpretation or supplement of the resolutions and execution of any other public or private document that may be necessary or convenient; (ii) to proceed to submission to the Trade Register, for its registration, of the certification of the resolutions to approve the individual and consolidated accounts, attaching the necessary documents until obtaining the corresponding inscription at the Trade Register of the resolutions adopted; and (iii) to apply to the Trade Register for the partial registration of the resolutions adopted, if they do not agree to their total registration.

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