

**Bankia**

**Bylaws of  
BANKIA, S.A.**

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## **CAPÍTULO I. THE COMPANY AND ITS CAPITAL**

### **Sección 1ª. Identification of the Company**

#### **ARTÍCULO 1.- CORPORATE NAME**

The company is called "BANKIA, S.A." (hereinafter the "**Company**") and is governed by these bylaws and the laws and regulations applicable to it.

#### **ARTÍCULO 2.- CORPORATE PURPOSE**

1. The corporate purpose of the Company is:
  - a) all manner of activities, operations, acts, contracts and services related to the banking sector in general or directly or indirectly related thereto, permitted to it by current legislation, including the provision of investment services and ancillary services and performance of the activities of an insurance agency, either exclusively or in association, without simultaneous exercise of both activities; and
  - b) the acquisition, holding and disposition of all kinds of securities, without limitation including interests in other lending institutions, investment services undertakings or insurance or insurance brokerage companies, to the extent permitted by the legislation in force.
2. The activities comprising the corporate purpose may be undertaken indirectly, in whole or in part, in any of the ways permitted by law, in particular by way of ownership of shares of or participation in companies or other entities the purpose of which is identical to such activities or analogous, accessory or complementary thereto.

#### **ARTÍCULO 3.- REGISTERED OFFICE AND BRANCHES**

1. The Company has its registered office in Valencia at Pintor Sorolla 8.
2. The board of directors has authority to resolve to change the registered office within the same municipality.
3. The board of directors also has authority to decide and resolve to create, close or transfer branches and business, representation and other offices of the Company, both domestically and abroad.

#### **ARTICLE 4. TERM OF COMPANY AND COMMENCEMENT OF OPERATIONS**

1. The Company has been formed for an indefinite term.
2. The Company will commence operations once registered in the Special Register of the Bank of Spain.

### **Sección 2ª. Share capital and shares**

#### **ARTICLE 5. SHARE CAPITAL**

The share capital is a three billion nine hundred eighty-seven million nine hundred twenty-six thousand seven hundred eight euros (€3,987,926,708), represented by

1,993,963,354 fully subscribed and paid-up nominative shares, with a par value of two (2) euros each, of a single class and series. All shares give their holders the same rights.

#### **ARTICLE 6. SHAREHOLDER RIGHTS.**

1. A share confers on its lawful holder the status of a shareholder and also the rights granted by law and these bylaws, in particular the following:
  - a) the right to participate in the distribution of the company's profits and in the net assets resulting from liquidation.
  - b) a pre-emptive right on the issue of new shares or convertible debentures;
  - c) the right to attend and vote at general meetings;
  - d) the right to challenge corporate resolutions; and
  - e) the right to information.

The scope of all rights of a shareholder is determined by law and the bylaws.

2. A shareholder will exercise its rights against the Company loyally and in accordance with the requirements of good faith.
3. The Company, in the manner governed by the legal and administrative provisions, will not recognise the exercise of voting rights deriving from a shareholder's interest to those that acquire shares therein in violation of mandatory legal rules, whatever the kind and degree, or the rules contemplated in these bylaws. Similarly, the Company will publicise the interests of shareholders in its capital, in accordance with the applicable regulations.

#### **ARTICLE 7. COOWNERSHIP, USUFRUCT, PLEDGE AND OTHER RIGHTS IN SHARES**

1. Each share is indivisible. Joint owners of a share must appoint a single person to exercise the shareholder's rights, and they will be jointly and severally liable to the Company for any obligations arising from their status as shareholders. The same rule will be applied in other cases of co-ownership of rights regarding the shares.
2. In the case of usufruct of shares, status as a shareholder resides in the bare owner, but the usufructuary in all cases will have the right to the dividends declared by the Company during the usufruct. Exercise of the other shareholder rights corresponds to the bare owner.

The usufructuary will be required to facilitate the exercise of these rights by the bare owner.

3. In the event of pledge of shares exercise of the shareholder's rights will correspond to the owner thereof. The pledgee will be required to facilitate the exercise of these rights.

If the owner fails to comply with the obligation to pay the pending amounts, the pledge creditor may itself perform this obligation or enforce the pledge.

4. In the case of other limited in rem rights in the shares, exercise of voting rights corresponds to the holder of the direct ownership.

#### **ARTICLE 8. NON-VOTING SHARES**

1. The Company may issue non-voting shares for a nominal amount of no more than one half of paid-up share capital.
2. Non-voting shares will give their holders the rights established in the issue resolution, in accordance with law and, if applicable, by way of the appropriate bylaws amendment.

#### **ARTICLE 9. REDEEMABLE SHARES**

1. On the terms established by law, the Company may issue redeemable shares for a nominal amount of no more than one fourth of share capital.
2. Redeemable shares will give their holders the rights established in the issue resolution, in accordance with law and, if applicable, by way of the appropriate bylaws amendment.

#### **ARTICLE 10. REPRESENTATION OF SHARES**

1. Shares will be represented by book entries and will be governed by the Securities Market Act and other provisions applicable thereto.
2. Maintenance of the book entry records for the Company will be by the entity or entities to which that function corresponds by law.

The entity responsible for maintaining the book entry records will advise the Company of transactions related to shares, and the Company will maintain its own records with the identities of the shareholders.

3. A person appearing as the owner in the entries of the entity responsible for maintaining the book entry records will be presumed to be the lawful owner, and therefore may demand that the Company make the payments to which a shareholder is entitled to it.
4. If formal status as a shareholder is in a person or entity acting as a trustee or in a comparable role, the Company may demand that it provide information regarding the actual owners of the shares, as well as transfers and encumbrances thereof.

#### **ARTICLE 11. FREE TRANSFERABILITY OF SHARES**

1. The shares and the rights incorporated therein, including pre-emptive rights, are transferable in all ways permitted by law.
2. Transfers of new shares may not be effectuated before the capital increase has been registered in the Mercantile Register.
3. The shares will be transferred by way of book entries.
4. The registration of the transfer in favour of the acquirer will have the same effects as the transfer of stock certificates.
5. The creation of limited in rem rights or any other encumbrance on the shares must be entered in the corresponding account in the book-entry records.

6. Entry of a pledge is the equivalent of transfer of possession of an ownership certificate.

#### **ARTICLE 12. PENDING CONTRIBUTIONS**

1. When there are shares that are partially paid up, the shareholder must pay at the time determined by the board of directors, within a maximum term of five years from the date of the resolution to increase capital.
2. Without prejudice to the legally-contemplated consequences of delay, any late payment of pending contributions will accrue interest in favour of the Company at the legal default rate from the due date, without need of judicial or extrajudicial demand. The Company in addition may exercise such actions as it may have by law under such circumstances.

#### **Sección 3ª. Increase and reduction of capital**

#### **ARTICLE 13. CAPITAL INCREASE**

1. An increase of capital may be undertaken by issuing new shares or by raising the par value of those existing. In either case the consideration may consist of monetary contributions, including setoff of credits, in-kind contributions or transformation of profits or reserves already appearing in the Company's net assets. Also, a capital increase may be accomplished in part against new contributions and in part by transforming profits or reserves.
2. Exclusion of pre-emptive rights by the general meeting must be resolved with the legally-required majority. Pre-emptive rights will not arise for existing shareholders and holders of convertible debentures when the capital increase results from absorption of another company or all or a part of the assets and liabilities arising from the split-up of another company or conversion of bonds into shares.
3. When the capital increase has not been fully subscribed within the term indicated for that purpose, capital will be increased by the amount effectively subscribed, unless otherwise provided in the resolution.

#### **ARTICLE 14. AUTHORISED CAPITAL**

1. The general meeting, satisfying the requirements contemplated in applicable legislation, may delegate to the board of directors the authority to resolve, on one or more occasions, to increase capital, up to a specified amount, at the time and in the amount it decides and with authority to exclude or not exclude pre-emptive rights, without prior consultation with the general meeting, within the limits established by law.

Unless the delegation resolution otherwise provides, the board of directors will be authorised to issue voting or nonvoting common shares or redeemable shares.

2. The general meeting also may delegate to the board of directors authority to indicate the dates on which an already-adopted resolution to increase capital is to be effectuated in the resolved amount, and to fix the terms of that resolution in respect of all matters not provided for by the meeting, always within the maximum term contemplated by law.

#### **ARTICLE 15. REDUCTION OF CAPITAL**

1. A reduction of capital may be achieved by decreasing the par value of shares, by redeeming them or by combining them for exchange. The purpose of the reduction in any event may be reestablishment of the balance of capital and decreased equity of the Company resulting from losses, establishment or increase of the legal reserve or voluntary reserves, repayment of the value of contributions or forgiveness of the obligation to make pending contributions.
2. In the event of reduction of capital by repayment of the value of contributions, payment to the shareholders may be made wholly or partially in kind, provided that the conditions contemplated in section 2 of 0 below are satisfied.

#### **ARTICLE 16. MANDATORY REDEMPTION**

1. The general meeting may, in accordance with the provisions of applicable legislation, resolve to reduce capital to redeem a group of shares, provided that that group is defined on the basis of substantive, uniform and non-discriminatory criteria. In that case it will be required that the measure be approved by both a majority of the shares of the shareholders in the affected group and by a majority of the shares of the other shareholders remaining in the Company.
2. The amount to be paid by the Company may not be less than the value of the shares determined by a statutory auditor, other than the Company's auditor, appointed for that purpose by the Mercantile Register in the manner contemplated in applicable legislation.

#### **Sección 4ª. Issue of debentures and other securities**

#### **ARTICLE 17. ISSUE OF DEBENTURES**

1. The Company may issue debentures in accordance the terms established by law.
2. The general meeting may delegate authority to issue straight, convertible and/or exchangeable debentures, mortgage-backed securities or any other mortgage securities, as well as other securities acknowledging or creating a debt. The board may exercise that authority on one or more occasions, over a maximum term of five years.

The general meeting also may authorise the board to determine the time the resolved issue is to occur, and to fix the other terms not contemplated in the meeting resolution.

#### **ARTICLE 18. CONVERTIBLE AND EXCHANGEABLE DEBENTURES**

1. Convertible and/or exchangeable debentures may be issued at a fixed (determined or determinable) exchange ratio or by reference to a variable. The issue resolution will determine whether the authority to convert or exchange lies in the debentureholder or the Company or, if applicable, the conversion will occur on a mandatory basis at a given time.
2. The general meeting may delegate authority to issue straight, convertible and/or exchangeable debentures to the board of directors, if applicable including authority to



exclude pre-emptive rights. The board of directors may exercise that authority on one or more occasions, over a maximum term of five years. The general meeting also may authorise the board of directors to determine the time the resolved issue is to occur, and to fix the other terms not contemplated in the meeting resolution.

#### **ARTICLE 19. OTHER SECURITIES**

1. The company may issue notes, warrants, preferred interests, subordinated debt or other securities different from those contemplated in the preceding Articles, in compliance with the requirements established in the applicable regulations.
2. The general meeting may delegate authority to issue those securities to the board of directors. The board may exercise that authority on one or more occasions, over a maximum term of five years.

The general meeting also may authorise the board to determine the time the resolved issue is to occur, and to fix the other terms not contemplated in the meeting resolution.

### **CAPÍTULO II. CORPORATE BODIES**

#### **Sección 1ª. Corporate bodies and distribution of authority**

#### **ARTICLE 20. CORPORATE BODIES**

The governing bodies of the Company are the general meeting of shareholders and the board of directors.

#### **ARTICLE 21. DISTRIBUTION OF AUTHORITY**

1. The general meeting has authority to decide regarding all matters attributed to it by law or these bylaws. In particular, merely by way of example, it has authority:
  - a) to appoint and remove directors, and ratify or revoke temporary appointments of directors made by the board itself, and to review and approve their performance;
  - b) to appoint and remove the auditors;
  - c) if applicable, to approve the annual accounts and resolve on allocation of profits, and also, if applicable, to approve the consolidated annual accounts;
  - d) to resolve to distribute dividends;
  - e) to resolve to issue debentures;
  - f) to resolve to increase or decrease capital and issue securities convertible to or exchangeable for shares;
  - g) to resolve on corporate restructuring transactions (merger, split-up, segregation, transfer to subsidiaries, transformation, bulk assignment of assets and liabilities) and any other transactions having an effect substantially the same as the foregoing;
  - h) to approve the Regulation of the functioning of the General Meeting;
  - i) to resolve any other amendment of the bylaws;

- j) to authorise the board of directors to increase capital and issue debentures, in accordance with the provisions of applicable legislation and these bylaws;
  - k) to authorise the acquisition of own shares;
  - l) to resolve to list the Company's shares on any organised secondary market;
  - m) to resolve to transfer or contribute the operating assets of the Company to subsidiaries;
  - n) if applicable, to approve acquisition or disposition of assets when, by reason of their kind and magnitude, it implies an effective amendment of the corporate purpose;
  - o) to resolve winding-up or liquidation of the Company, as well as transactions the effect of which is equivalent to liquidation of the Company; and
  - p) to decide on matters submitted to it by resolution of the board of directors.
2. Authority not attributed to the general meeting by law or these bylaws corresponds to the board of directors.

### **Sección 2ª. The general meeting of shareholders**

#### **ARTICLE 22. CLASSES OF GENERAL MEETINGS**

1. General meetings may be ordinary or extraordinary.
2. The ordinary general meeting necessarily meets within the first six months after the close of the financial year, to review corporate management, if applicable to approve the accounts for the preceding financial year and to resolve on allocation of profits, and if applicable to approve consolidated accounts, without prejudice to its competence to consider and decide regarding any other matter appearing on the agenda. The ordinary general meeting nonetheless will be valid even if called or held outside the aforesaid time limit.
3. Any meeting other than as contemplated in the preceding section will be considered to be an extraordinary general meeting.
4. All meetings, whether ordinary or extraordinary, are subject to the same rules of procedure and authority.

#### **ARTICLE 23 – CALL OF GENERAL MEETING**

Call of the general meeting corresponds to the board of directors in accordance with the provisions of applicable legislation.

#### **ARTICLE 24. RIGHT OF ATTENDANCE**

1. The holders of any number of shares registered in their names in the corresponding records five days in advance of the date a general meeting is to be held will be entitled to attend the meeting. Shareholders in default on the payment of pending contributions will be entitled to attend general meetings, but will not be entitled to exercise their right

to vote. The amount of their shares will be deducted from the company's share capital for the purpose of computing the quorum.

2. To attend the general meeting it will be necessary to use the corresponding nominative attendance card, which will be issued by reference to the list of shareholders having that right.
3. The directors must attend the general meetings, without prejudice to their attendance not being necessary for valid holding of the meeting.
4. The chairman of the general meeting may authorise attendance at the meeting of any person he deems appropriate. However, the general meeting may revoke that authorisation.
5. Shareholders that are entitled to attend may vote on the motions concerning items on the agenda of any kind of general meeting in accordance with the provisions of these bylaws.

#### **ARTICLE 25. PROXIES AND ONLINE ATTENDANCE AT GENERAL MEETING**

1. Every shareholder having a right to attend may be represented at the general meeting by another person, even if not a shareholder, by complying with the requirements and formalities established in these bylaws and, if applicable, by law.
2. In addition, any shareholder will be entitled to online attendance at general meetings by way of online resources duly guaranteeing the identity of the shareholder, as specified in 0 below, on the terms of the General Meeting Regulations.
3. Proxies are always revocable. Attendance at the general meeting by the represented shareholder, whether personally or by that shareholder's having cast a remote vote, will constitute revocation of the proxy granted, whatever the date thereof.
4. When proxies are granted or notice thereof is given to the Company remotely, they will only be valid if made:
  - (a) by in-person or mailed delivery to the Company of the attendance card and the proxy, duly signed, or by other written means that, in the judgment of the board of directors stated in a resolution adopted for that purpose, allows due verification of the identity of the shareholder granting the proxy and of the proxy appointed, or
  - (b) by way of electronic correspondence or communication with the Company, to which electronic copies of the attendance card and proxy are attached, specifying the proxy granted and the identity of the grantor of the proxy, and incorporating the electronic signature or other kind of identification of the shareholder granting the proxy, on the terms set by the board of directors.

#### **ARTICLE 26. PLACE AND TIME OF MEETING**

1. General meetings will be held in the place stated in the call, within the municipality in which the Company's registered office is located.

2. Attendance at the general meeting may be by going to the place it is to be held, or if applicable another place made available by the Company, as indicated in the call, connected to the former by a videoconference system allowing recognition and identification of those in attendance, uninterrupted communication among those in attendance regardless of where they are, as well as addressing the meeting and casting votes. The principal meeting site must be located in the municipality where the Company has its registered office, that not being required for the other meeting sites. Those attending at any of the sites will, for all purposes related to the general meeting, be treated as having attended the same single meeting. The meeting will be deemed to have been held at the principal site.
3. If the call does not state the place the meeting is to be held, the meeting will be deemed to have been held at the registered office.

#### **ARTICLE 27. QUORUM FOR GENERAL MEETING**

1. Except as provided in section 3 of this 0, there will be a quorum for the general meeting, whether ordinary or extraordinary, on first or second call when the shareholders present in person or by proxy hold the percentage of voting capital established by law.
2. If, in order to adopt a resolution validly as regards one or more points on the agenda of the general meeting, the attendance of a specific quorum is required by applicable regulations or these bylaws, and that quorum is not achieved, the agenda will be reduced to the other points thereof not requiring the indicated quorum to validly adopt resolutions.
3. Without prejudice to the provisions of the preceding section, the general meeting will be understood to be validly held on a universal basis to consider any matter, without need of a prior call, provided that all share capital is present in person or by proxy and those attending unanimously accept the holding of the meeting.  

The universal meeting may be held at any place within Spanish territory or abroad.
4. Absences occurring after a quorum has been established for a general meeting will not affect the holding thereof.
5. To validly establish a quorum for a meeting, even if it is held on a universal basis, it will not be necessary for the administrators of the Company to attend, without prejudice to their duty as contemplated by law.

#### **ARTICLE 28. GENERAL MEETING OFFICERS**

1. The general meeting officers will be its chairman and secretary.
2. The general meeting will be chaired by the chairman of the board of directors.
3. The chairman will be assisted by the secretary of the meeting. The secretary of the board of directors will be the secretary of the general meeting.
4. The chairman will have authority to determine that there is a quorum for the meeting, lead the deliberations, resolve such doubts as may arise regarding the agenda, end the debate when he considers a matter to have been sufficiently discussed, declare the

results of votes and, in general, all such authority as may be necessary for the best organisation and functioning of the general meeting.

#### **ARTICLE 29. LIST OF THOSE ATTENDING**

1. Before addressing the agenda, the list of attendees will be prepared. It will state the names of the shareholders present and those represented and their representatives, as well as the number of shares with which they attend.

At the end of the list the number of shareholders present in person or by proxy will be stated, as will the amount of share capital they represent, stating the amount of capital corresponding to shareholders entitled to vote.

For quorum purposes, non-voting shares will only be counted under the specific circumstances established by law.

2. The chairman of the general meeting may authorise such scrutineers as he deems to be necessary for preparation of the list of attendees. The chairman will appoint the scrutineers.
3. If the list of attendees does not appear at the beginning of the minutes of the general meeting, it will be attached thereto in the form of an annex signed by the secretary, with the approval of the chairman.
4. The list of attendees may also be prepared as a computer file or added to computerised media. In such cases the media used will be specified in the minutes and the sealed container of the file or media will contain the appropriate identification signed by the secretary with the approval of the chairman.
5. In the case of a universal meeting, the list of attendees will be stated in the minutes, followed by the signature of each of them, after the date and place of the meeting and the agenda.

#### **ARTICLE 30. GENERAL MEETING DELIBERATIONS**

1. Once the list of attendees has been prepared, the chairman, if applicable, will declare the general meeting to be validly constituted and will determine whether it may consider all matters on the agenda or, otherwise, the matters in respect of which the meeting may deliberate and resolve.
2. The chairman will submit the matters on the agenda for deliberation as they appear thereon, and will lead the debate in order for the meeting to proceed in an orderly manner.
3. Any person entitled to attend may speak at least once regarding each of the points on the agenda, although the chairman of the general meeting may establish the order of speakers and at any time set the maximum time allowed thereto.
4. Once the chairman considers a matter to be sufficiently debated, he will submit it to vote.

## **ARTICLE 31. MANNER OF ADOPTING RESOLUTIONS**

1. Each of the matters on the agenda will be voted on individually.

Nevertheless, the chairman of the meeting may determine that proposals corresponding to various points on the agenda will be voted on together, in which case the result of voting will be understood to be individually reproduced for each proposal, if none of those in attendance states its intention to change its vote in respect of any of them. Otherwise, the minutes will reflect the changes of votes stated by each of those in attendance, and the result of the voting corresponding to each proposal as a result thereof.

2. The chairman of the general meeting has authority to specify the system of voting he deems to be most appropriate, and lead the corresponding process. He may be assisted for that purpose by such scrutineers as he freely appoints. In particular, the chairman may decide that voting will be by a show of hands. If there is no objection, a resolution may be deemed to have been adopted by unanimous consent.
3. Voting will always be public.
4. The vote on proposals regarding points included in the agenda may be delegated or exercised by the shareholder by mail or electronic correspondence or by any other remote method of communication, provided the identity of the person exercising the right to vote and the sense of the vote are duly assured.

In order to cast votes by mail, shareholders must complete the corresponding section of the attendance card provided to them, and arrange for it to reach the Company's domicile before midnight of the third day prior the day set for holding the meeting on first call.

5. Without prejudice to the provisions of the preceding sections, resolutions may be adopted by the general meeting using any remote means of communication, provided that the identity of those voting and the integrity of the sense of their votes are duly guaranteed, and no shareholder opposes so proceeding. The Company may authorise remote attendance at the meeting by way of simultaneous remote resources and the issue of remote electronic votes during the holding of the meeting, in which case these matters will be governed by the provisions of the general meeting regulations.

The general meeting regulations may delegate the regulation of all necessary procedural matters to the board of directors, such regulation to respect the law, the bylaws and the meeting regulations.

6. Under the circumstances referred to in section 4 above, the administrators may stipulate that the addresses and proposals of resolutions that, in accordance with the law, are intended to be submitted by the persons who will attend by online means must be submitted to the Company forty-eight hours before the meeting is held.
7. Answers to shareholders exercising their information right during the meeting, if it is not possible to meet the shareholder's request at that time, will be given in writing during the seven days following the end of the meeting.

8. Shareholders that are entitled to attend may vote on the motions concerning items on the agenda of any General Meeting by way of:
  - (a) in-person or mailed delivery to the Company of the attendance card and the proxy, duly signed, or by other written means that, in the judgment of the board of directors stated in a resolution adopted for that purpose, allows due verification of the identity of the shareholder granting the proxy and of the proxy appointed, or
  - (b) electronic correspondence or communication with the Company, to which electronic copies of the attendance card and vote are attached, containing the electronic signature or other form of identification of the shareholder, on the terms set by the Board of Directors in a resolution adopted for that purpose to give this system of voting appropriate guarantees of authenticity and identification of the shareholder casting the vote.
9. To be valid, a vote cast using any of the aforesaid resources must be received by the Company at the corporate headquarters or, if applicable, at the address specified in the call of the General Meeting, before midnight on the third day prior to the date set for holding the Meeting on first call. In the resolution calling the Meeting in question, the Board of Directors may reduce the aforesaid period, publicising it as it would the notice of the call.
10. Shareholders casting remote votes, on the terms indicated in this article, will be deemed to be present for purposes of the quorum for the meeting in question. As a result, appointments of proxies made by them before the vote will be deemed to be revoked, and proxies granted subsequently will be taken not to have been extended.

#### **ARTICLE 32. ADOPTION OF RESOLUTIONS**

1. Except in those cases for which the law establishes a qualified majority, the majority necessary to approve a resolution, on both first and second calls, will be the favourable vote of half plus one of the voting shares present or represented at the general meeting.
2. Those attending the general meeting will be entitled to one vote for each share they hold or represent. Non-voting shares will have this right under the circumstances contemplated by law.
3. Once the resolution has been submitted to vote and the votes have been tabulated, the chairman will declare the result, if applicable stating that the resolution has been validly adopted.

#### **ARTICLE 33. GENERAL MEETING MINUTES**

1. The secretary of the meeting will prepare minutes of the meeting which, once approved, will be included in the corresponding minutes book.
2. The minutes of a meeting may be approved by the meeting itself immediately thereafter or, otherwise, by the chairman and two scrutineers, one representing the majority and the other the minority, within fifteen days.

3. The board of directors may require the presence of a notary to prepare the minutes of the meeting, and will be required to do so in those cases in which it is so established by law. Notarial minutes need not be approved.
4. Any shareholder voting against a given resolution will be entitled to have its opposition to the adopted resolution noted in the minutes of the general meeting.

### **Sección 3ª. Board of directors**

#### **ARTICLE 34. STRUCTURE OF BOARD OF DIRECTORS**

1. The Company will be administered by a board of directors.
2. The board of directors will be governed by the legal regulations applicable to it and by these bylaws. Also, the board will approve board of directors regulations which will contain rules for the internal functioning and governance of the board, the positions therein and delegated, supervisory and control committees thereof, as well as the rules of conduct for their members. The board regulations will be based on good corporate governance practices in the business sector. The approval of the board of directors regulations and amendments thereof will be reported to the general meeting.

#### **ARTICLE 35. ADMINISTRATION AND SUPERVISION AUTHORITY**

1. The board of directors will have the broadest authority to administer the Company and, except for such matters as are reserved to the general meeting, in accordance with the provisions of applicable legislation and these bylaws, is the highest decision-making authority of the Company. The foregoing is without prejudice to the delegated and other authority given by these bylaws to the chairman of the board of directors.
2. The board will assume, without delegation, such authority as is legally reserved directly to it, and such other authority as may be necessary for responsible exercise of the general supervision function.

#### **ARTICLE 36. REPRESENTATION AUTHORITY**

1. The power of representation of the Company, judicial and extrajudicial, corresponds to the board of directors, which will adopt its resolutions collectively and ordinarily will act through its chairman. The chairman also will hold power of representation of the Company. The board also may act through any other director to whom it delegates that authority.
2. The secretary of the board and, if applicable, the assistant secretary, will have the representation authority necessary to arrange for attestation as public documents and request registration of the resolutions of the general meeting and the board of directors.
3. The provisions of this Article are without prejudice to any such other general and special delegations and grants of power of attorney as may be made.



#### **ARTICLE 37. NUMBER OF DIRECTORS**

1. The board of directors will be comprised of a minimum of 5 and a maximum of 19 members.
2. The general meeting sets the number of board members within the range established in the preceding paragraph. For this purpose it will act directly by setting that number by express resolution, or indirectly, by providing for vacancies or appointing new directors, within the maximum established in the preceding section.

#### **ARTICLE 38. CATEGORIES OF DIRECTORS**

1. The general meeting will see to it that the board of directors is so comprised that non-executive directors represent a broad majority over executive directors, and among the non-executive directors there is a reasonable number of independent directors. The general meeting also will see to it that the number of independent directors approaches the number contemplated in the good corporate governance recommendations.
2. The provisions of the preceding section do not affect the independence of the general meeting, or decrease the effectiveness of the proportional system, which will be of mandatory application when there is grouping of shares as contemplated by law.
3. For purposes of the provisions of these bylaws, the terms "non-executive director", "proprietary director", "independent director" and "executive director" will have the meanings given to them by law or these bylaws, or as stated in the board of directors regulations.

#### **ARTICLE 39. TERM OF OFFICE**

1. The directors will serve for a term of six years and may be re-elected one or more times for periods of the same duration. The appointment of the administrators will lapse when, the term having concluded, the following general meeting has been held or the legal term for calling the meeting that is to resolve on approval of the accounts for the preceding financial year has passed.
2. The appointment of directors appointed by co-option will be understood to have been made and they will remain in office up to the date of the first following general meeting, included, without prejudice to the authority of the general meeting to re-elect them.

#### **ARTICLE 40. SUBJECTIVE CONDITIONS FOR BEING A DIRECTOR**

In order to be appointed as a member of the board of directors it will not be necessary to be a shareholder. The members of the board of directors must satisfy the requirements of banking regulation to be considered to be honourable persons suitable for exercise of that function. Supervening failure to satisfy those requirements will be grounds for removal of the accepted director.

#### **ARTICLE 41. MEETINGS OF THE BOARD OF DIRECTORS**

1. The board of directors generally will meet once per month and, in addition, as often as called by the chairman, on his own initiative or on request of 4 directors. In the latter case the chairman will call the extraordinary meeting within a maximum term of three

business days after receipt of the request, to be held within the three following business days, including the agenda items to be considered at the meeting.

2. The board of directors will be called by individual notice, stating the agenda for the meeting in sufficient detail. This notice will be sent by fax, e-mail or letter to each of the directors, at least 5 days in advance of the date contemplated for the meeting, unless, in the judgment of the chairman, the urgency of the matters to be considered requires an urgent call, which will be made by telephone, fax, e-mail or any other remote means, sufficiently in advance to allow the directors to fulfil their duty to attend.
3. The board of directors may validly meet when one half plus one of its members attend the meeting, personally or by proxy, at the place contemplated in the call. The board also may validly meet without need of a call if the holding of the meeting is unanimously accepted by those present in person or by proxy.
4. Board of directors meetings may also be held by videoconference, multiple telephone conference or other such comparable means as may exist in the future, unless 4 directors state their opposition to using them. Under these circumstances resolutions will be deemed to have been adopted at the corporate headquarters.
5. The board of directors also may adopt its resolutions in writing (including by fax or e-mail with prior and subsequent sending of the originals by mail), without need of holding a physical meeting, if none of the directors opposes so proceeding.

#### **ARTICLE 42. ADOPTION OF RESOLUTIONS BY BOARD OF DIRECTORS**

1. With the exception of those matters for which the law establishes a qualified majority, resolutions of the board of directors will be adopted by absolute majority of the directors present at the meeting in person or by proxy. In the event of a tie, the chairman will have a casting vote.
2. Each board member has one vote.
3. Any director may cast its vote and grant a proxy to another director. Proxies will be granted on a special basis for the meeting of the board of directors in question. Notice thereof may be given in any of the ways contemplated in the section 2 of the preceding Article.
4. The chairman, chief executive officer and secretary of the board will be permanently authorised, jointly and severally, to arrange for attestation as public documents of the resolutions of the board of directors, all without prejudice to the express authorisations contemplated in the applicable regulations.

#### **ARTICLE 43. BOARD OF DIRECTORS MINUTES**

1. The minutes of the board of directors meeting will be prepared by the secretary of the board and, in his absence, by the assistant secretary, if any. In their absence the minutes will be prepared by the person appointed by those in attendance as the secretary for the meeting.

2. The minutes will be approved by the board itself, at the end of the meeting or at the immediately following meeting.

#### **ARTICLE 44. POSITIONS ON AND COMMITTEES OF BOARD OF DIRECTORS**

1. The board of directors will appoint its chairman, the term of office of which will be indefinite for so long as the chairman remains a director, with no limits on re-election.
2. The chairman of the board of directors, in addition to having the power of representation referred to in Article 36, will be the executive chairman of the Company, and will have the authority granted thereto for that purpose by the board of directors, in particular authority to propose appointment of the top level executives of the Company, and to authorise any other appointments within the Company. The General Secretariat, Chairman's Office, Strategic Development, Communications, Intervention and Internal Audit units will report to the chairman of the board of directors, without prejudice to the relationships the chairman is to maintain with the audit and compliance committee. The authority delegated to the chairman may be granted by the board of directors by way of power of attorney.

The chairman of the board of directors will be the chief executive of the Company and will have the maximum authority necessary for exercise of that position, without prejudice to the authority, if any, corresponding to the Chief Executive Officer, having the following authority, in addition to the other authority granted in these bylaws:

- a. to see to overall compliance with the bylaws and implementation of the resolutions of the general meeting and the board of directors.
- b. to exercise top-level oversight of the Company and all of its departments.
- c. to head the Company's management team, always in accordance with the decisions and criteria set by the general meeting and board of directors within the scope of their respective authorities.
- d. together with the chief executive officer, to handle matters related to ordinary management of the Company, and
- e. to propose appointment and removal of the chief executive officer to the board of directors.

In the event of absence of or a vacancy in the position of the chairman that role will be fulfilled by the vice chairman. In any event, if the vacancy or absence is for extended extraordinary reasons, or the result of physical incapacity, the chairman may be replaced by such other director to which authority may be extended by way of the appropriate power of attorney.

3. The board of directors will appoint a single executive vice chairman for undertakings in which the Company holds interests, the term of office of which will be indefinite for so long as that vice chairman remains as a director, with no limits on re-election, with responsibility for the undertakings in which the Company holds interests, with the scope delegated to that vice chairman by the board of directors.

4. Independently of the provisions of section 1 above, the board may appoint a chief executive officer, granting it such authority as it deems to be appropriate, which will assist and report to the executive Chairman regarding the progress of business and the matters within its competence.
5. The granting to the chairman, the chief executive officer or any other member of the board of permanent executive authority, general or by sector, other than the collective supervision and decision-making inherent in the simple position of a director, may be made by virtue of structural delegation, by general powers of attorney or by other contractual documents. The members of the board granted such authority will be deemed to be executive directors, in any event under the higher-ranking management of the executive chairman.
6. The assigning or delegating resolution will determine the extent of the authority given to the chief executive officer, the remuneration corresponding thereto in this regard and any other terms and conditions of the relationship, which will be incorporated in an appropriate contract.
7. Appointment of the chief executive officer will be for an indefinite term, for so long as the chief executive officer remains a director.
8. The board of directors will appoint a secretary and, optionally, an assistant secretary, capable of performing the duties inherent in those positions. The respective appointments may be of persons who are not directors, in which case they will act with voice but not vote. The assistant secretary will replace the secretary in cases of absence, unavailability, incapacity or vacancy.
9. The board of directors may create and maintain an executive committee comprised of members of the board of directors. It must create an audit and compliance committee, an appointments and remuneration committee and a board risk committee. The structure, functions and operating rules of these committees will be governed, to the extent not covered in these bylaws, by the board of directors regulations.
10. The board of directors also may create other committees, with such authority as the board of directors may determine.

#### **ARTICLE 45. EXECUTIVE COMMITTEE**

1. The executive committee will be comprised of a minimum of 7 and a maximum of 11 directors.
2. Adoption of resolutions appointing members of the permanent executive committee will require the favourable vote of at least two thirds of the members of the board of directors.
3. The executive committee will have permanently delegated to it such legally delegable authority of the board of directors as it resolves to delegate to it.
4. Resolutions of the executive committee will be adopted by majority vote of the directors that are members of the committee, present in person or by proxy at the meeting,

except for resolutions to delegate authority, which will be adopted by the legally required majority.

In the event of a tie, the chairman will have a casting vote.

5. The board regulations will develop the scheme of the executive committee contemplated in this Article.

#### **ARTICLE 46. AUDIT AND COMPLIANCE COMMITTEE**

1. The audit and compliance committee will be comprised of a minimum of 3 and a maximum of 7 directors, at least the majority of which must be non-executive directors.
2. The members of the audit and compliance committee will be appointed by the board of directors taking account of the directors' knowledge, aptitude and experience in accounting, auditing or risk management.
3. The audit and compliance committee will be chaired by a non-executive director that, in addition, has knowledge and experience in accounting, auditing or risk management. The chairman of the audit and compliance committee must be replaced every four years, and may be re-elected after the term of one year elapses since he left office.
4. The authority of the audit and compliance committee will be as follows:
  - a. Reporting through its chairman and/or secretary to the general meeting of shareholders regarding such matters within its competence as may be posed to it by the shareholders.
  - b. Monitoring the effectiveness of the internal control of the Company, the internal audit, if any, and the risk management systems, and discussing significant weaknesses in the internal control system detected in the course of the audit with the auditors or audit firms.
  - c. Supervising the process of preparation and presentation of the regulated financial information.
  - d. Proposing appointment of the auditors to the board of directors, for submission to the general meeting.
  - e. Establishing the appropriate relationships with the auditors to receive information regarding such questions as may compromise their independence, for review by the committee, and any others related to the process of auditing accounts, and such other communications as may be contemplated in the legislation regarding auditing of accounts and audit standards. In any event, annually it must receive written confirmation from the auditors of their independence as regards the entity or directly or indirectly related entities, and information on additional services of any kind provided to these entities by the aforesaid auditors or firms, or by the persons or entities related thereto in accordance with the provisions of Audit Act 19/1988 of 12 July 1988.
  - f. Annually, prior to the issue of the audit report, issuing a report stating an opinion regarding the independence of the auditors or audit firms. This report must

address the provision of any additional services referred to in the preceding section.

- g. Reviewing compliance with the board of directors regulations, the manuals and procedures for prevention of money laundering and financing of terrorism and, in general, the governance and compliance rules of the Company, and making the necessary proposals for improvement thereof. In particular the audit and compliance committee is to receive information and, if applicable, issue reports regarding measures disciplining members of the board of directors or senior management of the Company.
5. The audit and compliance committee will meet as often as it is called by resolution of the committee itself or its chairman, and at least four times per year. Any member of the Company's management team or personnel that is requested to do so must attend its meetings and provide its cooperation and access to the information available to it. The statutory auditor also may be required to attend. One of its meetings of necessity is used to evaluate the efficiency of and compliance with the Company's governance rules and procedures, and prepare the information the board must approve and include in the annual public documentation.
6. There will be a quorum for the audit and compliance committee with the attendance, in person or by proxy, of at least half of its members. It will adopt its resolutions by majority of those in attendance, in person or by proxy. In the event of a tie, the chairman will have a casting vote. The members of the committee may extend proxies to other members. The resolutions of the audit and compliance committee will be maintained in a minutes book, each entry in which will be signed by the chairman and the secretary.
7. The board regulations will develop the scheme of the audit and compliance committee contemplated in this Article.

#### **ARTICLE 47. APPOINTMENTS AND REMUNERATION COMMITTEE**

1. The appointments and remuneration committee will be comprised of a minimum of 3 and a maximum of 7 directors. They must be non-executive directors.
2. The members of the appointments and remuneration committee will be appointed by the board of directors, based on the knowledge, ability and experience of the directors and the responsibilities of the committee.
3. The appointments and remuneration committee will be chaired by a non-executive director appointed by the board of directors. The chairman of the committee must be replaced every four years, and may be re-elected one or more times for terms of the same length.
4. The appointments and remuneration committee will have general authority to propose and report on remuneration and nominating matters and removal of directors and senior managers. In particular, without prejudice to any other authority given to it by

the board of directors, the appointments and remuneration committee will be responsible for:

- (i) making proposals to the board of directors of independent directors to be appointed by co-option or, if applicable, for submission to decision by the general meeting of shareholders, and proposals for re-election or removal of those directors by the general meeting;
  - (ii) reporting, on a non-binding basis, on proposals of the board of directors for appointment of other directors to be appointed by co-option or, if applicable, for submission to decision by the general meeting of shareholders, and proposals for re-election and dismissal of those directors by the general meeting;
  - (iii) reporting, on a non-binding basis, on board resolutions related to appointment or removal of senior managers of the Group; and
  - (iv) reporting to the board on remuneration policies applied by the Company for the directors received by the directors of the company.
5. The board regulations will develop the scheme of the appointments and remuneration committee contemplated in this Article.

#### **ARTICLE 48. BOARD RISK COMMITTEE**

1. The board risk committee will be responsible for establishment of and supervision of compliance with the risk control mechanisms of the entity, and naturally will be the body responsible for approving the most significant transactions and establishing the overall limits so that lower-ranking bodies may approve the others, without prejudice to the supervisory authority legally corresponding to the audit and compliance committee.
2. The board risk committee will be comprised of a minimum of 3 and a maximum of 7 directors. The chairman of the committee will be a director appointed by the Company's board of directors.
3. The board risk committee will have operational authority and, therefore, may adopt the corresponding decisions within the scope of authority delegated by the board.
4. The board risk committee will have the specific delegated authority contemplated in the delegation resolution and the Board Regulations.
5. The board risk committee, as the body responsible for overall risk management, will evaluate reputation risk within the scope of its activities and decision-making authority.
6. Also, copies of the minutes of meetings of this committee will be made available to all directors.

#### **ARTICLE 49. DIRECTOR REMUNERATION**

1. The administrator's position is remunerated.
2. The remuneration of directors will consist of a fixed periodic amount and per diems for attendance at meetings of the board of directors and its committees, without prejudice to reimbursement of the corresponding expenses. The fixing of this amount, its

distribution among the various directors and the regularity of its receipt will be within the authority of the board of directors.

3. Executive directors in addition will be entitled to receive remuneration consisting of (a) a fixed part, commensurate with the services and responsibilities assumed; (b) a variable part, related to an indicator of the performance of the director or the undertaking; (c) an assistance part, covering the appropriate retirement and insurance systems; and (d) indemnification in the event of separation from or any other form of termination of the legal relationship with the Company, not due to breach attributable to the director.

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 indemnification or the criteria for calculation thereof, also corresponds to the board of directors.

In any event, the remuneration of members of the management bodies of the Company will be in accordance with the provisions regarding this matter contained in corporate and banking regulation.

4. Non-executive directors of the Company who receive any remuneration by reason of membership on any management body of the financial institution that is the majority shareholder of Bankia<sup>1</sup> or the lending institutions that are shareholders of that majority shareholder<sup>2</sup>, or have an employment or senior management contract with those entities, will not be entitled to receive any remuneration by reason of their positions as directors of the Company, except for reimbursement of their expenses.

In addition, executive directors of the Company who receive any remuneration by reason of performance of executive functions for the financial institution that is the majority shareholder of Bankia or the lending institutions that are shareholders of that majority shareholder will not be entitled to receive any remuneration for their executive functions within the Company, except for reimbursement of their expenses.

The executive directors of the Company, if any, will not be entitled simultaneously to receive remuneration in the form of per diems by reason of their membership on any management body of the financial institution that is the majority shareholder of Bankia or the lending institutions that are shareholders of that majority shareholder.

5. Additionally, directors who perform other executive or advisory functions apart from those of collective supervision and decision inherent in their status as directors, whatever the nature of their relationship with Bankia, will be entitled to receive such remuneration, employment or professional, fixed or variable, in cash or in kind, as by resolution of the board of directors of Bankia may apply for performance of those functions, including participation in such incentive systems, if any, as may be established on a general basis for members of the Company's senior management.

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<sup>1</sup> Specifically, Banco Financiero y de Ahorros S.A.

<sup>2</sup> That is, Caja de Ahorros y Monte de Piedad de Madrid; Caja de Ahorros de Valencia, Castellón y Alicante, Bancaja; Caja Insular de Ahorros de Canarias; Caja de Ahorros y Monte de Piedad de Ávila; Caixa d'Estalvis Laietana; Caja de Ahorros y Monte de Piedad de Segovia and Caja de Ahorros de La Rioja (the "Cajas")



6. The Company will secure civil liability insurance for its directors on the usual conditions commensurate with the circumstances of the Company.
7. In addition, independently of the remuneration contemplated in the preceding paragraphs, it is contemplated that remuneration systems may be established that are indexed to the stock market price of shares or involve delivery of shares or options on shares in favour of directors.

Also, after fulfilment of the legal requirements, similar remuneration systems may be established for personnel (whether or not management personnel) of the Company.

#### **ARTICLE 50. TRANSPARENCY OF REMUNERATION SCHEME**

1. The board of directors annually will approve a report on remuneration policy, describing the criteria and bases for determining remuneration of directors, making it available to the shareholders upon call of the ordinary general meeting so there may be a vote thereon, which will be of an advisory nature.

In any event the report will include at least full, clear and comprehensible information regarding the policy for remuneration of directors of the Company approved by the Board for the current year and, if applicable, the policy contemplated for future years. It also will include an overall summary of how the remuneration policy was applied during the financial year, and details of the individual remuneration earned by each of the directors.

2. This report must be a separate point on the agenda. The content of the report will be regulated in the board regulations.
3. The remuneration received by each director will be individually reported in the annual report, stating the amount corresponding to each category of remuneration. The remuneration corresponding to executive functions assigned to the executive directors of the Company will also be stated in the report, individually and for each of the categories.

#### **Report on corporate governance and website**

#### **ARTICLE 51. ANNUAL CORPORATE GOVERNANCE REPORT**

1. The board of directors will prepare an annual report on corporate governance with special attention (i) to the ownership structure of the Company; (ii) to the functioning of the general meeting and the holding of meetings; (iii) to related party transactions and intra-group transactions; (iv) any restriction on transferability of securities and any restriction on voting rights, (v) to risk control systems; (vi) to the structure of administration of the Company; (vii) to the degree of following the good governance recommendations contained in official reports and legal provisions and (viii) will include a description of the principal characteristics of the internal control and risk management system by reference to the process for issuing financial information.
2. The annual corporate governance report will be made available to shareholders on the Company's website not later than the the date of publication of the call of the ordinary

general meeting that is to resolve on the annual accounts corresponding to the financial year referred to by the indicated report.

#### **ARTICLE 52. WEBSITE**

1. The Company will have a website ([www.bankia.com](http://www.bankia.com)) through which its shareholders, investors and the market will be generally advised of material or significant matters related to the Company, and the notices legally required to be published.

### **CAPÍTULO III. MISCELLANEOUS**

#### **Annual accounts**

#### **ARTICLE 53. FINANCIAL YEAR AND PREPARATION OF ANNUAL ACCOUNTS**

1. The financial year will correspond to the calendar year, beginning on 1 January and ending on 31 December of each year.
2. Within a maximum term of three months after the close of each financial year, the board of directors will prepare the annual accounts, the management report, the proposal for allocation of profits and, if applicable, the consolidated accounts and management report.
3. The board of directors will arrange for definitive preparation of the accounts in a manner that will not result in qualifications by the statutory auditor. Nevertheless, when the board believes it must maintain its position, it will, through the chairman of the audit and compliance committee, publicly explain the substance and scope of the difference and, also, will arrange for the statutory auditor also to state its comments in this regard.
4. The annual accounts and management report of the Company must be reviewed by the statutory auditor, appointed by the general meeting prior to the end of the financial year to be audited, for a specified term that may not be less than three or more than nine years after the beginning date of the first financial year to be audited. The auditor may be re-elected by the general meeting annually after the end of the initial term.

#### **ARTICLE 54. APPROVAL AND FILING OF ANNUAL ACCOUNTS**

1. The Company will prepare the annual accounts, which will be submitted for approval of the general meeting of shareholders.
2. Once the annual accounts have been approved, the general meeting will resolve regarding allocation of profits for the financial year.

If the general meeting resolves to distribute dividends, it will determine the time and form of payment. It may also delegate this determination to the board of directors. In that case, the meeting or, if applicable, the directors may resolve to distribute interim dividends for the financial year the accounts of which have been submitted for approval on the terms legally contemplated.

The general meeting may resolve that the dividend will be fully or partially paid in kind, provided that the assets or securities distributed are uniform (absent unanimous

consent) and are not distributed at a value less than that appearing on the balance sheet of the Company.

3. Within the month after approval of the annual accounts, the administrators will present, for filing with the Mercantile Register of the registered office, certification of the resolutions of the general meeting approving the annual accounts and allocating profits, attaching a copy of each of those accounts and copies of the management report and auditor's report.

#### **ARTICLE 55. DIVIDENDS IN KIND**

The general meeting may resolve that the dividend will be fully or partially paid in kind, provided that:

- (i) the assets or securities distributed are uniform;
- (ii) they are admitted to trading on an official market (when the resolution is effective) or the Company duly guarantees that liquidity will be obtained within a maximum term of one year; and
- (iii) they are not distributed at a value less than that appearing on the balance sheet of the Company.

### **Winding up and liquidation of the Company**

#### **ARTICLE 56: WINDING UP OF THE COMPANY**

The Company will be wound up in the cases and subject to the requirements contemplated in applicable legislation.

#### **ARTICLE 57. LIQUIDATORS**

1. The Company having been wound up, all members of the board of directors the appointments of which are current and registered in the Mercantile Register by law will become liquidators, unless the general meeting has appointed other liquidators in the winding up resolution.
2. If the number of directors is not odd, the youngest director will not become a liquidator.

#### **ARTICLE 58: REPRESENTATION OF THE WOUND-UP COMPANY**

In the event of winding up of the Company, the power of representation will be in the liquidation body, comprised of the liquidators described in Article 57 above.

#### **ARTICLE 59. PAYMENT OF LIQUIDATION SHARE**

The liquidation share will be paid, in whole or in part, in assets or rights originally contributed by each shareholder, on the terms established by the general meeting.

**ARTICLE 60. REMAINING ASSETS AND LIABILITIES**

If, the Company having been extinguished and its entries in the Mercantile Register having been cancelled, new corporate assets or liabilities appear, the provisions of applicable legislation will apply.

**Notices**

**ARTICLE 61. NOTICES**

Without prejudice to the provisions of these bylaws regarding proxies, remote voting and simultaneous online attendance at meetings, notices and reports, whether mandatory or voluntary, among the Company, the shareholders and the directors, whoever the sender and addressee may be, may be given electronically and online, unless an express exception is made by law, in any event respecting the guarantees of security and rights of shareholders, for which purpose the board of directors may establish the appropriate technical mechanisms and procedures, which will be publicised by way of the website.

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