



Selection, Diversity, Suitability, Induction
and Training Policy for Directors,
General Managers and Similar
Executives, and Other Key Function
Holders in Bankia, S.A.



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1 INTRODUCTION

With a view to boosting transparency and the trust of Spanish and foreign shareholders and investors, Recommendation 14 of the new Good Governance Code of Listed Companies published by Spain's National Securities Market Commission ("**CNMV**") indicates that the boards of directors of listed companies should approve a director selection policy that: is concrete and verifiable; ensures that appointment or re-election proposals are based on a prior analysis of the board's needs, including preparing a description of the skills and competencies needed to ensure there is sufficient specialist knowledge; and favours diversity of knowledge, experience and gender.

The Regulations of the Board of Directors of Bankia, S.A. (hereinafter, "**Bankia**" or "**the Company**") also stipulate that the Board will approve a director selection policy that must set a goal of representation for the gender under-represented on the Board of Directors, and that the Company's Appointments and Responsible Management Committee will annually verify compliance with the policy.

The EBA guidelines on the assessment of the suitability of members of the management body and key function holders also establishes the need to have a suitability policy that is consistent with the general corporate governance framework, corporate culture and risk appetite of the institution.

It also underlines the need for programmes to induct members of the management body to help them clearly understand the structure, business model, risk profile and corporate governance systems of the institution, and the individual's role within them, and to organise general training and, where applicable, training tailored to the specific needs of the directors.

2 POLICY AIM

The aim of this Policy is to establish the principles, criteria and core aspects of the procedures for assessing the suitability of members of the Board of Directors and key function holders, especially the processes for selecting, ensuring the diversity of, inducting and training members of the Board of Directors.

3 DIRECTOR SELECTION POLICY

3.1 Selection process

3.1.1 Bodies responsible for selecting directors

The Company's Board of Directors and Appointments and Responsible Management Committee will be responsible for selecting Bankia's directors.

The Board of Directors' duties also include the following with regard to director selection:

- a) Preparing an explanatory report assessing the competence, experience and merits of candidates proposed for appointment to the Board. In all cases, this report must be accompanied by the appointment proposal, and attached to the minutes of the General Meeting of Shareholders or meeting of the Board.
- b) Preparing proposals for the appointment or re-election of non-independent directors to be put before shareholders at the General Meeting of Shareholders, or for appointment by co-option by the Board itself, as the case may be.
- c) Ensuring the procedures for selecting members of the Board of Directors are in keeping with the diversity criteria established in the Diversity Policy in section 4 of this document.

With regard to director selection procedures, the Company's Appointments and Responsible Management Committee's duties include the following:

- a) Assessing the competencies, knowledge and experience required for the Board of Directors and, therefore, defining the necessary functions and abilities for candidates wishing to cover each vacancy.
- b) Assessing the time and dedication needed for Board members to fulfil their task in an effective manner, to ensure they have the necessary time to carry out their duties.

Having analysed the specific workloads of each post, the Appointments and Responsible Management Committee will notify the candidate or Board member, as applicable, of the expected time commitment of the role.

- c) 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, and proposals for re-election or removal of those directors by the General Meeting;
- d) Making proposals to the Board of Directors of other directors to be appointed by co-option or, where 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.

- e) Ensuring that when filling new board vacancies, selection procedures are not affected by implicit biases that could hinder the selection of the under-represented gender.
- f) Regularly (at least once each year) evaluating the structure, size, composition and performance of the Board of Directors, if applicable making recommendations to it regarding possible changes;

3.1.2 Independent advice

The Company may draw on the advice and support of human resources consultancy firms or any other independent advisor when selecting board candidates.

3.2 Mandatory requirements and conditions in board selection processes

During director selection processes, candidates to be appointed as board members, and directors proposed for re-election or ratification, must meet the requirements of good reputation, knowledge, experience and compatibility and dedication, all in accordance with prevailing legislation and Bankia's Policy on the Suitability of Directors, General Managers and Similar Executives, and Key Function Holders, included in section 5 of this document.

The bodies responsible for selecting directors will start by analysing the needs of the Bank and its Group, paying particular attention to the knowledge, experience and gender of existing board members, in order to favour board diversity. In this regard and where possible, appointment or re-election proposals will be drawn up considering a restricted list of preselected suitable candidates taking into account, among others, the diversity objectives set forth in the Diversity Policy in section 4 of this document.

The members of Bankia's Board of Directors must also, as a whole, have sufficient professional experience in governing credit institutions to ensure the Board is capable of independently taking decisions of its own volition in the Company's interests.

All director selection processes will be performed in such a way as to avoid any implicit biases that could lead to any form of discrimination. In this regard, steps will be taken to avoid establishing requirements and/or criteria that could, in some way, lead to any type of discrimination.

In particular, the bodies responsible for selecting members of Bankia's Board of Directors will aim to adopt measures that promote where possible fulfilment of the objective for the type of directors serving on the Board, in the terms and proportions stipulated in applicable legislation.

3.2.1 Individual requirements for candidates

Pursuant to Bankia's Regulations of the Board of Directors: "*The persons appointed as directors must satisfy the conditions required by law or the bylaws, at the time of taking office formally covenanting to fulfil the obligations and duties contemplated therein and in these regulations*".

In particular, candidates whose appointment, re-election or ratification as Bankia directors is proposed must fulfil the suitability requirements set forth in the Policy on the Suitability of Directors, General Managers and Similar Executives, and Key Function Holders, included in section 5 of this document

3.2.2 Suitability requirements for the entire Board of Directors

As well as the individual requirements described above, members of the Board of Directors, taken as a whole, must have an understanding of the Bank's activities, including its main risks, and thus be able to take appropriate decisions at all times according to the business model, risk appetite, strategy and markets in which Bankia operates.

The collective knowledge of the Board of Directors must also cover all the Bank's activities, and individually, they must fulfil all the Board of Director suitability requirements set forth in the Policy on the Suitability of Directors, General Managers and Similar Executives, and Key Function Holders, included in section 5 of this document.

3.2.3 Incompatibilities

Candidates to be appointed, re-elected or ratified as members of Bankia's Board of Directors may not be ineligible on any of the grounds for incompatibility, incapacity or prohibition established by the applicable regulations. People that are affected by any of the following circumstances may also not hold the position of director:

- a) People that have been charged or accused of an alleged criminal act or that have been subject to disciplinary proceedings for serious or very serious offences by the supervisory authorities.
- b) People whose presence on Bankia's Board of Directors could compromise the Bank's interests for reputational reasons.
- c) People that do not fulfil the suitability requirements established by the applicable regulations for members of boards of directors of credit institutions and laid down in the Policy on the Suitability of Directors, General Managers and Similar Executives, and Key Function Holders, included in section 5 of this document.

- d) People that simultaneously hold more positions than is allowed under article 26 of Law 10/2014 of 26 June on the regulation, supervision and solvency of credit institutions.

4 BOARD OF DIRECTORS DIVERSITY POLICY

Bankia will guarantee that all members of the Board of Directors are suitable and have the knowledge, competencies and experience needed to carry out their duties.

It will also encourage diversity in terms of nationality, gender, knowledge and experience to enrich decision-making and offer a range of points of view.

It is for this reason that the Board of Directors and the Appointments and Responsible Management Committee will ensure the following diversity criteria are respected at all times:

- a) Academic and professional profile;
- b) Gender;
- c) Age;
- d) Nationality; and
- e) Non-discrimination.

The bodies responsible for the selection of Bankia directors must ensure that selection procedures encourage diversity of gender, experience and knowledge; facilitate the selection of female directors; and, in general, are not subject to implicit biases that may lead to discrimination. This will result in a diverse range of profiles on the Board of Directors.

The Appointments and Responsible Management Committee will, at regular intervals and at least once a year, assess the structure, composition and individual and collective competencies of the Board of Directors.

This assessment will look at the aforementioned aspects of diversity, analysing the Board of Directors' competencies through a Skills Matrix for directors.

Moreover, in order to achieve the gender diversity objective, the Board of Directors and the Appointments and Responsible Management Committee will ensure that the selection procedures to fill board vacancies reach the target for the level of representation of the less well represented gender on the Board. As stipulated in the Bankia's Board Selection Policy, steps will be taken to boost the number of females on the Board of Directors, adhering to Recommendation 14 of the Good Governance Code for listed companies, which pursues the goal of having at least 30% of total board places occupied by women directors before the year 2020.

The Appointments and Responsible Management Committee will keep a record of fulfilment of this objective and any others that may have been deemed appropriate; and if

the objective is not met, the reasons for this, corrective measures to be taken and a timetable of action.

A description of the diversity stipulations and objectives set out in this Policy and the outcomes thereof will be included in the Annual Corporate Governance Report, along with the measures taken to create a board that is diverse and has a satisfactory gender balance.

5 SUITABILITY POLICY FOR DIRECTORS, GENERAL MANAGERS AND SIMILAR EXECUTIVES, AND OTHER KEY FUNCTION HOLDERS

5.1 Individuals and entities subject to the suitability assessment procedure¹

The requirements and procedures established in this Policy will apply to:

- a) All members of the Bank's Board of Directors, whether they be natural or legal persons, and any natural persons representing a board member that is a legal person (the "**Directors**").
- b) **General Managers** or similar executives.
- c) Heads of **internal control functions** at the Bank.
- d) The holders of other **key functions for the daily operation** of the banking business.

5.2 Bodies responsible for the suitability assessment function

5.2.1 Most senior body responsible for the function

The Bank's Appointments and Responsible Management Committee is ultimately responsible for the suitability assessment function. This body's duties are:

- a) To assess the suitability of Code Staff as proposed by the Bank's Corporate Director of People.
- b) To provide Code Staff with the Policy.
- c) The Corporate Director of People is also responsible for facilitating dissemination of this Policy to any interested parties and through all available means:
 - a. Body of regulations on the corporate intranet.

¹ Individuals included in the cohort identified by Bankia using qualitative criteria (risk takers and control functions).

- b. In-house repository of regulations.

5.2.2 Support bodies

5.2.2.1 General Manager of People, Organisation and Technology

The General Manager of People, Organisation and Technology is responsible for presenting the assessment to the Bank of Spain or other pertinent authority.

5.2.2.2 Corporate Department of People

The Bank's Corporate Department of People, under its director's supervision, is responsible for supporting the function of assessing the suitability of Code Staff, which is carried out by the Appointments and Responsible Management Committee. In this respect, the Corporate Department of People's duties are:

- a) Sending, monitoring and gathering requests, documentation and declarations that must be obtained in accordance with this Policy for the assessment of any posts which it is deemed are occupied by Code Staff.
- b) Checking the individual records on natural or legal persons who are classified as Code Staff, verifying that the records are complete and correct as per this Policy and prevailing regulations. If necessary, requesting clarifications or additional information or documentation from the candidates.
- c) Analysing these records to furnish the Appointments and Responsible Management Committee with any reports thereon.
- d) Filing and safeguarding all documentation gathered as per the terms of this Policy.
- e) Ensuring this Policy is kept up to date, proposing to the Board of Directors any amendments needed to revise it whenever necessary.
- f) Submitting to the Appointments and Responsible Management Committee a report, at least annually, on the outcome of the suitability assessments performed by the Corporate Department of People in relation to this Policy.

- g) Requesting support, if required, from other areas of the Bank, especially the Internal Audit and Regulatory Compliance departments. It will also request information from the Deputy General Manager of the General Secretariat needed to perform the suitability assessments that may have been previously submitted by directors.

5.3 Suitability requirements

Code staff subject to suitability assessments must have the expected good reputation, honesty and integrity, and knowledge, competencies and experience needed to carry out their duties as per prevailing regulations.

Board members must also be in a position to properly govern the Bank, ensuring that, collectively, they have sufficient professional experience and knowledge of governing credit institutions and are able to dedicate the necessary amount of time to the role and have the requisite independence of mind.

5.3.1 Professional reputation, honesty and integrity

Unless there are objective and demonstrable reasons to the contrary, Code Staff will be deemed to be of good professional repute and act honestly and with integrity. The assessment of good reputation, honesty and integrity must also take into consideration the cumulative impact of minor incidents on their reputation.

Without breaching any fundamental rights, the following will be taken into account when assessing reputation, honesty and integrity:

- a) Criminal offences or civil sanctions, considering:
 - The type of sentence or accusation.
 - The individual role in the illicit act.
 - Any sentence imposed.
 - The stage reached in any judicial proceedings.
 - Any rehabilitation orders imposed.
- b) The following will also be taken into consideration:
 - The surrounding circumstances, including any mitigating factors.
 - The seriousness of any crime or penalty proceedings imposed by the pertinent public authority or inspector.
 - The time elapsed since the illicit act was committed.
 - The individual's conduct since committing the crime or being sentenced.

- The relevance of the illicit acts to the individual's job position.
- c) All pertinent criminal and civil offences must be taken into account considering the applicable statute of limitation laid down in domestic law.

Notwithstanding the presumption of innocence applicable in criminal cases and other fundamental rights, the following factors must be considered when assessing reputation, honesty and integrity:

- a) Sentences or court cases in progress for a criminal act, especially:
- Illicit acts stipulated in legislation governing banking, financial, securities or insurance activities or relating to payment or financial instruments and securities markets, including laws on money laundering, anti-corruption, market manipulation, insider trading and loan-sharking;
 - Falsification, fraud and economic crimes;
 - Tax crimes; and
 - Other illicit acts stipulated in legislation governing companies, bankruptcy, insolvency and consumer protection.
- b) Other significant measures imposed now or in the past by any professional or regulatory body for breaching any relevant legal provisions governing banking, financial, securities or insurance activities.
- c) Investigations in progress that derive from criminal or civil proceedings, or other similar investigations, without prejudice to an individual's fundamental rights.
- d) The following circumstances related with the past and present professional performance and financial solvency of the Code Staff to evaluate the potential impact thereof on the board member's good reputation, integrity and honesty:
- Being a defaulting debtor;
 - The business and financial performance of the entities under the Code Staff's control or in which he/she has had a significant influence or ownership stake, especially taking into account any winding-up or insolvency proceedings, and if he/she has contributed to the proceedings and how;
 - Filing for personal bankruptcy; and
 - Without prejudice to the assumption of innocence, any civil claims, administrative or criminal proceedings, major investments or

exposures and loans obtained that could have a significant effect on the Code Staff's solvency or that of the entities he/she owns or manages, or in which he/she has a significant stake.

- e) At least the following factors will also be taken into account when assessing good reputation, honesty and integrity:
- Any tests in which the individual has not been transparent, open and helpful in his/her dealings with the competent authorities;
 - Refusal, renewal, withdrawal or expulsion from any registers, authorisation, membership or licence to carry out a commercial, business or professional activity;
 - The reasons for any dismissals or removal from a position of trust, fiduciary relationship or similar situation, or for any resignations;
 - Any disqualifications by a pertinent competent authority; and
 - Any other test indicating the individual's conduct is not to a high standard.

However, being affected by any of the circumstances described above does not necessarily invalidate an individual's suitability. This would only be true in cases where it is determined through exhaustive analysis of the specific circumstances affecting the proposed candidate that the actual scope, significant and severity of events raise doubts about the individual's capability to duly and prudently govern the Bank.

5.3.2 Appropriate knowledge, competencies and experience

The Code Staff must have up-to-date knowledge of the Bank's business and its risks, and the level of knowledge must be commensurate with the individual's duties. This includes having an adequate understanding of the areas for which he/she is not responsible directly but collectively.

He/she must have a clear understanding of the Bank's corporate governance systems, his/her functions and responsibilities and, where applicable, the structure of the group and any potential conflicts of interest that could arise. He/she must also contribute to nurturing an appropriate culture, corporate values and conduct in the Bank.

The following will be considered when assessing an individual has the required knowledge, competencies and experience:

- a) The function and responsibilities attached to the post and capabilities needed to occupy it;
- b) The knowledge and competencies gained through academic studies, training and experience;

- c) The practical and professional experience acquired in previous jobs; and
- d) The knowledge and competencies acquired and demonstrated on the job.

The individual's academic profile and level of qualifications will also be considered, as well as whether these are relevant to banking and financial services or other relevant fields. In particular, knowledge of banking and finance, the economy, law, accounting, auditing, administration, financial regulations, IT and quantitative methods, in general, will be deemed relevant to the financial services sector.

The assessment will not be restricted to academic records or evidence of a specific period of service at an entity, rather more in-depth analysis will be performed of an individual's practical experience, since the knowledge and competencies acquired in previous jobs depend on the nature, scale and complexity of the business, and the position held.

Theoretical and practical experience related with the following will be considered when assessing knowledge, competencies and experience:

- a) Banking and financial markets;
- b) Legal requirements and regulatory framework;
- c) Strategic planning, understanding of an entity's strategy or business plan and fulfilment thereof;
- d) Risk management (identification, assessment, monitoring, control and mitigation of the main types of risk to which an entity is exposed);
- e) Accounting and auditing;
- f) Evaluation of the effectiveness of an entity's procedures, ensuring effective governance, oversight and controls; and
- g) The interpretation of an entity's financial information, identification of key questions based on this information and implementation of appropriate controls and measures.

Code staff must have gained sufficient practical and professional experience in a senior management position over a sufficiently long period of time. Short spells in office will be considered in assessments but will not be enough in themselves to conclude that a member has sufficient experience. Special attention will be given to the following when evaluating any practical and professional experience acquired:

- a) The nature of the senior management position held and its tier in the reporting hierarchy;
- b) The length of time in office;
- c) The nature and complexity of the business in which the position was held, including its organisational structure;

- d) The scope of competencies, decision-making powers and responsibilities assumed;
- e) The technical know-how obtained through the post; and
- f) The number of people reporting to the individual.

5.3.3 Independence of mind

The individual will be assessed to determine whether:

- a) He/she possesses the required personal skills, including:
 - The courage, conviction and strength to effectively consider and question proposed decisions;
 - The ability to ask questions; and
 - The ability to resist group mindsets.
- b) They have any conflict of interests that could compromise their ability to perform their duties independently and objectively. In this case, any actual or potential conflicts of interest must be identified and their significance evaluated. The following circumstances will be considered that could result in actual or potential conflicts of interest:
 - Economic interests;
 - Personal or professional relationships with the owners of qualifying holdings in the Bank;
 - Personal or professional relationships with staff of the Bank or entities included within the scope of prudential consolidation;
 - Other employment and previous employment within the recent past;
 - Personal or professional relationships with relevant external stakeholders;
 - Membership in a body or ownership of a body or entity with conflicting interests; and
 - Political influence or political relationships.

5.3.4 Dedication of sufficient time by a member of the Board of Directors

An assessment will be carried out as to whether or not a member of the Board of Directors can dedicate sufficient time to performing his/her duties and functions; this includes gaining an understanding of the business, its main risks and the implications of the business model and risk strategy.

Individuals must be able to fulfil their obligations during periods of especially heavy workloads, for example during any restructuring, relocations, acquisitions, mergers, takeovers or crises, or when there is a

serious problem with one or more of the Bank's operations, bearing in mind that higher than normal amounts of time may need to be dedicated to performing their duties.

The following will be considered when assessing whether an individual can dedicate sufficient time to the post:

- a) The number of positions simultaneously held in financial and non-financial companies, factoring in any synergies when posts are occupied in companies within the same group, even when they act on behalf of a legal person or as a substitute;
- b) The size, nature, scale and complexity of the activities of the entity in which a post is held, especially whether the entity is located in or outside the EU;
- c) Where the post is performed and the travel time needed to carry it out;
- d) The number of meetings scheduled;
- e) The positions simultaneously held in organisations whose primary objectives are predominantly not commercial in nature;
- f) Any necessary meeting that have to be held, in particular, with competent authorities or other internal and external stakeholders, outside the official schedule of meetings;
- g) The nature of the specific post and duties attached to it, including specific functions such as board chairman, chief executive or committee member or chairman; whether an executive or non-executive position is held; and the need to attend meetings in other companies and the Bank;
- h) Other external political or professional activities and any other significant function or activity in or outside the financial sector and in and outside the EU;
- i) The induction and training required;
- j) Any other relevant responsibilities that must be taken into account when assessing the individual's ability to dedicate sufficient time to the post; and
- k) Any pertinent comparison concerning time demands.

When an individual occupies a post in a significant institution, checks will also be performed to ensure the restrictions on the maximum number of board positions stipulated in article 91 of Directive 2013/36/EU or article 9.2 of Directive 2014/65/EU, as applicable, are adhered to.

According to these directives, a member of the Board of Directors of a significant institution must not occupy more than one executive directorship with two non-executive directorships, or four non-executive directorships. There are, however, two exceptions to this rule:

- a) Positions held in organisations whose primary objectives are predominantly not commercial in nature will not count. Nonetheless, such activities will be considered when assessing the ability to dedicate sufficient time. These organisations include:
 - Charities;
 - Other non-profit organisations; and
 - Companies incorporated with the sole purpose of serving the private economic interests of members of the Board of directors and their relatives, provided the board member is not involved in the day-to-day management thereof.
- b) The following positions held simultaneously will be treated as a single position (“preferential computation”):
 - Positions in the same group;
 - Positions in entities forming part of the same institutional protection scheme; and
 - Positions in companies in which the Bank holds a qualifying holding.

5.3.5 Assessment of the collective suitability of members of the Board of Directors

Collectively, the Board of Directors must have, at all times, the knowledge, competencies and experience required to be able to understand the Bank’s activities, including the main risks to which it is exposed.

Collectively, the members of the Board of Directors must:

- a) Be capable of taking appropriate decisions based on the Bank’s business model, risk appetite and strategy and the markets in which it operates.
- b) Avail of sufficient knowledge and experience in all areas of knowledge needed for the Bank’s activities to be carried out. Be of a sufficient number with knowledge in each area to ensure decisions to be adopted can be properly debated.
- c) Have the competencies needed to present their points of view and participate in decision-making on the Board of Directors.
- d) Have sufficient understanding of the areas for which they are collectively responsible, and have the competencies needed to govern and oversee the Bank, including the following:
 - The Bank’s business and the main related risks;
 - Each of the Bank’s significant activities;

- Relevant areas of sector/financial competence, including financial and capital markets, solvency and models;
- Accounting and financial reporting;
- Risk management, regulatory compliance, and internal audit;
- IT and security;
- Local, regional and global markets;
- Legal and regulatory environment;
- Management competencies and experience in management;
- Aptitude for strategic planning; and
- Management of (inter)national groups and risk related with group structures.

5.4 Other considerations

5.4.1 Assessment of individuals comprising the bodies responsible for assessments and bodies supporting the function

When the suitability of any of the members of the Appointments and Responsible Management Committee, the General Manager of People, Organisation and Technology, or the Corporate Director of People is being assessed, the individual in question must not attend or must leave any meetings where his/her record is discussed or analysed. He/she must not be involved in any discussions, preparation of reports or adoption of decisions concerning his/her suitability.

The functions of the General Manager of People, Organisation and Technology and Corporate Director of People set forth in this Policy will be assumed by the chairman of the Appointments and Responsible Management Committee whenever the suitability of the aforesaid executive(s) is under scrutiny.

The functions of the chairman of the Appointments and Responsible Management Committee set forth in this Policy will be assumed by the Chairman of the Board of Directors whenever the suitability of the aforesaid executive is under scrutiny.

If the number of individuals simultaneously being assessed for suitability means that meetings of the competent body cannot be held or decisions adopted in such meetings due to a lack of quorum, the suitability assessment will be carried out by the Bank's Board of Directors.

The Appointments and Responsible Management Committee will propose to the competent bodies, the measures needed to avoid, wherever possible, circumstances where too many suitability assessments are being conducted to duly execute them according to this Policy.

5.4.2 Roles on adoption of resolutions by bodies responsible for or participating in assessments

Any resolutions concerning suitability assessments adopted by bodies responsible for participating in the assessments will be valid, provided the bodies are executive level and a majority of their members attending the meetings where such resolutions are adopted (abstentions will be treated as votes against in this respect) vote in favour of them and as long as at least half plus one of the body's members were in attendance.

Failure to attend a meeting without due cause, which results in the meeting not being able to go ahead or resolutions to be adopted will be treated as a serious breach of the duties of the members of the Board or of the aforementioned bodies.

5.4.3 Controlling company

It is hereby stated that the Bank's controlling company is BFA, Tenedora de Acciones, S.A.U., (the "Controlling Company").

The Bank will take reasonable steps to ensure all the suitability requirements are also verified in relation to the Controlling Company's Code Staff. To this end, each year the Corporate Director of People will gather any relevant information from the Controlling Company, as per the Policy on the Suitability of Directors, General Managers and Similar Executives, and Key Function Holders adopted by the Controlling Company.

6 POLICY ON THE INDUCTION AND TRAINING OF MEMBERS OF THE BOARD OF DIRECTORS

Bankia will guarantee at all times the suitability of members of the Board of Directors by helping enhance their knowledge, competencies and skills through different training practices used by the Bank to this end.

It will also ensure sufficient human and financial resources are in place to run the established induction and training programmes, thereby ensuring the members of the management team are suitable and can perform the functions by fulfilling their specific duties and serving on the relevant committees.

6.1 Induction and training plans

6.1.1 Induction and training plans on first appointment

Bankia's Director Selection Policy stipulates that the Company's Appointments and Responsible Management Committee will exhaustively analyse the professional track records of candidates proposed for

appointment to the Board, ensuring they have – pursuant to prevailing legislation and the profile prepared by the Committee for this purpose – the required level and type of training in banking and financial services, and any other matters deemed, as the case may be, to be relevant, and sufficient on-the-job experience acquired in previous posts. This analysis must take into account knowledge acquired in an academic setting and experience obtained when performing similar duties in other banks or companies to those that will be assigned.

Nonetheless, to give new directors knowledge of the Bank and its corporate governance rules or topics in which additional training is needed, the Bank will offer them an orientation and support programme that they should be able to attend within six months of taking up their post. Whatever the case, new directors must fulfil all the knowledge and competency requirements no later than a year after joining.

The initial training plan will be designed to offer a clear understanding of Bankia's structure, business model, risk profile and internal governance.

Content will be tailored to each role, but will also cover the following aspects:

- Bankia's vision, mission and values (Internal Rules of Conduct);
- Positioning;
- Governing bodies;
- Bankia's history;
- Strategic plan;
- Business model, structure and characteristics (main lines of business);
- Risk appetite framework; and
- Prevailing applicable supervisory and regulatory framework.

6.1.2 Continuous training plan

Each year, the Corporate Department of People will prepare a director training plan for the following year, which will be submitted for approval to the Appointments and Responsible Management Committee.

This training plan will aim to build up the directors' knowledge of economic, regulatory, corporate governance and social matters. All departments may be involved as necessary depending on the material to be covered. A regular training schedule will be drawn up, the content of which will be tailored to the directors' needs, possible regulatory requirements and recommendations related to best practices in this area.

Information and training for directors may also be provided through public websites or through ad hoc websites such as the Bankia Research website, among others.

This training will cover, among others:

- New applicable laws and regulations;
- Strategic projects; and
- Risk management.

Members of the Board of Directors will also receive regular updates on economic-financial affairs, responsible management, technological innovation and banking rules and other regulatory matters.

6.1.3 Specific training plan

Specific training plans will be designed as a result of identifying areas where training is needed for both the Board of Directors as a whole and for individual members of the governing body, or at the request of a board member.

Requests for personalised training from members of the Board of Directors will be submitted to the chairman of the Appointments and Responsible Management Committee, who will notify the Corporate Department of People to fulfil the training request.

6.2 Responsibility for training programmes

The Corporate Department of People is responsible for preparing and coordinating the initial induction and training programme and any continuous or specific training programmes approved by the Appointments and Responsible Management Committee.

It will draw on the support of the Bank's other teams involved in the various training programmes and, if necessary, external experts.

6.3 Process for identifying training needs

Training requirements will be identified from three angles:

- a) Job-specific requirements, tailored to the functions defined for the members of the Board of Directors.
- b) Needs related with implementing the Bank's strategy, offering specific training to contribute to projects being properly developed, rolled out and monitored.

- c) Needs stemming from regulatory requirements that call for specific training or a particular level of qualifications.

6.4 Training programme evaluations

The process for evaluating training programmes involves measuring the quality thereof using satisfaction questionnaires handed out to course participants.

7 APPROVAL AND REVIEW OF THIS POLICY

This Policy will be approved by Bankia's Board of Directors, as will any subsequent updates or revisions.

The Appointments and Responsible Management Committee will be responsible for regularly reviewing the Policy, submitting to the Board of Directors proposals for any necessary amendments or improvements thereof.

The Appointments and Responsible Management Committee will also be responsible for annually verifying compliance with the Policy, based on a report submitted to it by the General Department of People, Organisation and Technology.

The Bank will report that the Policy has been complied with in its Annual Corporate Governance Report.