Internal Rules of Conduct for Securities Markets

BANKIA, S.A.

Approved by Board of Directors

24 November 2016

Bankia

INTERNAL RULES OF CONDUCT FOR SECURITIES MARKETS

TITLE I. GENERAL RULES

ARTICLE 1. COVERED PERSONS AND ACTIVITIES

1. These Rules of Conduct and accompanying annexes (hereinafter, the "Rules") apply to Bankia, S.A. (hereinafter, "Bankia"), any Bankia Group companies that are active in the securities markets (hereinafter, together with Bankia, "covered group entities") and the following persons (hereinafter, "covered persons"):

    a) Members or officers of the boards of directors, the supervision and control committees and other board committees of covered group entities.

    b) Members of the executive committees of covered group entities.

    c) Other managers, employees, legal representatives and agents of covered group entities whose work is directly related to operations and activities in the securities markets.

    d) Other persons who belong to or provide their services in covered group entities and who in the opinion of regulatory compliance, although they do not have a function directly related to the securities markets, must nevertheless be covered by these Rules permanently or temporarily, on account of their participation in or knowledge of operations relating to securities markets.

    Regulatory Compliance shall keep current and make available to the governing bodies and supervisory authorities a comprehensive list of the entities and persons covered by these Rules.

2. These rules will apply to the activities carried out by covered group entities in the securities market.

ARTICLE 2. SCOPE OF APPLICATION

The provisions of these Rules will apply to the financial instruments captured by Article 2 of the consolidated text de la Securities Market Law approved by Legislative Royal Decree 4/2015 of 23 October 2015, or such legal provisions as may replace it:

1. Transferable securities issued by public or private persons or entities and grouped in issues. For the purposes hereof, transferable securities means any ownership right, irrespective of its name, which by reason of its specific legal status and rules of transfer can be generally and impersonally traded in a financial market.

    In any event, the following are considered transferable securities for the purposes of these Rules:

    a) Shares in companies and transferable securities equivalent to shares, and any other kind of transferable securities that carry the right to acquire shares or securities equivalent to shares through conversion or exercise of the rights conferred.

    b) Export and internationalisation refinancing bonds and notes (*cédulas y bonos de internacionalización*)

    c) Bonds, debentures and similar securities representing a debt security, including convertible or exchangeable securities.

    d) Mortgage-backed securities, bonds and notes.

    e) Securitisation bonds.

    f) Shares and units in collective investment institutions, and in venture capital funds and closed-end collective investment entities.

g) Money-market instruments, i.e., those categories of instruments regularly traded on the money market, such as Treasury bonds, certificates of deposit and promissory notes, except for single-certificate issues, excluding payment instruments deriving from previous commercial transactions that do not entail raising repayable finance.

h) Preferred securities.

i) Public sector covered bonds (*cédulas territoriales*).

j) Warrants and other transferable derivative securities conferring a right to purchase or sell any other transferable security, or that confer the right to a cash settlement determined by reference to, inter alia, transferable securities, currencies, interest rates or returns, commodities, credit risk or other indices or benchmarks.

k) The other instruments classified as transferable securities by law or regulation.

2. Options, futures, swaps, forward rate agreements and other derivative financial instruments contracts relating to securities, currencies, interest rates or returns or other derivative financial instruments, financial indices or financial measures that may be settled in cash or in kind.
3. Options, futures, swaps, forward rate agreements and other derivative financial instruments contracts relating to commodities that must be settled in cash or may be settled in cash at the request of one of the parties for reasons other than breach of contract or any event leading to cancellation of the contract.
4. Options, futures, swaps, forward rate agreements and other derivative financial instruments contracts relating to commodities that can be physically settled provided that they are traded on a regulated market or a multilateral trading facility.
5. Options, futures, swaps, forward rate agreements and other derivative financial instruments contracts relating to commodities that can be physically settled not mentioned in the preceding subparagraph and not used for commercial purposes, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are cleared and settled through recognised clearing houses or are subject to regular margin calls.
6. Derivative financial instruments for the transfer of credit risk.
7. Financial contracts for differences.
8. Options, futures, swaps, forward rate agreements and other contracts for derivative financial instruments contracts tied to climate variables, transport expenses, emission allowances or inflation rates or other official economic statistics, that must be settled in cash or that may be settled in cash at the choice of one of the parties for reasons other than breach of contract or another event leading to cancellation of the contract, and also any other derivative financial instruments contract relating to assets, rights, obligations, indices or measures not mentioned in the previous paragraphs of this article, that bear the features of other derivative financial instruments, having regard to whether they are traded on a regulated market or through a multilateral trading facility, are cleared and settled through recognised clearing houses or are subject to regular margin calls, etc.

ARTICLE 3. GENERAL DUTIES

Covered persons must know, comply with and cooperate in the application of current securities market legislation (detailed in Annex 2) concerning their particular field of activity and the applicable internal rules thereon, including these Rules.

TITLE II. RULES ON PERSONAL TRANSACTIONS

ARTICLE 4. OBJECT

This title will apply to personal transactions[1] carried out by covered persons with securities or financial instruments referred to by Article 2 of these Rules which from time to time fall within the scope of application of the securities market legislation in effect and are not expressly excluded.

The following will be deemed equivalent to personal transaction of a covered person:

a) Transactions carried out by a person with whom a covered person has a family relationship[2].

b) Companies with which covered persons, or their family relations, maintain close ties because they are in any of the following situations, namely, the covered person:

- Is a shareholder who directly or indirectly holds, or controls, 20% or more of the voting rights or equity of a company.
- Holds, directly or indirectly, the control of a legal person, trustee or association, due to any of the following circumstances:
  a) The covered person holds a majority of the voting rights
  b) The covered person has the power to appoint or remove a majority of the governing body;
  c) There agreements with other shareholders whereunder the covered person controls a majority of the voting rights;
  d) The covered person has appointed a majority of the members of the governing body.
- Any legal person, trustee or association that has been created for the benefit of the covered person, or of any family relation thereof, or whose economic interests are in great measure the same as those of the covered person or of any family relation thereof.

c) Transactions carried out through nominee persons[3].

ARTICLE 5. DISCLOSURE OF PERSONAL TIES

1. Covered persons must disclose their personal ties, with such disclosures to contain the following information:
   a) List of persons with whom the covered person has family ties.
   b) List of companies with which the covered person has close ties[4].
2. Covered persons will keep the information on their personal ties up to date, giving the Regulatory Compliance notice without delay of any changes in that information.
3. Disclosures of personal ties will be archived for a maximum of five years reckoned from the date on which the covered person is no longer covered by these Rules of Conduct.

[1] See definition of "**Personal transactions**" in Annex 1, page 29
[2] See definition of "**Family relations of covered persons**" in Annex 1, page 29
[3] See definition of "**Nominee person**" in Annex 1, page 29
[4] See definition of "**Companies with which covered persons, or their family relations, maintain close ties**" in Annex 1, page 29

Regulatory Compliance will be obliged to guarantee strict confidentiality in respect of these records, without prejudice to its duty to collaborate with judicial and supervisory authorities.

ARTICLE 6. PROHIBITION OF SPECULATIVE BEHAVIOUR

1. In no event may financial instruments purchased or sold by covered persons (personal transactions) be sold or repurchased in the same session or on the same day on which they were first purchased or sold.

2. Covered persons shall not carry out opposite personal transactions in financial instruments of covered group entities[5] (shares, debt instruments or derivative instruments or other financial instruments tied thereto) in the 30 days following each purchase or sale of such instruments.

ARTICLE 7. MEDIATION

1. As a general rule, personal transactions of covered persons must be carried out through the mediation of Bankia or through any Bankia group company that provides investment services.

   The provisions of the preceding paragraph do not imply an obligation of covered persons to transfer any pre-existing portfolios they may have in other entities, without prejudice to the obligation to comply with the provisions of these Rules. For these purpose, the pre-existing portfolio must be reported as provided in paragraph 4 below.

2. The mediation obligation will not apply to transactions in shares or units of collective investment institutions, of venture capital funds and of closed-ended collective investment entities.

3. As an exception to the general principle, covered persons may carry out personal transactions through other entities that do not belong to the Bankia group provided in all cases that the requirements laid down in paragraph 4 are met.

   The following are situations in which the covered person may carry out personal transactions through other entities:

   a) Pre-existing portfolio.
   b) Trading in financial instruments not intermediated by Bankia group entities.
   c) Mediation obligation in another entity.
   d) Supervening situations (for example, acquisitions mortis causa).
   e) Other justified situations.

4. Mediation through non-Bankia group entities will be subject to the following requirements:

   a) The covered person shall give prior notice to Regulatory Compliance, on a case by case basis and specifically, that he or she intends to carry out personal transactions through entities not in the Bankia group because, amongst other reasons, there applies any circumstance covered by the situations referred to by paragraph 3 above.
   b) Mediation through non-Bankia group entities must be done with a long-term intent.
   c) The notice must be given using the forms provided for such purpose by Regulatory Compliance with the required necessary information.

[5] See definition of "**Covered group entities**" in Annex 1, page 30

d) Without prejudice to what is provided in c) above, Regulatory Compliance may for these purposes instruct the covered person to submit all such additional information as it deems necessary.

e) The notice given for these purposes will entail authorisation for Regulatory Compliance to request information from the external entity through which the covered person will carry out transactions in orders, positions or trading in financial instruments.

f) The covered person will be obliged to instruct the external entity with which he or she carries out personal transactions to comply with the requests for information from Regulatory Compliance, granting all such authorisations as may be needed. For these purposes, the covered person must notify Regulatory Compliance that the instructions and authorisations for the external entity are effective, so that Regulatory Compliance can request, and be sent, all required information from the external entity on orders, positions or trading in financial instruments.

5. The covered persons may carry out personal transactions through an external entity once Regulatory Compliance has effectively received the notices referred to by paragraph 4 above and does not expressly object to the mediation of the external entity.

6. Without prejudice to a covered person carrying out personal transactions through an external entity, after Regulatory Compliance has received the notices referred to by paragraph 4 above, at any time, due to supervening causes or circumstances, taking into account the scope of the covered person's activities by virtue of his or her duties in the different Bankia group entities, and if applicable, pursuant to the internal control procedures stipulated for application of the measures indicated in paragraph 4 above, which allow the positions, orders or personal transactions in the external entity to be identified, Regulatory Compliance may object to those personal transactions being carried out through an external entity and thus notify the covered person that he or she must carry out personal transactions through a Bankia group entity.

7. The carrying on of personal transactions through entities that do not belong to the Bankia group, will be understood to be without prejudice to the duty to comply in all events with the disclosure and authorisation duties provided in ArtIcle 9 of these Rules.

ARTICLE 8. ORDER PLACEMENT

1. Orders by covered persons shall be placed in writing or by any telematic, computerised or electronic means available to the covered group entities, or by telephone provided a recording is made of the order.

   Orders placed through covered group entities will be held in a file that constitutes a record of orders.

2. In ordering any kind of transaction in financial instruments, covered persons shall deposit the funds and guarantees that are required under the specific rules for each type of transaction and under the contract, if any, signed by the parties. In spot transactions they shall have deposited the margin or have provided proof of ownership or acquisition of the related financial instruments or rights.

ARTICLE 9. PRIOR AUTHORISATION AND DISCLOSURE DUTIES

1. Personal transactions in financial instruments issued by covered group entities (shares, debt instruments or derivative instruments or other financial instruments tied thereto) shall require prior authorisation from Regulatory Compliance. Said authorisation must be requested at least one business day before the proposed date for submitting the order.

In addition, upon prior notice to covered persons, Regulatory Compliance may require prior authorisation of other transactions, based on the amount or the risk of the transactions.

The authorisations granted will be valid for three (3) business days reckoned from the date on which Regulatory Compliance gives notice of the authorisation, within which time the covered person may or eventually may not carry out the transaction. After that time, a new request for prior authorisation will be required in order to trade.

2. Covered persons must without delay notify Regulatory Compliance of all transactions executed. The notification will be done in writing or in electronic format within the following maximum time frames:
    a) Personal transactions executed with financial instruments issued by covered group entities (shares, debt instruments or derivative instruments or other financial instruments tied thereto) will be reported to Regulatory Compliance no later than three (3) business days after the transaction date.
    b) All other executed personal transactions may be reported no later than the end of each calendar month. That report will be done within the first ten (10) calendar days of the month following the one referred to by the executed transactions and will contain all those transactions which, if applicable, have been carried out since the previous report.

3. At the request of Regulatory Compliance, covered persons shall disclose details, in writing if so requested, of any of their orders or transactions, including those excluded in the final paragraph of ArtIcle 11.

4. The monthly notices, authorisations and written disclosures referred to in the previous paragraphs of this article shall be retained systematically and separately during five years.

    Regulatory Compliance will be obliged to guarantee strict confidentiality in respect of these records, without prejudice to its duty to collaborate with judicial and supervisory authorities.

ARTICLE 10. PROHIBITIONS TO TRADE

1. Covered persons who are members of the units responsible for producing, publishing or disseminating reports and recommendations[6] shall abstain from engaging in personal transactions in financial instruments (including related financial instruments[7]):
    a) When a specific analysis of an issuer or its securities is being carried out, from the moment the analysis begins until the recommendation or comprehensive report has been issued and the recipients have been able to act accordingly.
    b) When the proposed trades in the securities and financial instruments that are the subject of the report or recommendation are contrary to the recommendations themselves, except in exceptional cases and only with the prior approval of Regulatory Compliance.

2. The abstentions mentioned in the previous section will not be obligatory when the execution of the transaction is a consequence of commitments or rights acquired prior to the commencement of work on the report or recommendation, or of transactions to cover said commitments, provided the transaction is not based on knowledge of the results of the report.

3. The provisions of this article will also apply to covered persons in positions hierarchically superior to the units responsible for producing, publishing or disseminating reports and recommendations, where such persons have access to the contents of the reports or recommendations.

[6] See definition of "**Investment recommendation**" in Annex 1, page 30
[7] See definition of "**Related financial instrument**" in Annex 1, page 30

ARTICLE 11. INVESTMENT PORTFOLIO DISCRETIONARY MANAGEMENT CONTRACTS

1. Any covered person who has entered into a personalised discretionary investment portfolio management contract[8] shall so notify Regulatory Compliance, sending a copy of the contract. Once it has received a copy of the contract, Regulatory Compliance will verify the following:

    a) That the contracting entity is legally empowered to provide personalised discretionary investment portfolio management services.

    b) That the contract is intended to be long term.

2. Regulatory Compliance may require the covered persons to which this article refers to make a signed statement specifying that investment and divestment decisions regarding the management of their assets are taken without any intervention whatsoever on their part.

3. Once Regulatory Compliance has received the copy of the contract and has carried out the above checks, unless determined otherwise, Articles 6 to 9 will not apply to trades decided by the portfolio manager concerned.

4. Regulatory Compliance will keep track of the investment portfolio discretionary management contracts of covered persons to which Articles 6 to 9 of these Rules do not apply and, where such is the case, of the mandatory supplementary declarations.

ARTICLE 12. ASSETS AND TRANSACTIONS NOT SUBJECT TO DISCLOSURE

The disclosure obligations laid down in ArtIcle 9 shall not apply to personal transactions carried out with shares in harmonised collective investment institutions[9] or to collective investment institutions subject to supervision under the legislation of a Member State that provides an equivalent level to the EU rules as regards the distribution of risks amongst their assets, provided that the covered person subject to these Rules, or any other person for whose account the transaction is carried out, does not participate in the institution's management, within the meaning of the Regulations of the Collective Investment Institutions Act approved by Royal Decree 1082/2012 of 13 July 2012 or such instrument as may replace it.

TITLE III. PREVENTION OF MARKET ABUSE

CHAPTER I. INSIDE INFORMATION AND RELEVANT INFORMATION

ARTICLE 13. DUTY OF DISCLOSURE OF POSSESSION OF INSIDE INFORMATION

Persons who have inside information[10] shall disclose this fact to Regulatory Compliance at the earliest opportunity, either directly or through the head of their department or separated area[11]. The disclosure will include the nature of the information, identify the persons who know it, the reason why they know or should know the information, the date and time when they first knew the information and the financial instruments concerned.

[8] See definition of "**Investment portfolio management contract**" in Annex 1, page 30
[9] Authorised under Directive 2009/65/EC of 13 July 2009 (UCITS Directive) or equivalent rule that replaces it.
[10] See definition of "**Inside information**" in Annex 1, page 30
[11] See definition of "**Separated area**" in Annex 1, page 31

ARTICLE 14. PROHIBITION ON ILLICIT USE OF INSIDE INFORMATION

Covered persons who have inside information shall not:

1. Carry out or attempt to carry out transactions based on that information, whether the transactions involve acquisition, sale or assignment, or an attempt to acquire, sell or assign, or a cancellation or modification, or an attempt to cancel or modify, an order to acquire, sell or assign, for their own account or that of third parties, directly or indirectly, financial instruments to which the information in question refers. The following are excepted from the above:
    a) Preparing and executing transactions whose existence itself constitutes the inside information.
    b) Transactions carried out in fulfilment of a matured obligation to buy or sell financial instruments where this obligation arises from an agreement that was entered into before the person concerned was in possession of the inside information, provided these circumstances have been disclosed to Regulatory Compliance.
    c) Other transactions carried out in conformity with applicable laws and regulations.
2. Recommending or inducing another person to carry out transactions based on the information, whether the transactions involve acquisition, sale, assignment, cancellation or modification of orders in respect of financial instruments referred to by the information in question.
3. Disclosing such information to any other person unless the disclosure is made in the normal exercise of their employment, profession or duties and provided that doing so is indispensable for the successful completion of transactions whose existence itself constitutes the inside information.

ARTICLE 15. DUTY TO SAFEGUARD INSIDE INFORMATION

1. Covered persons who have inside information have a duty to safeguard it, without prejudice to their duty to disclose it to and collaborate with judicial and administrative authorities.

    In compliance with the previous paragraph, covered persons shall take the necessary steps to prevent such information from being used dishonestly or unfairly. In the event that inside information is used dishonestly or unfairly, any person who knows of such dishonest or unfair use shall report it immediately to Regulatory Compliance.

2. The heads of groupings or separated areas shall establish the necessary security measures to ensure that all physical and electronic media containing inside information are protected against unauthorised access.

ARTICLE 16. LIST OF INSIDERS

1. Given the entity's status as issuer[12], covered persons who form part of units that perform functions through which they have access to inside information of the entity, provide inside information to other persons under a contract (advisors, accountants or credit risk rating agencies) or study or negotiate any type of legal or financial transaction that may appreciably affect the price of the financial instruments issued, shall for each transaction draw up a list of all persons who have access to that information. That list, in accordance with Article 13, will be notified to Regulatory Compliance for its management and control.

[12] See definition of "**Issuer**" in Annex 1, page 31

2. Covered persons forming part of units that provide services to clients who in the course of providing a service obtain inside information relating thereto shall draw up and keep up to date a list of all persons and financial instruments on which there is inside information which, in accordance with ArtIcle 13, will be notified to Regulatory Compliance for its management and control.

3. Regulatory Compliance shall:

    a) Expressly advise the persons included on the lists of insiders mentioned in paragraphs 1 and 2 above of the nature of the information, of their confidentiality duty, of the prohibition on its use and the penalties that apply to insider trading and to unlawful disclosure of inside information;

    b) Inform the interested persons of their inclusion on the list and of the rest of the provisions of the legal rules on the protection of personal data;

    c) In accordance with paragraph 3 of ArtIcle 9, request the covered persons included on the list of insiders to submit a written or electronic declaration of the such orders as they may have placed to acquire, sell or transfer for their own account financial instrument related to the issuer, or the issuers, to which the list of insiders refers, at the time of their inclusion thereon; and

    d) In addition, in the case of the list of insiders of paragraph 1, adopt measures to ensure that every person on the list recognises in writing that he or she is aware of the obligations entailed by their knowledge of the inside information and of the penalties that apply to insider trading and to unlawful disclosure of inside information.

4. The list of insiders will contain at least the following information:

    a) The identity of every person who has access to inside information;

    b) The reason for including the person on the list of insiders;

    c) The date and time when the person first had access to the inside information;

    d) The issuers and/or financial instruments about which the person has inside information; and

    e) The date the list of persons with access to inside information was created and last updated.

5. The list of insiders will be updated without delay, including the date of update, in the following circumstances:

    a) When there is a change in the reason for including a person who is already on the list of insiders;

    b) When a new person obtains access to inside information and must therefore be included on the list of insiders;

    c) When a person on the list no longer has access to inside information; and

    d) When the information ceases to be inside information.

    At each update, the date and time when the change that gave rise to the update will be specified.

6. The data recorded in the list of insiders will be maintained during a maximum of five years after the last time they were recorded or updated. They must also be made available to the CNMV on request.

ARTICLE 17. DUTY TO SAFEGUARD RELEVANT INFORMATION

Covered persons who have access to relevant information[13] in the normal exercise of their employment, profession or duties will be subject to a duty of confidentiality and shall not divulge such information through any medium, including the Internet, nor by any other means, for so long as the information has not been made public, in accordance with the following article.

ARTICLE 18. DISSEMINATION OF RELEVANT INFORMATION

1. Given the entity's status as issuer[14], relevant information whose confidentiality cannot be assured must be disseminated immediately. In particular, a regulatory material disclosure (*hecho relevante*) must be made in the following circumstances:

   a) When information is leaked or false or misleading rumours or reports about financial instruments of covered group entities are spread, where such leaks or rumours are serious enough to be able to materially influence the market price. Regardless of who caused the leaks or rumours, the regulatory material disclosure must either confirm or deny the leaked information or rumour.

      In any event, any spreading of false or misleading rumours or reports or leaking of relevant information shall be reported to Regulatory Compliance.

   b) When an abnormal change is observed in the trading volumes or prices of financial instruments of covered group entities and there are reasonable indicia that the change is due to premature, partial or distorted disclosure of a transaction. The regulatory material disclosure shall provide clear and precise details of the transaction of which it is suspected that information has been leaked and of the current status of the transaction, or else an objective clarification of the facts, outlining the information to be supplied at a later date.

   c) When a covered person acting in his or her own name or on behalf of a covered group entity discloses inside information in the normal exercise of his or her employment, profession or duties, he or she shall make complete and effective public disclosure of that information, simultaneously in the case of an intentional disclosure and promptly in the case of an unintentional disclosure. The provisions of this subparagraph will not apply if the person who receives the information is subject to a duty of confidentiality, regardless of whether the duty is based on a law, on regulations, on articles of association or on a contract.

2. The relevant information shall be disclosed to the market immediately by means of a regulatory material disclosure submitted to the Spanish National Securities Market Commission (CNMV).

   The CNMV shall be notified at the same time as the information is disclosed by other means and as soon as the disclosure becomes known, the decision is adopted or the third-party agreement or contract concerned is signed.

3. Responsibility for reporting the relevant information generated in the entity to the CNMV will rest with qualified representatives of the covered group entities. The contents of the disclosure notice shall be truthful, clear, complete and, where the nature of the information so requires, quantified, in such a way that the notice does not lead to confusion or misunderstanding about the reportable events or circumstances.

4. The covered group entities shall take steps to:

[13] See definition of "**Relevant information**" in Annex 1, page 32
[14] See definition of "**Issuer**" in Annex 1, page 31

a) Monitor changes in the financial instruments in respect of which relevant information has been made public and any news issued by financial commentators and the media that may affect them, all with a view to preventing dishonest or unfair use of such information. Where there is a significant change in relevant information that has already been made public, the change shall be disclosed to the market in the same way.

b) Ensure that the disclosure of relevant information to the market is not combined with marketing of the activities of the covered group entities in a way that could be misleading.

c) Keep a record of material disclosures reported to the market.

d) Where financial instruments of covered group entities are admitted to trading in one or more regulated markets in the European Union, make diligent efforts to ensure that the disclosure of relevant information is carried out in as synchronised a way as possible among the various categories of investors in all the Member States in which the covered group entities have applied for, or have resolved to apply for, the admission to trading of said financial instruments.

e) Publicise the regulatory material disclosures reported to the CNMV on the website of the covered group entity concerned.

ARTICLE 19. EXCEPTION TO THE DUTY OF DISCLOSURE TO THE PUBLIC

Where it is considered that information should not be made public because it affects the legitimate interests of the entity, any of the qualified representatives of the covered group entities shall immediately inform the CNMV.

ARTICLE 20. PERIODS WITH RESTRICTED PERSONAL TRANSACTIONS

1. Those persons who participate in producing Bankia's periodic financial information for the close of each quarter or who have, or could have, frequent or regular access to that information:

   - all members of the Board of Directors and of the Management Committee;
   - certain persons in the Corporate Finance Department and in the Corporate Office of the Comptroller;

   will not engage in personal transactions, or in transactions for the account of other persons, with Bankia shares, debt instruments issued by covered group entities or with derivative instruments or other financial instruments tied thereto, during a period of 30 calendar days immediately preceding the reporting date of the periodic financial information ("no-trade period").

2. Furthermore, persons other than those mentioned in the preceding paragraph who, prior to the release to the market of information on results for the close of each quarter, should know that information, will refrain from carrying out personal transactions with Bankia shares, debt instruments issued by covered group entities or with derivative instruments or other financial instruments tied thereto, as from the time they learn of that information and, in any event, during a period of 30 calendar days immediately preceding the reporting date.

3. Regulatory Compliance will expressly report the start and end of the restricted-trading periods and keep a record of those periods and of the persons subject to the trading restrictions.

4. Without prejudice to the provisions of paragraphs 1 and 2, Regulatory Compliance may authorise persons subject to a no-trade period to carry out personal transactions or transactions for other persons with the following conditions:

a) In any of the following events:

   i) Exceptional circumstances[15], such as the occurrence of severe financial difficulties that require immediate sale of shares or debt instruments; or

   ii) Where trading is done within the framework of or in relation to an employee options or savings plan with qualification or subscription of shares, and when trades are made that do not involve changes in the final ownership of the securities in question, considering that this type of trading has particular characteristics; and

b) The covered person demonstrates that the specific transaction cannot be carried out at another time outside the no-trade period.

In order that Regulatory Compliance may assess, on a case by case basis, event i) of 4.a) above, the application for pre-authorisation referred to by Article 9 must be submitted on a reasoned basis, describing the proposed transaction together with an explanation of the reasons why the sale of shares or of debt instruments is the only reasonable alternative for obtaining the necessary funds.

ARTICLE 21. ESTABLISHMENT OF SEPARATED AREAS

1. The Board of Directors of Bankia or, where applicable, Regulatory Compliance shall determine the areas to be established as separated areas and the covered persons included in each area.

   The different departments or areas that engage in securities market activities that should be duly separated from each other in order to prevent the flow of inside information and avoid conflicts of interest[16] shall be established as separated areas.

   In particular, at a minimum, the departments that carry out the activities of dealing on own account, portfolio management, and research shall be established as separated areas.

2. Each separated area shall have a manager, who will be responsible, within the scope of his or her authority, for ensuring compliance with the provisions of this chapter.

3. Covered persons must know the separated area to which they belong, the other covered persons who belong to the same area, and the identity of the manager responsible for the area.

4. Those who provide their services, whatever their rank, in a given separated area shall sign a document in which they undertake, with express reference to the separated area concerned, not to use inside information to which they have had access by virtue of their functions for their own benefit nor to convey such information to persons outside the separated area.

ARTICLE 22. AUTONOMY OF SEPARATED AREAS

1. Without prejudice to the provisions of Articles 24 and 25, covered persons shall act in such a way that inside information is managed, and decisions are made, autonomously in the separated area to which they belong.

2. An investment decision system shall be defined and approved to ensure that decisions are made autonomously within the separated area.

[15] See definition of "**Exceptional circumstances**" in Annex 1, page 31
[16] See definition of "**Conflict of interest**" in Annex 1, page 32

ARTICLE 23. ESTABLISHMENT OF BARRIERS

1. The managers of the separated areas shall establish barriers[17] between each separated area and the rest of the organisation, in accordance with the characteristics of the transactions in which they are involved and the information they use.

2. Regulatory Compliance will conduct regular checks to verify that the transactions carried out in the market, as well as attempts to carry out transactions, for own account of covered entities or for the account of clients and the personal transactions carried out by covered persons are not affected by unauthorised access to inside information and, in short, to verify that the information barriers are working properly.

ARTICLE 24. PASSING OF INSIDE INFORMATION BETWEEN SEPARATED AREAS

1. Inside information may only be shared between separated areas when this is indispensable for the areas to perform their functions properly for a particular transaction to be carried out or decision to be made.

   The passing of inside information between separated areas will require prior authorisation from Regulatory Compliance.

2. In granting such authorisations, a duly individualised record of which will be kept by Regulatory Compliance, particular attention will be paid to the risk of generating conflicts of interest. In no event may transmission of information be authorised in violation of confidentiality agreements to which the entity is party, which agreements must have been previously disclosed to Regulatory Compliance.

ARTICLE 25. PASSING OF INSIDE INFORMATION ABOVE THE SEPARATED AREAS

1. Any covered persons and bodies hierarchically superior to the managers of the separated areas, including any committees or collegiate bodies of which said area managers or persons designated by them may be members, will be considered a higher layer of management common to the separated areas.

2. Within the framework of the relevant decision-making processes, inside information may be passed to covered persons situated hierarchically above the separated areas. Where the information is especially relevant or sensitive, such transfer of information shall be notified in advance to Regulatory Compliance.

ARTICLE 26. PASSING OF INSIDE INFORMATION TO OUTSIDERS

Should it be necessary to pass inside information to persons outside the covered group entities, the recipients of the information shall be required to sign a confidentiality agreement. Such transfers of information shall be notified in advance to Regulatory Compliance.

[17] See definition of "**Barriers**" in Annex 1, page 32

CHAPTER II. MARKET MANIPULATION[18] AND SUSPICIOUS ORDERS OR TRANSACTIONS

ARTICLE 27. PROHIBITION OF MARKET MANIPULATION

Covered persons shall refrain from manipulating or attempting to manipulate the market.

ARTICLE 28. DUTY TO REPORT SUSPICIOUS ORDERS OR TRANSACTIONS

1. When covered persons and entities of the group believe there are reasonable grounds to suspect that an order or transaction with financial instruments, including cancellations and modifications, employs inside information or involves market manipulation, they shall promptly notify Regulatory Compliance, which, where appropriate, will report it to the CNMV.

2. The notice to be sent to the CNMV shall contain the following information:

    a) Description of the order or transaction, including the type of order, the trading method, the location of the activity, price and volume.

    b) The reasons for suspecting that the order or transaction involved use of inside information, constituted market manipulation or an attempt to trade with inside information or to manipulate the market.

    c) The means of identification of any person involved in the order or transaction, including the person who issued or executed the order and the person in whose name the order was issued or executed.

    d) Whether the person subject to the notification obligation is acting for his or her own account or on behalf of others.

    e) Any other information and supporting documents considered relevant for the investigation and analysis.

3. Once the notice has been sent, the persons involved shall keep silent about said notice.

4. Regulatory Compliance will keep a record of the notices sent to the CNMV.

CHAPTER III. INVESTMENT RECOMMENDATIONS [19]

ARTICLE 29. DUTIES OF IMPARTIALITY AND DISCLOSURE

1. When investment reports or recommendations are made, published or disseminated, covered persons and entities must conduct themselves with due diligence to ensure that the information is presented objectively, disclosing their personal interests or conflicts of interest in relation to the financial instruments referred to by said information.

2. Covered persons who are members of units responsible for producing, publishing or disseminating investment reports and recommendations *shall not*:

[18] See definition of "**Market manipulation**" in Annex 1, page 32
[19] See definition of "**Investment recommendation**" in Annex 1, page 30

a) Accept incentives from persons who have a material interest in the content of the report or recommendation.

b) Make commitments to issuers to prepare favourable investment reports or recommendations.

3. The manager of the units referred to in this article shall submit to Regulatory Compliance at least once every six months a plan showing the reports on specific companies that are due to be produced in the near future. Said manager will also submit every report as soon as it is published.

ARTICLE 30. RESPONSIBILITIES OF REGULATORY COMPLIANCE

1. Regulatory Compliance shall keep the units responsible for producing, publishing or disseminating investment reports and recommendations informed and advise them on the laws and regulations applicable to their activity, in particular:

   a) The rules on impartial presentation of investment reports and recommendations.

   b) The rules on disclosure of conflicts of interest.

   c) The rules on dissemination of recommendations prepared by third parties.

   d) The rules applicable to unwritten recommendations.

2. The reports and recommendations, once published or disseminated by the units responsible for their production, publication or dissemination, will be sent to Regulatory Compliance.

CHAPTER IV. TRADING WITH OWN SHARES

ARTICLE 31. PRINCIPLES OF BEHAVIOUR IN TRADING IN OWN SHARES

Discretionary trading in own shares will be carried out in accordance with the provisions of the Bankia *Treasury Stock Policy*, governed by the following principles:

1. Specific plans to acquire or dispose of own shares are decided by the Board of Directors of Bankia, with prior authority from the General Meeting.
2. In no event may transactions in own shares affect or interfere with price formation. Behaviour shall be neutral, without at any time holding dominant positions in the market that might prevent accurate price formation.
3. Trading in treasury stock is subject to the provisions of the Bankia bylaws.
4. During public offers to sell or to purchase shares of Bankia, mergers or other similar corporate transactions, no transactions shall be carried out in own shares unless expressly envisaged in the prospectus for the transaction in question.

The provisions of this article will not apply to share buyback programmes and to stabilisation measures, which, where applicable, will be carried out having regard to their specific characteristics, in the manner and with the specialties determined by the Board of Directors when approving said plans, which will comply with the conditions set out in the laws prevailing from time to time.

CHAPTER V. BOOKBUILDING[20]

ARTICLE 32. RULES OF CONDUCT FOR BOOKBUILDING ACTIVITIES

Bookbuilding may require disclosing inside information to potential investors. Inside information will be deemed legitimately disclosed if it is disclosed in the normal exercise of the functions assigned to the person who makes the disclosure and is carried out in accordance with the *Bankia Policy on Prevention of Market Abuse* and its implementing procedures.

In particular, the units responsible for bookbuilding shall:

1. Evaluate, before engaging in bookbuilding, whether the activity will involve disclosure of inside information and give written notice to Regulatory Compliance.
2. Before disclosing the information, obtain the potential investors' consent to reveal the information thereto, informing them that they may receive inside information and that as a result:
    a) the legal rules on market abuse will limit their capacity to operate with that information or to act on the basis thereof; that
    b) they must adopt reasonable measures to continuously protect the confidentiality of the information; and that
    c) they must provide the identity of all natural and legal persons to whom the information is disclosed in the course of formulating their responses to the bookbuilding.
3. Comply with the recordkeeping obligations in relation to the information disclosed, including the obligation to make a written record, before engaging in bookbuilding, of whether the activity will involve disclosure of inside information.

ARTICLE 33. RULES OF CONDUCT WHEN THE OBJECT OF BOOKBUILDING ACTIVITIES

1. When a person from any covered group entity is the object, as a potential investor, of bookbuilding activities and has given his or her consent to receiving information on a possible transaction and the associated conditions, said person must immediately evaluate whether he or she is in possession of inside information and notify Regulatory Compliance in writing of the characteristics of the bookbuilding and the conclusion as to whether the information receives is, or is not, considered inside information.

2. If it is concluded that the information received is inside information, the standards of conduct of CHAPTER I of this Title of these Rules shall apply.

3. When a person who has been the object of a bookbuilding activity ceases to be in possession of inside information, he or she must so inform Regulatory Compliance as soon as possible.

[20] See definition of "**Bookbuilding** " in Annex 1, page 35

TITLE IV. MANAGING CONFLICTS OF INTEREST

ARTICLE 34. OBJECT

This title contains the general policy on the prevention and management of conflicts of interest between the clients of covered group entities and of conflicts between clients and the covered group entities themselves when providing investment services or auxiliary services.

ARTICLE 35. CONFLICT OF INTEREST DETECTION

To identify the conflicts of interest that may arise in providing investment or ancillary services, or a combination of the two, attention will be paid to whether the covered group entities or covered persons:

a) are likely to obtain financial gain or avoid financial loss at the client's expense;

b) have an interest in the result of the service provided to the client or of the transaction carried out in the client's name different from the interest of the client;

c) have financial or other inducements that may lead them to favour the interests of another client or group of clients above those of the client in question;

d) carry on the same activity or business as the client;

e) receive from a person other than the client an inducement in relation to the service provided to the client, in the form of money, goods or services, other than the standard fee or the cost of the service.

ARTICLE 36. OTHER CONFLICTS OF INTEREST

The covered group entities may determine other types of conflicts of interest to which covered persons may be subject as a result of family, economic or professional ties or on any other grounds in respect of a particular action, service or transaction, as well as rules for resolving those conflicts.

ARTICLE 37. DUTIES IN RELATION TO CONFLICTS OF INTEREST

1. Covered persons shall take the necessary measures to manage conflicts of interest.

2. Covered persons shall disclose any conflicts of interest to which they are effectively subject to Regulatory Compliance and to the head of the appropriate department.

3. Such disclosure shall be made at the earliest opportunity and in any event before the decision that might be affected by the conflict of interest is made.

4. Covered persons shall keep the above information up to date, giving notice of any change in, or cessation of, any conflict of interest situations already reported.

5. Any covered person who is personally affected by a conflict of interest shall abstain from taking part in preparatory activities and from deciding or, where applicable, voting in situations in which the conflict of interest arises and shall disclose the conflict of interest to those who are to make the decision.

ARTICLE 38. GENERAL RULES FOR MANAGING CONFLICTS OF INTEREST

1. Conflicts of interest shall be resolved by the head of the department concerned. If a conflict affects various groupings, it shall be resolved by the immediate superior of all the groupings. If none of the above rules applies, the conflict shall be resolved by the person designated by Regulatory Compliance.

2. If there is any doubt as to who has authority in the matter or how the conflict is to be managed, Regulatory Compliance may be consulted.

3. In managing conflicts of interest, the following rules shall be followed:

    a) Where there is a conflict between the covered group entities and a client, the interest of the client shall be protected.

    b) Where there is a conflict between clients:

        - Care shall be taken not to favour any of them.
        - In no event may details of transactions carried out by one client be disclosed to another.
        - No client shall be induced to carry out a transaction with the aim of benefiting another client.

4. If the measures taken by the covered group entities are insufficient to guarantee, with reasonable certainty, that the risks of harming the interest of clients will be avoided, the covered group entities shall notify those concerned of the nature and source of the conflict; and the services or transactions in which the conflict of interest arises shall be provided or executed only with the client's consent.

5. The decision with regard to the conflict and any resulting incidents shall be reported to Regulatory Compliance.

6. Regulatory Compliance shall keep an up-to-date record of conflicts of interest that have been reported to it.

ARTICLE 39. SPECIFIC RULES FOR SEPARATED AREAS

Within the separated areas of brokerage and proprietary and non-proprietary portfolio management, reasonable and appropriate measures shall be taken to avoid or reduce conflicts of interest between clients. To that end:

1. When the orders or transactions carried out must be allocated among several clients, the allocation shall be based on objective, pre-established criteria. If for any reason the pre-established criterion cannot be applied, the criterion effectively applied shall be set out in writing.
2. Insofar as possible, depending on the scale of the abovementioned activities within the entity, the own account dealing, portfolio management and brokerage services shall be broken down by markets and by clients or groups of clients that share certain characteristics. In particular, institutional clients shall be separated from retail clients.

TITLE V. DEPOSITARY SERVICES FOR COLLECTIVE INVESTMENT INSTITUTIONS AND PENSION FUNDS

ARTICLE 40. APPLICABLE LAWS AND REGULATIONS

Besides the rules set forth in Annex 2, covered persons must know, respect and work to ensure application of the specific rules of conduct applicable to the depositary activity[21].

ARTICLE 41. DUTY OF LOYALTY AND IMPARTIALITY

Covered persons shall give the interests of collective investment institutions and pension funds priority over their own interests and shall act impartially, in good faith and always so as to protect the interests of said institutions and funds.

ARTICLE 42. ORGANISATIONAL REQUIREMENTS

1. Covered group entities shall identify the persons who carry out custody and administration functions and shall ensure that those persons have the necessary specific powers to perform their assigned functions.

2. The department responsible for custody services for collective investment institutions and/or pension funds will submit to Regulatory Compliance, at least on a half-yearly basis, a list of collective investment institutions and pension funds in which Bankia acts as depositary.

3. Covered group entities will abide by the following *rules of separation*:
    a) No interlocking directorates between management companies and the depositary.
    b) No person may at the same time belong to the management body of the management companies and be an employee of the depositary.
    c) No person may at the same time belong to the management body of the depositary and be an employee of the management companies.
    d) The management companies and the depositary must have different registered addresses and their business headquarters must be physically separated.
    e) There must be a physical separation between the human and material resources devoted to the management and depositary activities.
    f) The IT instruments must prevent the flow of any information that could generate conflicts of interest between the persons responsible for each activity.

[21] See definition of "**Depositary** " in the context of CIIs and Pension Funds, in Annex 1, page 35

TITLE VI. RULES APPLICABLE TO THE MANAGEMENT COMPANY OF COLLECTIVE INVESTMENT INSTITUTIONS

ARTICLE 43. RELATED-PARTY TRANSACTIONS[22]

The management company of group collective investment institutions (CIIs) is subject to the rules on related party transactions laid down in Article 67 of Law 35/2003 on Collective Investment Institutions and the provisions and regulations that implement and/or replace it.

1. The management company must have a formal internal procedure to ensure that related party transactions are done solely in the interest of the collective investment institutions and at market-or-better prices and terms.

   For the purposes provided for in the preceding paragraph, in general terms, related party transactions must necessarily be submitted to prior approval by an independent internal body of the management company, except for related party transactions that are repetitive or of little import. Such excepted transactions must be previously identified in the procedures and will not require prior authorisation from the independent internal body of the management company, but will be subject to daily control by said body, which will inform the departments involved if any incident is detected.

2. The management company shall disclose the procedures adopted to avoid conflicts of interest and the related party transactions carried out in the prospectuses and in the periodic information published by the collective investment institutions.

3. The following functions shall be assigned to an independent internal body of the management company:
   a) Confirming compliance with paragraph 1 above.
   b) Reporting, at least quarterly, the related party transactions carried out to the board of directors of the management company.

4. Related party transactions carried out between the management company of the group and persons who hold management positions and directorships therein that represent a significant business volume for the management company or for the collective investment institution must be approved by the board of directors in accordance with the following rules:
   a) The matter must be included on the agenda with due clarity.
   b) Any member of the board of directors who is considered a related party must abstain from participating in the vote.
   c) Voting will be secret.
   d) The resolution must be adopted by a two-thirds majority of all directors, excluding in the computation of the majority any directors that have abstained under subparagraph b).
   e) Once the vote has been held and the result proclaimed, the minutes may validly record any reservations or disagreements of the directors on the resolution approved.

[22] See definition of "**Related party transactions in the management of collective investment institutions**", in Annex 1, page 35

ARTICLE 44. SEPARATION AND INDEPENDENCE OF THE DEPOSITARY

1. In addition to what is provided in paragraph 3 of ArtIcle 42 of these Rules, the management company and the depositary of the group will at all times comply with the following independence requirements:

   a) When the management bodies of the management company and of the depositary are also responsible for supervisory functions in their respective companies, at least one third of the members, or two persons (whichever is less), of those management bodies must be independent;

   b) When the management bodies of the management company and of the depositary are not responsible for supervisory functions in their respective companies, at least one third of the members, or two persons (whichever is less), of the body responsible for such functions in the management company and in the depositary must be independent.

2. For the purposes of paragraph 1 above, members of the management body of the management company, members of the management body of the depositary and members of the body responsible for supervisory functions in the aforesaid companies will be considered independent provided that they are members neither of the management body nor of the body responsible for supervisory functions, nor employees of any other company with which there is a group relation, and that they have no type of business, family or any other kind of relation with the management company, the depositary, or any other company in the group that gives rise to a conflict of interest that could diminish their decision-making capacity.

3. In accordance with the provisions of Article 68 of Law 35/2003 on collective investment institutions, the management company of the group's collective investment institutions will have an internal procedure in place to avoid conflicts of interest with the group depositary.

   That procedure will implement measures that ensure the information obtained from their respective activities is not available, directly or indirectly, to employees of the other entity. Toward this end, the procedure will apply the provisions of paragraph 1 above and of paragraph 3 of ArtIcle 42.

4. The management company must disclose the exact nature of its relationship with the depositary in the prospectus, the document with fundamental information for investors, the annual report, the half-yearly report and the two quarterly reports it publishes for each of the funds it manages.

   In addition, the management company must specify in the half-yearly report and in the annual report the transactions involving purchase or sale of financial instruments or securities in which the depositary acts as seller or buyer, respectively.

5. An independent internal body of the management company will be charged with the following functions:

   a) Verifying compliance with the requirements of this article.

   b) Drawing up an annual report on the degree of compliance with the stipulated rules of separation and submitting it to the CNMV within one month after the close of the year of reference.

ARTICLE 45. INDEPENDENT INTERNAL BODY

The functions of the independent internal body referred to by this Title rest with the management company's Regulatory Compliance and Control Department.

ARTICLE 46. GENERAL PRINCIPLES OF CONDUCT IN PORTFOLIO MANAGEMENT

1. The management company of group collective investment institutions will operate in accordance with the following general principles, namely, it will:
    a) Act diligently and transparently in the interest of the portfolios of the collective investment institutions it manages and of their clients, abiding by the relevant rules of conduct on securities.
    b) At all times provide information that is fair, clear and not misleading.
    c) Carry on orderly and prudent management, for which purpose the management company will:
        - Have an organisation that prevents the emergence of risks of conflicts of interest.
        - Have the appropriate resources for carrying on its activity and a manual of internal control policies and procedures that ensure prudent management aligned with the duties and obligations laid down in the applicable laws and regulations.
        - Have a trading procedure that ensures equal treatment of the different portfolios managed.
        - Execute transactions at prices and on terms that are equal to, or whenever possible, better than the market price and terms.
        - Know and abide by securities exchange legislation and the specific regulations that apply to its area of action.
        - Contractually formalise the rights and obligations of the parties and other conditions on which its services are provided.
    d) Will have internal procedures in place that ensure due diligence in reviewing the investments of the collective investment institutions under its management, including selection and ongoing monitoring of those investments, appropriate understanding of the assets in which the CIIs invest, as well as their consistency with the stipulated objectives, investment strategy and risk limitations.

2. In no event may the management company:
    a) Engage in practices intended to produce an artificial evolution of trading prices.
    b) Make unnecessary and excessive trades that do not benefit the portfolios of the collective investment institutions managed.
    c) Give priority to the sale of its own securities over sale of the portfolios of the collective investment institutions managed.
    d) Use information for its own benefit, whether directly nor indirectly, or provide it to third parties.

ARTICLE 47. INTERNAL PROCEDURE FOR MAKING INVESTMENT DECISIONS

The management company of group collective investment institutions will have a procedure in place that evidences that investment decisions made for the benefit of one or more institutions are adopted before the order is transmitted to the intermediary, in order to guarantee fairness and no discrimination between them.

TITLE VII. RULES APPLICABLE TO THE MANAGEMENT COMPANY OF PENSION FUNDS

ARTICLE 48. RELATED PARTY TRANSACTIONS[23]

The management company of group pension funds is subject to the rules on related party transactions laid down in Article 85 ter of the Regulation on pension plans and funds approved Royal Decree 304/2004 and the provisions and regulations that implement and/or replace it.

1. The management company must have a formal internal procedure to ensure that related party transactions are done solely in the interest of the pension funds and at market-or-better prices and terms.

   For the purposes provided for in the preceding paragraph, in general terms, related party transactions must necessary be submitted to prior approval by an independent internal body of the management company, except for related party transactions that are repetitive or of little import. Such excepted transactions must be previously identified in the procedures and will not require prior authorisation from the independent internal body of the management company, but will be subject to daily control by said body, which will inform the departments involved if any incident is detected.

2. The management company must disclose in the enrolment form (*boletín de adhesión*) signed by the pension fund member when joining the fund and in the quarterly information provided to members and beneficiaries, irrespective of the type of pension plan to which they belong, on the procedures adopted to avoid conflicts of interest and on related party transactions carried out in the form and with the details determined by the Securities Market Law and its implementing regulations.

3. The following functions shall be assigned to an independent internal body of the management company:
   a) Confirming compliance with paragraph 1 above.
   b) Reporting, at least quarterly, the related party transactions carried out to the board of directors of the management company.

4. Related party transactions that involve a significant business volume must be approved by the board of directors of the management company and reported to the control committee of the pension fund in question, in accordance with the following rules:
   a) The matter must be included on the agenda with due clarity.
   b) Any member of the board of directors who is considered a related party must abstain from participating in the vote.
   c) Voting will be secret.
   d) The resolution must be adopted by a two-thirds majority of all directors, excluding in the computation of the majority any directors that have abstained under subparagraph b.
   e) Once the vote has been held and the result proclaimed, the minutes may validly record any reservations or disagreements of the directors on the resolution approved.

[23] See definition of "**Related party transactions in the management of pension funds**", in Annex 1, page 36

ARTICLE 49. SEPARATION AND INDEPENDENCE OF THE DEPOSITARY

1. In addition to what is provided in Article 85 quáter of the Regulations on pension plans and funds, the pension funds management company will have an internal procedure in place for avoiding conflicts of interest with the group depositary.

   That procedure will implement measures that ensure the information obtained from their respective activities is not available, directly or indirectly, to employees of the other entity. Toward this end, the procedure will apply the provisions of paragraph 3 of ArtIcle 42.

2. The management company must disclose in the enrolment form and in the quarterly information provided to members and beneficiaries, irrespective of the type of pension plan to which they belong, on the exact nature of its relationship with the depositary, making reference, where applicable, to the list of circumstances contained in Article 42 of the Spanish Commercial Code (*Código de Comercio*).

3. An independent internal body of the management company will be charged with the following functions:
   a) Verifying compliance with the requirements of this article.
   b) Drawing up an annual report on the degree of compliance with the stipulated rules of separation.

ARTICLE 50. INDEPENDENT INTERNAL BODY

The functions of the independent internal body referred to by this Title rest with the management company's Regulatory Compliance and Control Department.

ARTICLE 51. INTERNAL PROCEDURE FOR MAKING INVESTMENT DECISIONS

1. The management company of pension funds will have a procedure in place aligned with the content and form set out by the applicable regulations (Article 85 bis.4 of the regulation on pension plans and funds), that evidences that investment decisions made for the benefit of one or more pension funds are adopted before the order is transmitted to the intermediary, in order to guarantee fairness and no discrimination between them.

2. An annual report will be prepared and presented to the board of directors of the management company on the effectiveness of the internal control procedures, discussing any significant deficiencies detected and their implications and proposing, if applicable, the measures deemed appropriate for correcting them. This report will be sent by the board of directors of the management company to the Spanish Directorate General for Insurance and Pension Funds together with the annual accounting statistical documentation within the stipulated time limits.

ARTICLE 52. PUBLICITY OF THE INTERNAL RULES OF CONDUCT

These Rules will be available to the control committees of the pension plans and funds managed by covered group entities.

TITLE VIII. APPLICATION OF THE INTERNAL RULES OF CONDUCT

ARTICLE 53. REPORTING TO THE BOARD OF DIRECTORS

1. Regulatory Compliance shall inform the Boards of Directors of covered group entities and/or the committees designated by said boards of any significant incidents that may arise in the application of these Rules.

2. At least half-yearly, Regulatory Compliance shall prepare a report for the boards of directors of the covered group entities or the committees designated by said boards, containing the following:

   a) A summary of the regulatory or other initiatives launched by the CNMV or other competent authority in relation to the securities market.

   b) An assessment of the degree of compliance with these Rules, describing the main incidents.

ARTICLE 54. DISSEMINATION ON THE CORPORATE INTRANET

Regulatory Compliance will maintain a website on the corporate intranet of covered group entities, accessible to all covered persons and containing the following:

a) These Rules.

b) Such procedures as may be approved in relation to these Rules.

c) The forms that must be completed in order to meet the obligations laid down in the Rules.

d) An up-to-date list of the separated areas and the area heads.

ARTICLE 55. TRAINING

1. All covered persons shall receive training in these Rules, either at the time the Rules come into force or on first becoming covered persons.

2. Furthermore, at intervals to be decided by Regulatory Compliance, all covered persons shall receive additional, updated training.

ARTICLE 56. BREACH OF THE RULES

1. Non-compliance with these Rules may result in penalties being imposed under criminal, administrative or labour law.

   In particular, breaches involving orders or transactions using inside information or wrongful disclosure of inside information may be subject to the following penalties:

   Criminal penalties (Article 285 Criminal Code)

   a) If an economic benefit greater than 600,000 euros is obtained or a loss in that amount is generated, the infringement will be punished with a prison sentence of from one to four years, a fine of three times the benefit obtained or abetted and special disqualification from exercising the profession or activity for from two to five years.

   b) A prison sentence of from four to six years, a fine of three times the benefit obtained or abetted and special disqualification from exercising the profession or activity of from two to five years will

be applied if the conducts described in the preceding paragraph are accompanied by any of the following circumstances:

- If the perpetrators regularly engage in those abusive practices.
- If the benefit obtained is egregiously large.
- If severe harm is caused to the public interest.

Administrative sanctions

a) Order addressed to the person responsible for the infringement to put an end to the conduct and refrain from repeating it;

b) Return of the benefits obtained or the losses avoided by the infringement, if they can be determined;

c) Public reprimand specifying the perpetrator and the nature of the infringement;

d) Revocation or suspension of the authorisation of an investment firm;

e) Temporary prohibition from performing management functions in investment firms on persons with management responsibilities in an investment firm or any other natural person considered responsible for the infringement;

f) In the event of a repeated infringement, permanent prohibition from performing management functions in investment firms on persons with management responsibilities in an investment firm or on any other natural person considered responsible for the infringement;

g) Temporary prohibition from dealing for own account on persons with management responsibilities in an investment firm or on any other natural person considered responsible for the infringement;

h) Maximum administrative fines of at least three times the amount of the benefits obtained or of the losses averted with the infringement, if they can be determined;

i) In the case of a natural person, maximum administrative fine of at least EUR 5,000,000;

j) In the case of a legal person, maximum administrative fine of at least EUR 15,000,000 EUR or 15% of the total annual turnover of the legal person per the most recent accounts approved by the management body.

2. In the field of labour law, penalties will be imposed once evidence has been collected in the ensuing infringement proceedings, which will be conducted in accordance with the appropriate industry regulations.

ARTICLE 57. IMPLEMENTATION AND REVISION OF THE RULES

1. The Bankia board of directors and/or the relevant board committee may dictate procedures to implement the provisions of these Rules.

2. Any revision to these Rules, where required by changes in applicable law, must be approved by the board of directors of Bankia or the appropriate board committee.

TITLE IX. THE REGULATORY COMPLIANCE FUNCTION

ARTICLE 58. RESPONSIBILITIES OF THE COMPLIANCE FUNCTION

To ensure appropriate compliance with these Rules, Regulatory Compliance will be responsible for performing the following functions:

1. Keep covered persons and entities informed and advised on the laws and regulations that govern their activity in relation to complying with these Rules.
2. Obtain from covered persons all necessary information for ensuring compliance with these Rules.
3. Keep current and make available to the governing bodies and supervisory authorities a comprehensive list of the entities and persons covered by these Rules.
4. Determine those transactions which, because of their amount or risk, require authorisation before they are executed.
5. Manage requests and, if applicable, authorisations relating to:
   - Execution of personal transactions through entities other than the covered group entities.
   - Execution of personal transactions with financial instruments issued by the bank or by covered group entities or with derivative instruments or other financial instruments tied thereto.
   - Execution of personal transactions opposite to the recommendations issued, which, where such is the case, may be proposed to be carried out by covered persons who form part of the units responsible for making, publishing or disseminating reports and recommendations and by covered persons in positions hierarchically above those units.
   - Passing of inside information between separated areas.
6. Oversee the monthly statement of personal transactions to be made by covered persons.
7. Conserve, for five years, the statements of personal transactions and information provided by covered persons, guaranteeing their strict confidentiality.
8. Control the investment portfolio discretionary management contracts of the covered persons not subject to Articles 5 to 8 of these Rules and, if applicable, the supplementary declarations that must accompany the management contracts so that Articles 5 to 8 of these Rules do not apply because they meet the requirements laid down in ArtIcle 11.
9. Keep a record of the time periods in which execution of personal transactions with Bankia shares, debt instruments issued by covered group entities or with derivative instruments or other financial instruments tied thereto is restricted, as well as of the persons subject to those trading restrictions.
10. Prepare and keep up to date a list of persons and financial instruments (list of insiders) on which Bankia, or any covered group entity, have inside information owing to Bankia's position as issuer or to the provision of investment services. This record must be conserved for five years after the date of its last updated.
11. Expressly advise the persons on the list of insiders of the nature of the information and of their confidentiality duty and prohibition on using the information, as well as the infringements and penalties that apply to its inappropriate use. Obtain written acknowledgement from each person, when applicable, that the person is aware of the obligations entailed by his or her knowledge of inside information and of the penalties that apply to insider trading and to unlawful disclosure of inside information.

12. Perform periodic checks to verify that trading done in the market for own account of covered entities or for the account of clients and personal transactions executed by covered persons is not affected by inappropriate access to inside information.
13. Determine the separated areas and the covered persons included in each.
14. Keep a duly individualised recorded of authorisations to pass inside information between separated areas.
15. Report to the CNMV orders or transactions suspected of market abuse (involving inside information or market manipulation).
16. Keep a record of the suspicious orders or transactions reported to the CNMV.
17. Keep an up-to-date record of the conflicts of interest reported thereto.
18. Report to the boards of directors of covered group entities and/or the committees those boards designate on all material incidents arising in the application of these Rules.
19. Prepare, at least half-yearly, a report for the boards of directors of covered group entities.
20. Maintain on the group's corporate intranet a webpage with up-to-date information on these Rules and on such implementing measures as may be approved.
21. Determine the frequency with which covered persons should receive training on these Rules.

ANNEX 1 – DEFINITIONS

1. **Personal transactions**

   Any transactions in securities and financial instruments that are carried out by covered persons in relation to assets they own.

2. **Family relations of covered persons**

   For the purposes of these Internal Rules of Conduct, a covered person is considered to have family relations with the following persons:

   a) The spouse or any person with a comparable sentimental relationship under the national laws.

   b) Children in the person's charge, according to the national laws.

   c) Any other relative with whom the covered person has been living for one year or more before the date of the personal transaction in question.

3. **Companies with which covered persons, or their family relations, maintain close ties.**

   For the purposes of these Rules and of the regulations on market abuse, a close tie will be considered to exist with a company in any of the following situations:

   1. Any legal person, trustee or association which the covered person holds status of:
      a) Sole director, joint and several director or equivalent; or
      b) Member of the board of directors, management or supervisory body; or
      c) Senior executive with powers to make decisions on management matters that affect the future corporate performance and prospects; or
      d) Shareholder who directly or indirectly holds, or controls, 20% or more of the voting rights or equity of a company.
   2. Any legal person, trustee or association that is directly or indirectly controlled. A control relation will be presumed to exist if there apply any of the following circumstances (Article 42 of the Commercial Code):
      a) A majority of voting rights is held;
      b) Power is held to appoint or remove a majority of the governing body;
      c) There is held, under agreements with other shareholders, a majority of the voting rights;
      d) There have been appointed a majority of the members of the governing body.
   3. Any legal person, trustee or association that has been created for the benefit of the covered person, or of any family relation thereof, or whose economic interests are in great measure the same as those of the covered person or of any family relation thereof.

4. **Nominee person**

   Person who in his or her own name carries out transactions with financial instruments for the account of the covered person or of any family relation thereof or for the account of close ties of the covered person or of family relations thereof. A person for whom the covered person or any family relation thereof provides full or partial cover for the inherent risks of the transactions carried out.

5. **Covered group entities**

   The group composed of Bankia, S.A. and its subsidiaries within the meaning of Article 42 of the Commercial Code.

6. **Investment recommendation**

   1. Any information intended for the distribution channels or the public recommending or suggesting an investment strategy in relation to financial instruments or to the issuers thereof, including any report on the present or future value or price of such instruments.

   2. Information recommending or suggesting an investment strategy will be deemed to include the following:

      a) Information produced by an independent analyst, an investment firm, a credit institution, any other person whose main business is to produce investment recommendations or the natural persons working for any of the foregoing under a contract of employment or otherwise, that, directly or indirectly, expresses a particular investment proposal in respect of a financial instrument or an issuer.

      b) Information produced by persons other than the persons referred to in the previous paragraph which directly recommends a particular investment decision in respect of a financial instrument.

7. **Related financial instrument**

   A financial instrument the price of which is closely affected by price movements in another financial instrument that is the subject of a report or investment recommendation and which includes a derivative on said other financial instrument.

8. **Investment portfolio management contract**

   A contract by which a covered person gives an entity legally empowered for that purpose a mandate to manage all or part of his or her movable assets, including discretionary power to make all decisions in relation to the acquisition, disposal and holding of financial instruments and in relation to the benefits and returns on said instruments, without intervention by the covered person.

9. **Inside information**

   1. For the purposes of these Regulations, inside information means any of the following types of information:

      a) Any information of a precise nature which has not been made public that relates directly or indirectly to one or more issuers or to one or more financial instruments or their derivatives and which, if made public, could appreciably influence the prices of those financial instruments or of their related derivative instruments.

      b) In relation to commodity derivative financial instruments, any information of a precise nature which has not been made public that relates directly or indirectly to one or more such derivative financial instruments or directly to a related spot commodity contract and which, if made public, could appreciably influence or the prices of those derivative instruments or related spot commodity contracts, provided that the information may be reasonably expected to be made public or which must necessarily be made public, in accordance with the terms of the legal and regulatory provisions of the European Union or Spain, in the rules of the market, of the provisions of the contracts or the customs and practices of the relevant commodity derivatives or spot markets.

c) In relation to emissions allowances or to auctioned products based on those rights, any information of a precise nature which has not been made public that refers directly or indirectly to one or more of those financial instruments and which, if made public, could appreciably influence the prices of those instruments or of related derivative financial instruments.

d) Any information of a precise nature transmitted by a client in relation to the client's pending orders on financial instruments that refers directly or indirectly to one or more issuers or to one or more financial instruments and which, if made public, could appreciably influence the prices of those financial instruments, the prices of spot commodity contracts or the prices of related derivative instruments.

2. *Information of a precise nature*.- Information that refers to a series of circumstances that exist or may be reasonably expected to exist, or to an event that has occurred or may be reasonably expected to occur, where such information is sufficiently specific to allow a conclusion to be drawn as to the effects those circumstances or event could have on the prices of the financial instruments or of the related derivative instruments, of related spot commodity contracts, or of auctioned products based on emissions allowances.

3. Information which if made public could appreciably influence prices of financial instruments, of derivative financial instruments, of related spot commodity contracts, or of auction products based on emissions allowances means information which reasonable investors would probably factor into their investment decisions.

4. The provisions of the preceding paragraphs will apply also to financial instruments in respect of which a request for admission to trading on a regulated market or multilateral trading facility has been made.

10. **Separated area**

Any department or area of a covered group entity in which activities related to the securities markets are conducted and which, under these Rules, must be separated from other such departments or areas in order to avoid conflicts of interest and prevent improper use or transmission of inside information, so that decisions in each such area are made autonomously.

11. **Issuer**

Any legal person that issues or proposes to issue financial instruments.

12. **Exceptional circumstances**

For the purposes referred to in ArtIcle 20, exceptional circumstances means situations that are extremely urgent, unforeseen and pressing that arise from causes not controlled by the covered person.

When Regulatory Compliance examines the circumstances described in the request to determine if they are exceptional, it shall consider, amongst other factors, if and to what extent the covered person:

a) is facing, at the time the request is submitted, a legally enforceable financial commitment or claim;

b) must make, or has been immersed since the start of the no-trade period in a situation that entails, the payment of a sum to a third party, including tax debts, and cannot reasonably satisfy the claim or financial commitment by any means other than immediate sale of shares or debt instruments.

13. **Relevant information**

Any information which, if known, may reasonably affect an investor's decision to acquire or transfer financial instruments and so materially influence the prices of said financial instruments in a secondary market.

14. **Conflict of interest**

A conflict of interest exists when, in the opinion of a neutral observer, the impartiality of a covered person may be compromised and the interests of a client may be damaged as a result.

15. **Barriers**

The physical, electronic or other elements and the procedures that must be established in order to keep the separated areas separate from one another.

The barriers may be of the following types:

a) Physical barriers, including physical separation and restricted areas.

b) Barriers to access to information, aimed at protecting documents and physical and electronic files through the use of access keys, identification with transaction code names, and other similar measures.

c) Communication barriers, through monitoring of written, electronic and telephone communications and restriction of comments or communications, among other measures.

16. **Market manipulation**

1. Market manipulation will include the following activities:

a) Executing a transaction, giving a trading order or any other conduct that:

- Conveys or could convey false or misleading signals as to the supply or demand for or the price of a financial instrument or of a related spot commodity contract; or
- Sets or could set a price to an abnormal or artificial level for one or more financial instruments or for a related spot commodity contract,

unless the person who carried out the transaction or gave the trading order or engaged in any other conduct demonstrates the legitimacy of his or her reasons and said reasons conform to the accepted market practices[24] in accordance with the applicable laws and regulations.

b) Executing a transaction, or giving a trading order or any other conduct that affects or could affect, through the use of fictitious devices or any other form of deception or contrivance, the price of one or more financial instruments, of a related spot commodity contract or of an auctioned product based on emissions allowances.

c) Disseminating information through the communications media, including the Internet, or through any other medium, that conveys or could convey false or misleading signals as to the supply or demand for or the price of a financial instrument, of a related spot commodity contract or of an auctioned product based on emissions allowances, or could thus set prices at an abnormal or artificial level for one or more financial instruments, for a related spot commodity contract or for an auctioned product based on emissions allowances, including

[24] See definition of "**Accepted market practices**" in Annex 1, page 34

the dissemination of rumours, where the disseminator knows or should know that the information was false or misleading.

d) Conveying false or misleading information or providing false data in relation to a reference index, where the conveyor of the information or provider of the data knew or should have known that they were false or misleading, or any other conduct that entails manipulation of the calculation of a reference index.

2. The following conducts, inter alia, will be considered market manipulation:

a) Conduct by a person, or persons acting in collaboration, to secure a dominant position over the supply of or demand for a financial instrument, for a related spot commodity contract or for an auctioned product based on emissions allowances, which has or could have the effect of fixing, directly or indirectly, purchase or sale prices or creating other unfair trading conditions.

b) The buying or selling of financial instruments at the opening or close of the market which has or could have the effect of confusing or misleading investors acting on the basis of the displayed prices, including the opening or closing quotes.

c) The placing of orders to a trading venue, including any cancellation or modification thereof, by any available means of trading including electronic means, such as algorithmic and high frequency trading strategies, that produces any of the effects referred to in paragraph 1), subparagraphs a) or b), by:

i) Disrupting or delaying the functioning of the trading system of the trading venue, or making it more likely to do so;

ii) Making it more difficult for other persons to identify genuine orders on the trading system of the trading venue or making it more likely to do so, in particular by entering orders which result in the overloading or destabilisation of the order book; or

iii) Creating or making possible the creation of a false or misleading impression about the supply of or demand for, or price of a financial instrument, in particular by entering orders to initiate or exacerbate a trend.

d) Taking advantage of occasional or regular access to the traditional or electronic media to voice an opinion about a financial instrument, related spot commodity contract or auctioned product based on emissions allowances (or indirectly about their issuer) while having previously taken positions on that financial instrument, contract or auctioned product based on emissions allowances, and profiting subsequently from the impact of the opinions voiced on the price of that instrument, contract or auctioned product based on emissions allowances, without having simultaneously disclosed that conflict of interest to the public in a proper and effective way.

e) The buying or selling on the secondary market of emission allowances or related derivatives prior to the auction held pursuant to the applicable regulations, with the effect of fixing the auction clearing price for the auctioned products at an abnormal or artificial level or misleading bidders bidding in the auctions.

f) Any conduct which the Ministry of Economy or the CNMV lists or describes as a practice contrary to price formation.

17. **Accepted market practices**

1. Accepted market practices are those determined by the supervisor of the relevant market, the Comisión Nacional del Mercado de Valores (CNMV) in the case of Spanish markets, taking into account the following criteria:

a) If the market practice offers a substantial level of transparency to the market.

b) If the market practice ensures a high level of protection of the operation of market forces and proper interplay of the forces of supply and demand.

c) If the market practice has a positive impact on market liquidity and efficiency.

d) If the market practice takes into account the trading mechanism of the relevant market and enables market participants to react properly and in a timely manner to the new market situation created by that practice.

e) If the market practice does not generate risks for the integrity of directly or indirectly related markets, whether regulated or not, in the relevant financial instrument within the European Union.

f) The outcome of any investigation of the relevant market practice by any supervisor of the market or other authority, in particular whether the relevant market practice breached rules or regulations designed to prevent market abuse, or codes of conduct, whether on the market in question or on directly or indirectly related markets within the European Union.

g) The outcome of any investigation of the relevant market practice by any supervisor of the market or other competent authority, in particular whether the relevant market practice breached rules or regulations designed to prevent market abuse, or codes of conduct, whether on the market in question or on directly or indirectly related markets within the European Union;

h) The structural characteristics of the relevant market, including whether it is regulated or not, the types of financial instruments traded and the type of market participants, including the extent of retail investors participation in the relevant market.

2. In no event will a market practice accepted by a supervisor in a given market be considered applicable to other markets unless the competent authorities of those other markets have accepted that practice.

18. **Bookbuilding**

Bookbuilding consists in giving one or more prospective investors information in order to assess their interest in a possible transaction and the terms thereof, such as its potential price, volume and structure.

Examples of bookbuilding include situations in which an issuer announces a debt issue or an additional offering of shares and a distributor contacts relevant investors to inform them of the terms of the transaction with the aim of obtaining a financial commitment to participate in the operation; or when a distributor proposes to sell a large number of securities in the name of an investor and seeks to assess the potential interest of other potential investors in those securities.

19. **Depositary**

Depositaries are entities that are entrusted with the deposit or custody of the securities, cash and other assets, in general, in which collective investment institutions hold their investments and the oversight of the management companies of such collective investment institutions and, where applicable, of the administrators of collective investment companies, and the other functions assigned to them by Law 35/2003 of 4 November 2003.

These activities are also carried out by the entities that provide the service of custody and safekeeping of the securities and other financial assets accumulated in pension funds, the oversight of pension fund management companies, and the other functions assigned to them by the Consolidated Text of

the Law on Pension Plans and Funds, enacted by Legislative Royal Decree 1/2002 of 29 November 2002.

20. **Related party transactions in the management of collective investment institutions**

1. Transactions between the persons listed below in relation to the transactions referred to by paragraph 2 below:

   a) By investment companies with depositaries and, if applicable, their management companies.

   b) By investment companies with the persons who hold directorships or management positions therein or who hold directorships or management positions in the depositary and, if applicable, their management company.

   c) By management companies and depositaries with each other when they affect a collective investment institution for which they act as manager and depositary, respectively, and those carried out between the management companies and persons who hold directorships or management positions therein.

   d) By management companies, when they affect a collective investment institution for which they act as manager; by the depositary when they affect a collective investment institution for which they act as depositary and by investment companies, with any other entity that belongs to their group within the meaning of Article 42 of the Commercial Code.

2. Related party transactions are:

   a) Receipt of compensation for providing collective investment institution services, except for those provided by the management company to the institution itself and for those determined by regulation.

   b) Obtaining financing or making deposits by a collective investment institution.

   c) Acquisition by a collective investment institution of securities or instruments issued or guaranteed by any person of those defined in paragraph 1 of this Article or in the issuance of which any of those persons acts as distributor, underwriter, manager or advisor.

   d) Buying and selling of securities.

   e) Any transfer or exchange of resources, obligations or business opportunities between investment companies, management companies and depositaries, on the one hand, and persons who hold directorship or management positions therein, on the other.

   f) Any business, transaction or provision of services in which there takes part a collective investment institution and any company in the business group of the manager, of the depositary or of the open-end investment company (SICAV) or any members of their respective boards of directors or other collective investment institution or assets managed by the same management company or other group manager.

   g) All others so classified by the rules and regulations in effect from time to time.

   When the transactions provided for in this paragraph are carried out by nominee persons or entities, they will also be considered related party transactions. For these purposes, a transaction will be deemed to be carried out by a nominee person or entity if it is executed by a person who has a direct or collateral family relation, by consanguinity or affinity, up to and including the fourth degree, by attorneys or trustees or by any entity in which the directors and managers directly or indirectly holding equity stakes of 25% or more or therein perform director or manager functions.

21. **Related party transactions in the management of pension funds**

1. Transactions between the persons listed below in relation to the transactions referred to by paragraph 2 below:

   a) By management companies and depositaries with each other when they affect a pension fund for which they act as manager and depositary, respectively, and those carried out between the management companies and persons who hold directorships or management positions therein.

   b) By management companies or depositaries with the persons who hold directorships or management positions therein when they affect a pension fund for which they act as manager or depositary.

   c) By the management companies, when they affect a pension fund for which they act as manager; and by depositaries when they affect a pension fund for which they act as depositary and by investment companies, with any other entity that belongs to their group within the meaning of Article 42 of the Commercial Code.

   d) By management companies, when they affect a pension fund for which they act as manager; and by depositaries when they affect a pension fund for which they act as depositary, with any sponsor or entity of their group who so acts for pension plans affiliated with that pension fund or members of the control committee of the pension fund or of the pension plans it includes.

   e) By management companies and depositaries with entities to which they have delegated functions, when they affect a pension fund for which they act as manager and depositary, respectively.

2. Related party transactions are:

   a) Receipt of compensation for providing services to a pension fund, except for those provided by the management company to the pension fund itself.

   b) Obtaining financing or making deposits by a pension fund.

   c) Acquisition by a pension fund of securities or instruments issued or guaranteed by any person of those defined in the preceding paragraph or in the issuance of which any of those persons acts as distributor, underwriter, manager or advisor.

   d) Buying and selling of securities.

   e) Any business, transaction or provision of services in which there takes part a pension fund and any company in the business group of the manager, of the depositary or of the sponsors of the affiliated pension plans or any members of their respective boards of directors; any member of the control committees of the pension fund or of the affiliated pension plans; or other pension fund or assets managed by the same management company or other group manager.

The transactions provided for in this paragraph will also be considered related party transactions if when they are carried out nominee persons or entities, on the terms described regarding such nominee persons and entities in Article 70.9a of the Regulation on pension plans and funds.

ANNEX 2 – APPLICABLE LAWS IN FORCE

1. The rules of conduct for securities market activities are contained in, among others, the following provisions:
    a) Regulation (EU) No 596/2014 of 16 April 2014 on market abuse.
    b) Legislative Royal Decree 4/2015 of 23 July 2015 approving the consolidated text of the Securities Market Law.
    c) Royal Decree 1333/2005 of 11 November 2005 implementing Law 24/1988 of 28 July 1988 on the Securities Market, in matters of market abuse.
    d) Royal Decree 217/2008 of 15 February 2008 on the legal regime of investment firms and other entities that provide investment services.
    e) Legislative Royal Decree 1/2010 of 2 July 2010 approving the consolidated text of the Law on Corporations.
    f) Ministerial Order EHA/1421/2009 of 1 June 2009 implementing Article 82 of Law 24/1988 of 28 July 1988 on the Securities Market on matters of material disclosures.
    g) CNMV Resolution of 7 October 2009 on the minimum records to be kept by companies that provide investment services.
    h) CNMV Circular 3/1993 of 29 December 1993 on the recording of transactions and the keeping of records of orders.
    i) CNMV Circular 4/2009 of 4 November 2009 on the reporting of material disclosures.
2. The rules of conduct in the field of collective investment are contained in the following precepts:
    a) Commission Delegated Regulation (EU) 2016/438 of 17 December 2015 supplementing Directive 2009/65/EC of the European Parliament and of the Council with regard to obligations of depositaries.
    b) Chapter I of Title VI of Law 35/2003 of 4 November 2003 on collective investment institutions.
    c) Title VI of the implementing Regulations of Law 35/2003 of 4 November 2003 on collective investment institutions, approved by Royal Decree 1082/2012 of 13 July 2012.
3. The rules of conduct in the field of pension funds are contained in Articles 85 bis, 85 ter and 85 quáter of the Regulations on Pension Plans and Funds enacted by Royal Decree 304/2004 of 20 February 2004.