

## MATERIAL DISCLOSURE

Pursuant to article 228 of the consolidated text of Law 4/2015 of 23 July on the Securities Market, approved by Legislative Royal Decree 4/2015 of 23 October, Bankia S.A. hereby submits for publication on the CNMV website the full text of the notice calling the Ordinary General Meeting of Shareholders of the Company, to be held on 24 March 2017 at first call and 25 March at second call, at the Palacio de Congresos in the city of Valencia, with the expectation that the meeting will be held at first call. The notice has been published today in the Commercial Registry Official Gazette (Boletín Oficial del Registro Mercantil - BORME) and on the company's website ([www.bankia.com](http://www.bankia.com)).

The notice is accompanied by the full texts of the proposed resolutions.

The reports of the directors on the agenda items that so require, together with the rest of the general meeting documents, are available on the company's website ([www.bankia.com](http://www.bankia.com)).

The above is notified as a material disclosure for all pertinent purposes in

Madrid on 23 February 2017

BANKIA, S.A.

## **NOTICE OF CALL**

### **BANKIA, S.A.**

#### **ORDINARY GENERAL MEETING OF SHAREHOLDERS — MARCH 2017**

The Board of Directors of Bankia, S.A. ("Bankia" or the "Company") has decided to call the shareholders to the Ordinary General Meeting to be held in Valencia, at the Palacio de Congresos – Avenida de las Cortes Valencianas nº 60, on 24 March 2017, at 12 noon, at first call or, in the absence of the requisite quorum, at second call, on 25 March 2017, at the same place and time, foreseeably at first call; the site will be open for access and attendance by those who are holders of or represent at least 500 shares from 11:00 am, both for the first and the second call, if applicable, in order for the shareholders to deliberate and vote on the points set out in the following

### **AGENDA**

- 1. Approval of the audited Annual Accounts and Management Report of Bankia and of its consolidated Group. Approval of the corporate management for the year. Allocation of results. All of the above in reference to the year closed 31 December 2016.**
  - 1.1 Approval of the Annual Accounts and Individual Management Report of Bankia.**
  - 1.2 Approval of the Annual Accounts and Consolidated Management Report of the Bankia Group.**
  - 1.3 Approval of the corporate management by the Board of the Company in 2016.**
  - 1.4 Allocation of results.**
  
- 2. Reduction of capital to adapt the Company's equity structure.**

Reduction of share capital by an amount of 6,334,530,699.20 euros to increase the voluntary reserves, by reducing the par value of all shares by 0.55 euros to 0.25 euros per share based on the balance sheet closed at 31 December 2016. Consequent amendment of article 5 of the Company bylaws. Delegation of authority.
  
- 3. Reverse split to reduce the number of outstanding shares by four, that is, in the proportion of one new share for every four pre-existing shares of the Company. Consequent amendment of article 5 of the Company bylaws. Delegation of authority.**
  
- 4. Reelection of members of the Board of Directors.**
  - 4.1 Reelect as director, in the category of executive director, Mr. José Ignacio Goirigolzarri Tellaeché for the bylaws mandated term of four years.**
  - 4.2 Reelect as director, in the category of executive director, Mr. Antonio Ortega Parra for the bylaws mandated term of four years.**
  - 4.3 Reelect as director, in the category of independent director, Mr. Jorge Cosmen Menéndez-Castañedo for the bylaws mandated term of four years.**

- 4.4 Reelect as director, in the category of independent director, Mr. José Luis Feito Higuera for the bylaws mandated term of four years.
  - 4.5 Reelect as director, in the category of independent director, Mr. Fernando Fernández Méndez de Andés for the bylaws mandated term of four years.
  - 4.6 Reelect as director, in the category of independent director, Mr. Álvaro Rengifo Abbad for the bylaws mandated term of four years.
5. Reelection of the statutory auditor of the Company and its Consolidated Group for 2017.
6. Delegation to the Board of Directors of the authority to increase the share capital by up to a maximum of 50% of the subscribed share capital, by means of one or more increases and at any time within a maximum of five years, by means of cash contributions, with authority, if applicable, to disapply preferential subscription rights up to a maximum of 20% of share capital, annulling the delegation of authority conferred at the previous General Meeting.
7. Delegation to the Board of Directors of the authority to issue, within a maximum term of five years, securities convertible into and/or exchangeable for shares of the Company, as well as warrants or other similar securities that may directly or indirectly entitle the holder to subscribe for or acquire shares of the Company, for an aggregate amount of up to one billion five hundred million (1,500,000,000) euros; as well as the authority to increase the share capital in the requisite amount, and the authority, if applicable, to disapply preferential subscription rights up to a maximum of 20% of share capital, annulling the delegation of authority conferred at the previous General Meeting.
8. Authorisation enabling the derivative acquisition by the Board of Directors of own shares of the Company subject to the limits and to the requirements established by the Corporations Act. Delegation within the Board of Directors of the authority to execute this resolution, annulling the authority conferred at the previous General Meeting.
9. Approval of the remuneration policy for Bankia directors.
10. Approval for part of the 2016 annual variable remuneration of Executive Directors to be paid in Bankia shares.
11. Approval for part of the 2017 annual variable remuneration of Executive Directors to be paid in Bankia shares.
12. Approval for including Executive Directors in the Bankia multi-year-referenced variable remuneration plan.
13. Delegation of authority to the Board of Directors, with authority to subdelegate, for the formal execution, interpretation, correction and implementation of the resolutions adopted at the General Meeting.

14. **Submission for consultative vote of the annual report on remuneration of members of the Bankia Board of Directors.**
15. **Information on amendments made to the Board of Directors Regulations, which affect article 8 (Qualitative composition), with the aim of including a shareholding requirement for members of the Board of Directors.**

## **SUPPLEMENT TO THE CALL**

In accordance with the terms of article 519 of the Corporations Act, shareholders representing at least 3% of the share capital may request the publication of a supplement to the call of an Ordinary General Shareholders Meeting adding one or more points to the agenda, provided the new points are accompanied by an explanatory justification or, as applicable, by a proposed resolution with an explanatory justification.

Similarly, shareholders representing 3% or more of the share capital may submit reasoned proposals for resolutions on matters already included or which should be included on the agenda.

These rights will be exercised by sending certifiable notice to the Company, which must be received at the registered office at Calle Pintor Sorolla, 8, 46002 Valencia, to the attention of the Secretary of the Board of Directors, within five days following publication of this call.

This written notice must state the name or company name of the shareholder or shareholders making the request and must enclose the appropriate documentation —a copy of the attendance card or certificate of entitlement— evidencing shareholder status, in order to check this information against that provided by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear), and the content or the points proposed by the shareholder or the content of the proposal or proposals made by the shareholder.

If the shareholder proposes a new point or new points on the Agenda, the shareholder may also be required to attach the proposal or proposals and the reports or supporting reports for the proposals to which the points included in the supplement refer, in cases where this is necessary for legal reasons.

The supplement to the call must be published at least fifteen days before the scheduled meeting date.

## **NOTARY ATTESTATION OF THE GENERAL MEETING OF SHAREHOLDERS**

The Board of Directors has requested the presence of a notary public to write up the minutes of the General Meeting, in accordance with the terms of article 203 of the Corporations Act in conjunction with article 101 of the Regulations of the Companies Registry and article 4.2 of the General Meeting Regulations.

## **RIGHT OF ATTENDANCE**

This Meeting may be attended by any person, whether an individual or legal person, owning or representing at least 500 shares of Bankia registered in the name of the owner or, if applicable, of the person represented in the related accounting register five days prior to the date on which the Meeting is to be held. The shareholders must provide proof of this circumstance on entry to the venue at which the General Meeting is held, through the related attendance card indicating the number, class and series of shares held, and the number of votes that may be cast. The card will be issued by the affiliated entities of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear) to the holders of the shares providing evidence of having registered them five days prior to the date on which the General Meeting is to be held at first call.

For the purposes of providing proof of identity of the shareholders or of those validly representing them, on entry to the venue where the General Meeting is to be held, the attendees may be requested, together with presentation of the attendance card, proof of identity through the presentation of the National Identity Card or any other current, official document that is generally accepted for these purposes. The site will be open for access and attendance by the shareholders owning or representing at least 500 shares from 11:00 am, both for the first and the second call, if applicable.

## **PROXY AND REMOTE VOTING**

Shareholders may appoint proxies and vote by remote means of communication before the General Meeting is held, in accordance with the provisions of articles 25 and 31 of the Bylaws and articles 8 and 20 of the General Meeting Regulations. The mechanisms for on-line voting and appointment of proxies prior to the Meeting will be available on the Bankia website ([www.bankia.com](http://www.bankia.com)) as from 1 March 2017, and will be closed at midnight of the third day before the date scheduled for holding the General Meeting at first call.

Shareholders must complete and sign proxies and the related attendance and proxy card.

The persons to whom the proxy and vote are granted must cast the vote by attending the Meeting in person, provided that they reach the minimum number of shares entitling them to attend. They must present the attendance and proxy cards at the registration desks at the shareholders entrance, at the place and time indicated for holding the General Meeting, as from one hour before the scheduled time for commencing the Meeting.

Proxies may be revoked at any time. By attending the Meeting in person, the represented shareholder thereby revokes the proxy, provided that compliance is made with section "1.4. Basic rules for proxy appointments and voting before the General Meeting and personal attendance" below.

If the shareholder represented attends, the representative may not attend the General Meeting. If it does it will not be entitled to vote or participate in representation of that person, and may be required to leave the General Meeting.

The proxy must be granted specifically for each General Meeting, in writing or by remote communication.

Where the represented shareholders have issued instructions, the representative will cast the vote in accordance therewith and will be obliged to retain these instructions for twelve months as from the date on which the Meeting is held.

A proxy may represent more than one shareholder, with no limit regarding the number of shareholders represented. When a representative represents multiple shareholders, it may cast conflicting votes based on the instructions given by each shareholder.

In any event, the number of represented shares will be used in the calculation of a quorum for the Meeting.

The documents stating the proxies for the General Meeting must include the following information at least:

- a) Date on which the General Meeting is held and the Agenda.
- b) Identity of the represented shareholder and the proxy. Where not specified, the proxy will be deemed to have been granted to the Chairman of the Board of Directors, without prejudice to the indications below with regard to conflict of interest.
- c) Number of shares held by the shareholder granting the proxy.
- d) Instructions on the way in which to cast the vote of the shareholder granting the proxy on each point on the Agenda.

The Chairman of the General Meeting or the persons designated by the Chairman will be deemed authorised to determine the validity of the proxies granted in compliance with the General Meeting attendance requirements.

The provisions of the preceding paragraphs will not be applicable where the proxy is a spouse, ascendant or descendant of the person represented, and provides evidence as such, or is the holder of a general power or attorney in a deed, which can be provided, to manage all the shareholder's assets in Spain.

Pursuant to the provisions cited above, the Board of Directors has developed the following rules for proxy appointments and remote voting prior to the Meeting:

## **1. REMOTE APPOINTMENT OF PROXIES PRIOR TO THE GENERAL MEETING**

The following remote communication media will be valid for appointing proxies:

### **1.1. In-person or postal delivery**

The shareholder may appoint a proxy by completing the nominative card of attendance, proxy and remote voting issued and sent to the shareholder's address or made available to the shareholders by the Company on its website ([www.bankia.com](http://www.bankia.com)). The card must

be duly signed by the shareholder and delivered to any of branches of the Bankia network or one of the Services Offices of the General Meeting, located at the following addresses:

Bankia, S.A. - Oficina de Atención a la Junta General de Accionistas.  
Paseo de la Castellana nº 189, 28046 Madrid.

Bankia, S.A. - Oficina de Atención a la Junta General de Accionistas.  
C/ Pintor Sorolla nº 8, 46002 Valencia.

The shareholder may likewise appoint a proxy by completing the nominative card of attendance, proxy and remote voting issued and sent to the shareholder's address, signing it and delivering it, for these purposes, by mail or any other similar courier service to the following address:

Bankia, S.A. - Dirección de Valores  
C/ Gabriel García Márquez nº 1, 28232 Las Rozas – Madrid

Shareholders who are legal persons that grant a proxy to a third party by mail must enclose a copy of the power of attorney of the individual who signs the nominative card of attendance, proxy and remote voting or provide evidence of said person's powers by some other legally admissible means.

## **1.2. Electronic means**

Individuals may grant proxies or vote directly through the Electronic Service operational on the Bankia website ([www.bankia.com](http://www.bankia.com)), by complying with the related instructions, detailing the proxies granted and the identity of the shareholders granting the proxies, including their electronic signatures based on an Electronic User Certificate issued by the Spanish Royal Mint (FNMT-RCM) or electronic DNI.

All electronic proxies (except those granted to the Chairman, the Directors or the General Secretary of Bankia) must be printed and submitted, together with the identification document, by the designated representatives, to the staff responsible for registering shareholders on the day and at the place of holding the General Meeting, within one hour prior to the time scheduled for the Meeting to begin.

## **1.3. Remote voting prior to the General Meeting**

The same procedure as established in section 1.1 above for remote appointment of proxies will be followed.

Individuals may cast their vote directly through the Electronic Service operational on the Bankia website ([www.bankia.com](http://www.bankia.com)), following the relevant instructions and using their electronic signatures based on an Electronic User Certificate issued by the Spanish Royal Mint (FNMT-RCM) or electronic DNI.

## **1.4. Basic rules for proxy appointments and voting before the General Meeting and personal attendance**

#### 1.4.1. Time limits for receipt by the Company of proxy appointments and remote votes prior to the Meeting, whether delivered in person or by mail or by electronic means:

They must be received by midnight of the third day before the date scheduled for holding the General Meeting at first call. Shareholders casting votes remotely, whether by mail or on-line, will be considered to be in attendance for the purposes of the quorum of the General Meeting.

Votes cast remotely may only be rendered null and void by subsequent express revocation made by the same means and within the same term as those relating to the votes cast, by attendance in person at the Meeting of the shareholders who cast the vote or their representative, or due to the sale of the shares entitling the shareholders to vote, provided this is known by Bankia.

A remote vote may not be changed once cast, except through the attendance in person at the Meeting of the shareholder who cast the vote or, in the case of electronic voting, through a subsequent valid vote cast within the established term, or through the revocation of the vote cast electronically within the established term.

#### 1.4.2. Rules on priority of proxies, remote voting and attendance in person:

##### a) Priority of proxies, remote voting and attendance in person:

Attendance in person at the General Meeting of a shareholder who had previously granted a proxy or voted remotely, through whichever means for casting votes, will render said proxy or vote null and void, provided that the shareholder owns or represents at least 500 shares.

Votes cast through whichever means will render ineffective any proxy granted electronically or in writing either previously (in which case the proxy is deemed to have been revoked) or subsequently (in which case the proxy is deemed to not have taken effect).

##### b) Priority based on means used for granting the proxy or for casting the vote:

Where shareholders grant proxies validly both by electronic means and using the nominative attendance, proxy and remote voting card printed on paper, the latter takes priority over the former regardless of their respective dates.

Also, votes cast validly by handwritten signature on the nominative card of attendance, proxy and remote voting printed on paper render void votes made by electronic means either before or after.

##### c) Priority based on the timing of the proxy appointment or vote:

Without prejudice to the provisions of section 1.4.2. (b) above, which shall take preference over the provisions under this letter, where shareholders grant several proxies or cast several votes, the latest action (proxy granted or vote cast) takes priority. If the time the shareholder granted one of the proxies or cast one of the



votes is uncertain, the vote, regardless of the means used for casting it, will have priority over the proxy. If a shareholder casts multiple and inconsistent votes, the vote cast most recently will have priority.

## **1.5. Other matters**

Any of the co-owners of a deposit of shares may vote, grant proxies or attend. The rules of priority among them established in section 1.4 above will apply. In any event, if there are co-owners of shares the provisions of article 126 of the Corporations Act will apply.

Shareholders who are legal entities and shareholders who are not residents of Spain must consult the Service Office for the General Meeting of Shareholders to adapt, with due safeguards, the mechanisms for remote voting and proxy appointments to their specific circumstances.

Where the shareholder is a legal entity, it must notify any amendment to, or revocation of, the powers of attorney of its representative and, accordingly, Bankia accepts no liability until this notification has been made and provided that this occurs before the General Meeting commences.

Disposal of shares entitling shareholders to vote that are known to the Company will render the votes cast and proxies granted null and void.

The shareholder is wholly responsible for custody of the electronic signature for using the online proxy appointment and voting service.

## **1.6. Technical issues**

Bankia reserves the right to modify, suspend, cancel or restrict the electronic voting and proxy mechanisms prior to the General Meeting when required or forced to do so for technical or security reasons.

Bankia will not be liable for any losses caused to the shareholders as a result of faults, overloads, line failures, connection failures, malfunctioning of the mail service or any other eventuality of an identical or similar nature beyond Bankia's control that hinder the use of the electronic voting and proxy mechanisms prior to the General Meeting.

## **1.7. Situations of conflict of interest**

A shareholder will be in a situation of conflict of interest and may not exercise the voting right corresponding to its shares when the purpose of the resolution to be adopted is:

- a) to release an obligation of or grant a right to the aforesaid shareholder;
- b) to provide the aforesaid shareholder with any kind of financial assistance, including extending guarantees in its favour;
- c) to excuse the aforesaid shareholder from the obligations deriving from the duty of loyalty legally established for directors.

Regarding the proxy, before its appointment it must advise the shareholder in detail if there is a situation of conflict of interest. If the conflict arose following the appointment and the represented shareholder had not been informed of its existence, the shareholder must be informed immediately. In both cases, if new precise voting instructions have not been received for each of the matters on which the representative has to vote on behalf of the shareholder, the representative must abstain from casting a vote.

If the proxy has been validly granted in accordance with the law and the Meeting Regulations but instructions are not included for casting the vote or if doubts arise as to the recipient or the scope of the proxy, it will be understood that: (i) the proxy is granted to the Chairman of the Board of Directors; (ii) it refers to all the proposals forming part of the Agenda of the General Meeting; (iii) the vote will be cast in the way considered appropriate, and (iv) it also covers any points that may arise outside the Agenda, in respect of which the representative will cast a vote in the way he or she considers fit.

Unless an indication is made by the represented shareholder, where the representative is involved in a conflict of interest, representation will be understood to be granted to the Chairman of the Meeting, and if the latter is in a conflict of interest, the Secretary of the General Meeting, except in those cases for which there are specific voting instructions for each of those points. If the Secretary of the General Meeting is also in a conflict of interest, he or she must abstain.

## **RIGHT OF INFORMATION**

From the day of publication of this call of General Meeting, the shareholders may examine, at the Service Offices of the General Meeting of Shareholders located at Calle Pintor Sorolla no. 8, 46002 Valencia (registered office) or at Paseo de la Castellana no. 189, 28046 Madrid, from Monday to Friday between 9am and 2pm, or may ask to be sent (immediately and free of charge) a copy of the verbatim text of the proposed resolutions on the agenda already approved by the Board of Directors and any reports, if prescribed in relation to the items on the agenda. The same documentation may be examined and obtained on the Company's website ([www.bankia.com](http://www.bankia.com)). In particular, any shareholder may request delivery free of charge of the Annual Financial Report for 2016, which includes the individual and consolidated annual financial statements, the individual and consolidated management reports, and the respective reports of the statutory auditors.

In addition to the aforementioned documentation, according to the provisions of article 518 of the Corporations Act, the aforesaid Company website will make available, without interruption from the moment the General Meeting is called until it is held, the notice of call, the total number of shares and voting rights at the date of the notice of call, the separate and consolidated financial statements of the Company and its Group, the management reports and the related auditors' reports, the annual report on director remuneration, the forms that must be used for proxy and remote voting, and all the documents to be submitted for approval at the Meeting, as well as those of a merely informational nature. In the event of appointment, ratification or reelection of members of the Board of Directors, the identity, résumé and

category to which each of them belongs will be available, as will the proposal and reports referred to in section 529 decies of the Corporations Act. In the case of a legal person, the information must include information on the individual that is to be appointed for permanent exercise of the functions inherent in the position.

In accordance with the provisions of articles 197 and 520 of the Corporations Act and article 7 of the Regulations of the General Meeting of Shareholders, from the day of publication of the call of the General Meeting until and including the fifth day prior to the day it is scheduled to be held, or during the meeting itself, the shareholders may request information or clarifications or submit the written questions they consider appropriate to the matters on the Agenda. Also, in the same time frame and by the same means, the shareholders may request information or the clarifications or pose questions they deem fit, either in writing or verbally while the Meeting is being held, with regard to any information accessible to the public that may have been provided by the Company to the Spanish National Securities Markets Commission since the last General Meeting was held and with regard to the auditors' report.

Requests for information shall be sent in writing to the Service Offices for the General Shareholders Meeting at the addresses indicated above and delivered by hand at the address or sent by post or by electronic means using the Electronic Service provided on the Company's corporate website ([www.bankia.com](http://www.bankia.com)), in which case, in order to equip the system with appropriate guarantees of authenticity and identification of the shareholders exercising their right to information, an electronic signature (advanced or recognised), in the terms set forth in Electronic Signature Law 59/2003 of 19 December, based on either a recognised electronic certificate of which there is no record of its having been revoked that has been issued by the Royal Spanish Mint (FNMT-RCM) or an electronic DNI. Whichever means is used for sending the requests for information, the shareholders' requests must include their name and surnames (or company name), the taxpayer identification number and evidence of the shares held, in order to be able to check this information against the list of shareholders and the number of shares appearing in each shareholder's name provided by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear). The shareholder will be understood to give his or her consent to the requests for information being answered by a reply to the email address of the requesting shareholder. The shareholders may also request information by contacting the Service Offices of the General Shareholders Meeting by telephone (902 10 75 75, or +34 81 787 75 75 for calls from outside Spain from Monday to Friday from 8:00 am to 10:00 pm) or by electronic means using the Electronic Service provided on the Company's corporate website ([www.bankia.com](http://www.bankia.com)), in which case the shareholders must use their electronic signature as indicated above.

Valid requests for information or clarification or questions made in writing, and the directors' answers provided in writing, shall be included on the Company's website.

With regard to any verbal requests for information or clarifications regarding the matters on the Agenda made while the General Meeting is being held and that are not answered at the time, the Board of Directors is obliged to provide this information in writing within seven days after the General Meeting has ended.

The directors may limit their answer to remitting to the information provided when, prior to the statement of the specific question, the requested information is available in a clear, express and direct manner for all shareholders on the Company's corporate website

([www.bankia.com](http://www.bankia.com)) in question and answer format. Also, pursuant to the provisions of article 197 of the Corporations Act and article 7.4 of the Company's General Meeting Regulations , it is hereby stated that the directors shall not be obliged to provide the aforementioned information, when (i) the information is not necessary for the protection of the rights of the shareholder, or there are objective reasons to conclude that it may be used other than for corporate purposes, or its disclosure is harmful to the company or the related companies and it is requested by shareholders representing less than 25% of the Company's share capital, (ii) the request does not refer to items on the Agenda or to information accessible to the public provided by the National Securities Markets Commission since the holding of the most recent General Meeting or to the last audit report , (iii) the information may for any reason be considered abusive or contrary to the principles of equal treatment of shareholders, (iv) the requested information is clearly and directly available to all shareholders on the Company's corporate website ([www.bankia.com](http://www.bankia.com)) in a question-answer format or (v) for other reasons established by law or in the bylaws.

## **DOCUMENTS AVAILABLE ON THE WEBSITE**

Irrespective of the right of information indicated above, as from the date on which the notice of call is published, the following documents, among others, will be available for consultation on the Company website ([www.bankia.com](http://www.bankia.com)):

- (i) This call of General Meeting.
- (ii) Total number of shares and voting rights as at the date the General Meeting is called.
- (iii) The full text of the proposed resolutions for the points on the General Meeting Agenda.
- (iv) Directors' reports on points 2, 3, 6 and 7 of the Agenda.
- (v) The explanatory reports required by article 529 decies of the Corporations Act on point 4 of the Agenda.
- (vi) Reasoned proposal by the Board of Directors on point 9 of the Agenda and report of the Remuneration Committee, and the proposed Director Remuneration Policy.
- (vii) The financial statements, management report and auditors' report for 2016, as well as the consolidated financial statements, management report of the Group and auditors' report for the same year.
- (viii) The Annual Corporate Governance Report for 2016.
- (ix) The Annual Report on Director Remuneration for 2016.
- (x) The Report of the Audit and Compliance Committee for 2016, including information on the auditor's independence, functioning of the Committee and related party transactions.
- (xi) The Report of the Appointments and Responsible Management Committee for 2016.

- (xii) The Report of the Remuneration Committee for 2016.
- (xiii) Instructions for attending the General Meeting, proxy granting and remote voting.
- (xiv) Attendance, Proxy and Remote Voting Card.
- (xv) Regulations of the Shareholders' Electronic Forum.
- (xvi) Right of information.
- (xvii) Company Bylaws.
- (xviii) General Meeting Regulations.
- (xix) Board of Directors Regulations.
- (xx) FAQs.
- (xxi) Valid requests for information, clarifications or questions submitted by the shareholders pursuant to their right of information and the replies provided by the directors.

## **SPECIAL INSTRUMENTS OF DISCLOSURE**

In accordance with article 539.2 of the Corporations Act, Bankia has set up on its corporate website ([www.bankia.com](http://www.bankia.com)) a Shareholders Electronic Forum (hereinafter the "Forum"), which can be accessed with the appropriate safeguards by all individual shareholders and by any voluntary associations of shareholders that may be set up in accordance with the provisions of article 539.4 of the Corporations Act.

Any supplementary proposals to the agenda announced in the notice of the general meeting may be posted on the Forum, together with requests for support for such proposals, initiatives to reach the percentage required to exercise statutory non-controlling shareholder rights and any offers or requests to act as a voluntary proxy.

The Forum is not a mechanism for on-line conversations between shareholders, nor a place for virtual debate. Nor does the Forum constitute a communication channel between the Company and its shareholders. The Forum is set up for the purpose of facilitating communication between Bankia shareholders from the time the General Meeting is called until it is held.

After entering the Forum via the Bankia website ([www.bankia.com](http://www.bankia.com)), shareholders must identify themselves, by using their electronic signature based on an Electronic Certificate of User issued by the Spanish Royal Mint (FNMT-RCM) or the electronic DNI. Legal persons and non-residents of Spain should consult the Service Office of the General Meeting in order to adapt, with the requisite safeguards, the mechanisms for participating in the Shareholders Electronic Forum. As from the date of publication of the notice of call, the necessary information and requirements for participating in the Forum may be consulted on the Bankia website ([www.bankia.com](http://www.bankia.com)). Access to the Forum and the terms and conditions for its use and

operation will be governed by the provisions of this call of General Meeting and in the operating rules for the Shareholders Electronic Forum, which may be consulted on the Bankia website.

## **PROTECTION OF PERSONAL DATA**

The personal data that shareholders or their representatives submit to Bankia for purposes of exercising their General Meeting information, attendance, proxy and voting rights, or that are provided by the banks and securities brokers and dealers that hold the shares of those shareholders in custody via Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear), will be processed for the purpose of managing the pursuit, development and control of the shareholder relationship and, where applicable, the representation relation that exists. All personal data included in the nominative attendance, proxy and voting card are necessary and mandatory in order to exercise attendance, proxy and voting rights. If not properly completed, Bankia may not execute the aforesaid actions.

The shareholders will be responsible for obtaining the consent of their representatives, if they appoint a proxy, for Bankia to process their personal data for the purposes indicated above.

The details may be notified to the notary who will attend the General Meeting and to third parties in exercise of the right of information provided for under law, or made accessible to the public to the extent that they form part of the documentation available on the Company website ([www.bankia.com](http://www.bankia.com)) or are stated at the General Meeting, which may be the subject of audio-visual recording and public broadcast on the website. By attending the General Meeting, attendees give their consent to the recording and broadcasting of the Meeting.

In addition, for the purposes provided for in Organic Act 15/1999 of 13 December 1999 on the Protection of Personal Data, the shareholders and their representatives are hereby informed that said data will be entered in an automated filing system owned by Bankia in respect of which the shareholders and representatives may at all times exercise their right of access, rectification, cancellation and objection by sending their written request to such effect, with proof of their identity, to the email address [protecciondedatos@bankia.com](mailto:protecciondedatos@bankia.com) or to the postal address Apartado de Correos 61076 Madrid 28080, indicating "LOPD-derechos ARCO-Accionistas" as reference".

Valencia, 22 February 2017  
General Secretary and Secretary to the Board of Directors  
Miguel Crespo Rodríguez

## **PROPOSED RESOLUTIONS FOR 2017 ORDINARY GENERAL MEETING OF SHAREHOLDERS OF BANKIA, S.A.**

### **1. Approval of the audited Annual Accounts and Management Report of Bankia and of its consolidated Group. Approval of the corporate management for the year. Allocation of results. All of the above in reference to the year closed 31 December 2016.**

#### **1.1. Approval of the Annual Accounts and Individual Management Report of Bankia.**

Approve the annual accounts of Bankia, comprising the Balance Sheet, Income Statement, Statement of Recognised Income and Expenses, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Annual Accounts, prepared by the Board of Directors, as well as the Management Report, prepared by the same body, for the financial year closed 31 December 2016.

#### **1.2. Approval of the Annual Accounts and Consolidated Management Report of the Bankia Group.**

Approve the annual accounts of the Bankia consolidated group, comprising the Consolidated Balance Sheet, Consolidated Income Statement, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows and Notes to the Consolidated Annual Accounts, prepared by the Board of Directors, and the consolidated Management Report, prepared by the same body, for the financial year closed 31 December 2016.

#### **1.3. Approval of the corporate management by the Board of the Company in 2016.**

Approve the Board of Directors' management of the Company in 2016.

#### **1.4. Allocation of results.**

Approve allocation of the Company's results and the distribution of the dividend for the year ended 31 December 2016 as follows:

Distribute, against earnings for the year ended 31 December 2016, a gross dividend of two point seven hundred fifty-six euro cents (0.02756 euros) per share of Bankia, S.A. entitled to dividend and outstanding at the date the payment is made. It is expressly placed on record that Bankia, S.A. will not be entitled to receive dividends for the own shares it holds directly as treasury stock.

Said dividend payment is expected to take place on 31 March 2017.

This dividend will be distributed through the affiliated participants in the securities registration, clearing and settlement service known as Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal (IBERCLEAR), for which purpose the Board of Directors is hereby authorised, with express power to subdelegate this authority, to fix the exact payment date for the dividend, appoint the entity that will act as paying agent and carry out all other

actions that are necessary or convenient for the successful execution of the distribution.

The profits obtained by Bankia in the year ended 31 December 2016, which amount to seven hundred nineteen million four hundred fifty-four thousand six hundred seventy euros and twenty-six euro cents (719,454,670.26 euros), will be allocated as follows:

- To the legal reserve: seventy-one million nine hundred forty-five thousand four hundred sixty-seven euros and three euro cents (71,945,467.03 euros).
- To dividends (maximum amount to be distributed based on a fixed gross dividend of 0.02756 euros per share to a total of 11,517,328,544 shares): a maximum of three hundred seventeen million four hundred seventeen thousand five hundred seventy-four euros and sixty-seven euro cents (317,417,574.67 euros).
- To voluntary reserves (minimum amount to be allocated, depending on the number of shares entitled to dividends and outstanding at the date of the dividend payment): three hundred thirty million ninety-one thousand six hundred twenty-eight euros and fifty-six euro cents (330,091,628.56 euros).

## 2. Reduction of capital to adapt the Company's equity structure.

**Reduction of share capital by an amount of 6,334,530,699.20 euros to increase the voluntary reserves, by reducing the par value of all shares by 0.55 euros to 0.25 euros per share based on the balance sheet closed at 31 December 2016. Consequent amendment of article 5 of the Company bylaws. Delegation of authority.**

The General Meeting of Shareholders of Bankia resolves to reduce capital in order to increase the voluntary reserves of the Company, all in accordance with the terms and conditions set out below.

For the purposes provided for in this resolution, all words beginning in uppercase that are not expressly defined herein will have the same meaning as ascribed to them in the directors' report supporting this proposed resolution.

### I. Reduction of capital

It is resolved to reduce the Company's share capital, currently fixed at 9,213,862,835.20 euros, by 6,334,530,699.20 euros, so as to fix it at 2,879,332,136.00 euros. The purpose of the reduction is to increase the voluntary reserves of the Company.

The reduction of capital is effected by reducing the par value of all outstanding shares of the Company by 0.55 euros, that is, from 0.80 euros per share to 0.25 euros per share. The total reduction of share capital is 6,334,530,699.20 euros. The capital reduction affects all shares equally, with no difference of treatment between them.

As a consequence of the reduction of capital, unrestricted voluntary reserves are increased by 6,334,530,699.20 euros.



In accordance with articles 334 and 336 of the Spanish Corporations Act, Company creditors whose credits originated prior to the date of the last announcement of the capital reduction resolution and have not yet matured at that date will enjoy the right to oppose the proposed capital reduction until those credit rights are secured.

For the purposes provided for in article 323 of the Spanish Corporations Act, it is placed on record that the Company balance sheet that serves as basis for the adoption of this resolution is the one contained in the financial statements closed at 31 December 2016, examined by the Company's statutory auditor, Ernst & Young, S.L., and which is approved by the General Meeting under the first point section 1.1 of the Agenda.

The time limit for the reduction is set at a maximum of 4 months reckoned from the date of fulfilment of the condition precedent to which it is subject, for having these resolutions notarised and for filing the related public deed with the Mercantile Register of Valencia for registration therein. In any event, this resolution will be executed after the dividend payment approved in this same General Meeting in relation to the allocation of results for 2016.

## II. Change to the legal reserve and voluntary reserves

The Company's legal reserve of 1,087,338,198.93 euros (assuming approval of the allocation of results submitted to the general meeting under point 1.4 of the Agenda), represents 38% of the share capital resulting from this reduction of capital. Consequently, it is placed on record for these purposes that once this resolution has been carried into effect, if such is the case, the excess legal reserve over the equivalent of 20% of the share capital resulting after this reduction will be taken to unrestricted reserves.

The Company's legal reserve will thus be reduced by 511,471,771.73 euros to 575,866,427.20 euros, the equivalent of 20% of the share capital resulting from this reduction of capital.

## III. Amendment of article 5 on the share capital

Amend article 5 of the Bylaws henceforth to read as follows:

*“ARTICLE 5.- SHARE CAPITAL.*

- 1. The share capital is fixed at two thousand eight hundred seventy-nine million three hundred thirty-two thousand one hundred thirty-six euros (€2,879,332,136.00).*
- 2. It is represented by a single series and class and a total number of eleven thousand five hundred seventeen million three hundred twenty-eight thousand five hundred forty-four (11,517,328,544) shares.*
- 3. The shares will have a par value of twenty-five euro cents (€0.25) each.*
- 4. The shares representing the capital social are fully subscribed and paid up.”*

#### IV. Delegation of authority

It is resolved to authorise the Board of Directors, as broadly as required in law and with express powers to delegate this authority to the Chairman, to the Chief Executive Officer, to one or more directors, to the Secretary and to the Assistant Secretary so that any one of them indistinctly may execute this resolution, with capacity, in particular, by way of example and without limitation, to:

- (i) Expand and develop this resolution, specifying the terms and conditions of the reduction insofar as concerns all questions not provided for therein.
- (ii) Carry out all necessary acts to comply with the requirements of the Spanish Corporations Act, the Consolidated Text of the Stock Market Law, Royal Decree 878/2015 of 2 October 2015 on clearing, settlement and registration of negotiable securities represented as book entries, on the legal regulation of central depositories of central counterparties and on transparency requirements for issuers of securities admitted to trading in an official secondary market, including publication of the relevant required notices and the rest of the applicable rules, including publication of the relevant required notices.
- (iii) Carry out the acts and formalities needed to obtain the consents and authorisations that are required for the full effectiveness of this resolution, including, if applicable, the consent of the syndicates of holders of the Companies debentures in accordance with article 411 of the Spanish Corporations Act.
- (iv) Carry out on behalf of the Company any action, statement or formality that is required before the Comisión Nacional del Mercado de Valores (“CNMV”), Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (IBERCLEAR), the Governing Corporations of the Stock Exchanges, the securities settlement and clearing service (Servicio de Liquidación y Compensación de Valores) and any other public or private body or entity or registry, in or out of Spain, in relation to the reduction of capital referred to by this resolution and, in particular, so that, with effect as from the first trading session determined by the latter, upon prior execution of the deed of reduction of capital and its registration in the Mercantile Register, the current 11,517,328,544 shares of Bankia, S.A. with a par value of 0.80 euros each be technically excluded from trading, with simultaneous admission to trading of the same number of shares with a par value of 0.25 euros each on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, through the Spanish Stock Market Interconnection System (Sistema de Interconexión Bursátil).
- (v) Amend the Bylaws article on the share capital to reflect the new capital figure.
- (vi) Draft and publish all such announcements as may be necessary or convenient in relation to this reduction of share capital.
- (vii) Execute on behalf of the Company all such public or private documents as may be necessary or convenient for the reduction of capital and, in general, carry out

all requisite formalities for the best execution of this resolution and the effective reduction of capital.

- (viii) Correct defects in, clarify, interpret, specify or supplement the resolutions adopted by the General Meeting of Shareholders, or the deeds or documents executed to implement those resolutions, and, in particular, all such defects, omissions or errors, substantive or formal, as may impede entry of the resolutions and their consequences in the Mercantile Register, the Official Registers of the CNMV or any others.
- (ix) In general, perform all acts that are necessary or convenient for the successful completion of the reduction of capital.

#### V. Condition precedent

A condition precedent for the effectiveness of this resolution to reduce capital is that there be obtained such regulatory and other authorisations as may be necessary, in particular, if mandatory, the authorisation from the European Central Bank for this capital reduction.

### **3. Reverse split to reduce the number of outstanding shares by four, that is, in the proportion of one new share for every four preexisting shares of the Company. Consequent amendment of article 5 of the Company bylaws. Delegation of authority.**

To reduce the number of outstanding shares of the Company by combining every four shares with a par value of €0.25 —per the value resulting from the reduction of capital submitted to the General Meeting under point two of the Agenda— into one new share with a par value of €1.00. The number of shares after the reverse split will be 2,879,332,136 shares, with no change to the Company's share capital figure.

The new shares issued and placed in circulation will be ordinary shares, represented by book entries, and their related recordkeeping will be done by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear) and its affiliated participants. The new shares will be of the same series and class and carry the same financial and political rights as the current shares, in proportion to their par value.

According to articles 26.1.b) and 41.1 a) of Royal Decree 1310/2005 of 4 November 2005, partly implementing the Stock Market Law on matters of admission of securities to trading in official secondary markets, public sale or subscription offerings and the prospectus required for such purpose, the obligation to publish a public offering prospectus does not apply, because the new shares are issued in place of already issued shares of the same class and the issue does not imply an increase in the issued capital.

#### I. SWAP PROCEDURE AND EFFECTIVE DATES

The share swap will take effect on the date determined by the Board of Directors after the reverse split and consequent bylaws amendment have been entered in the Company's registry page. The swap will be executed as from the date indicated in the notices to be published in the Mercantile Register Official Gazette (*Boletín Oficial del Registro Mercantil*) and on the Company's website and, if mandatory, in a daily newspaper with

nationwide circulation and in the Quotation Bulletins of the Spanish Stock Exchanges. Furthermore, that date will be communicated by submission of the relevant material disclosure (*hecho relevante*).

Shareholders with rightful standing as such according to the accounting records of Iberclear and its affiliated participants at the close of the stock market trading day preceding the effective date determined by the Board of Directors will be entitled to receive one new share for every four old shares they hold. That swap will be done automatically.

The share swap will be executed in accordance with the procedures laid down for book-entry securities, through the relevant affiliated participants, per the instructions given for such purpose by Iberclear and by the entity acting as agent, if such agent has been designated.

## II. TREATMENT OF FRACTIONS

Shareholders who, after the reverse split swap ratio has been applied, hold a number of shares that is not a multiple of four will have the choice of:

- (i) Purchasing or selling the needed number of shares to bring the number of shares they hold to a multiple of the swap ratio; or
- (ii) Pooling their shares with other shareholders to attain a number of shares that is a multiple of the swap ratio.

If, at the close of the trading day preceding the day on which the share swap is to be effected as described above, any shareholder still holds a number of shares that is not a multiple of four, the excess shares will be acquired by the Company.

The price of acquisition will be the closing price at the close of trading that day, and the sale will not generate any cost for the holders of those surplus shares, other than the expenses and brokerage charges that may be passed on to them by their respective custodians.

The amount payable for purchase of those surplus shares will be paid by the Company to the Iberclear affiliated entities for payment into the accounts of the shareholders who have their shares of the Company deposited in said entities. That payment will take place between the effective date of the swap and the second business day thereafter. The Board of Directors may, if it deems necessary, appoint an agent and give it a mandate to acquire the surplus shares in the name of the Company.

## III. APPLICATION FOR ADMISSION TO TRADING

It is resolved that, once there has been registered in the Mercantile Register of Valencia the public deed formalising the reverse split of outstanding shares and swap for the newly issued shares with modification of the par value of the shares, a request be submitted for simultaneous delisting of the old shares and admission to trading of the new shares on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges on which the shares are quoted, through the Interconnected Stock Market System — Continuous Market (Sistema de Interconexión Bursátil — Mercado Continuo), and on the rest of the stock exchanges on which the share is traded, if applicable, and that the necessary formalities and actions be carried out and the requisite documents be filed with the competent bodies for the

admission to trading of the new shares issued pursuant to the resolution adopted, making express record of the Company's submission to the present and future rules on securities exchange and, especially, on trading, continued listing and delisting.

It is expressly placed on record that, if a subsequent decision is made to request delisting of the Company's shares, it will be adopted with the same formalities that apply and, in such event, the interests of the shareholders who oppose or do not vote on the delisting resolution will be guaranteed, complying with the requirements of the Spanish Corporations Act and related provisions, all according to what is provided in the Consolidated Text of the Stock Market Law approved by Legislative Royal Decree 4/2015 of 23 October 2015, and its implementing provisions in force from time to time.

#### IV. AMENDMENT OF ARTICLE 5 OF THE COMPANY BYLAWS.

With the execution of the reverse split, article 5 of the Bylaws on share capital will be amended. The amended article 5 will read as follows:

##### *“ARTICLE 5.- SHARE CAPITAL*

- 1. The share capital is fixed at two thousand eight hundred seventy-nine million three hundred thirty-two thousand one hundred thirty-six euros (€2,879,332,136.00).*
- 2. It is represented by a single series and class and a total number of two thousand eight hundred seventy-nine million three hundred thirty-two thousand one hundred thirty-six (2,879,332,136) shares.*
- 3. The shares will have a par value of one euro (€1.00) each.*
- 4. The shares representing the capital social are fully subscribed and paid up.”*

#### V. DELEGATION OF POWERS TO THE BOARD OF DIRECTORS

It is resolved to grant the Board of Directors the authority, as broadly as legally appropriate, and with power to delegate this authority to the Chairman, to the Chief Executive Officer, to one or more directors and to the Secretary, to execute the reverse split, including without limitation, the following powers:

- (i) The authority to execute the reverse split resolution. The date of the swap will be timely communicated by means of a notice in the Mercantile Register Official Gazette (*Boletín Oficial del Registro Mercantil*) and on the Company's website and, if mandatory, in a daily newspaper with nationwide circulation and in the Quotation Bulletins of the Spanish Stock Exchanges. Furthermore, that date will be communicated by submission of the relevant material disclosure (*hecho relevante*).
- (ii) The authority to prepare, notify and manage any document, publication or certification required in relation to the reverse split process.
- (iii) The authority to fix the exact number of new shares after the reverse split has been executed, if applicable, and to determine the effective date of the reverse split and declare it to have been executed.
- (iv) The authority to reword article 5 of the Company's bylaws on share capital to reflect the result of the execution of the reverse split.

- (v) The authority to carry out all necessary formalities to have the new shares entered in the accounting records of Iberclear according to the legally stipulated procedures.
- (vi) The authority to arrange, at the time it deems appropriate, the application and processing with the CNMV, the Governing Corporations of the Madrid, Barcelona, Valencia and Bilbao Stock Exchanges, Sociedad de Bolsas, Iberclear and any other public or private body, entity or registry in or out of Spain, for the admission to trading of all shares comprised by the Company's share capital in the Madrid, Barcelona, Valencia and Bilbao Stock Exchanges, as well as for their trading through the Interconnected Stock Market System — Continuous Market (Sistema de Interconexión Bursátil — Mercado Continuo) and simultaneous delisting of the old shares that are being cancelled, as well as all formalities, actions, statements or arrangements that are needed or convenient for the purposes, inter alia, of obtaining authorisation, verification and admission to trading of the shares, and to prepare and publish all such notices as may be necessary or convenient for that purpose.
- (vii) The authority to carry out the requisite or convenient formalities before the Bank of Spain, the European Central Bank or any other competent public or private entity, body, authority or registry in or out of Spain.
- (viii) The authority to carry out all such actions as may be necessary or convenient to execute and formalise the reverse split before any public or private entities and bodies in or out of Spain, including authority to submit declarations, supplements or corrections of defects or omissions that could hinder or block the full effectiveness of the above resolutions.
- (ix) The authority to determine, if applicable, the entities that are to participate in the coordinated operation (in particular, appointment of an agent and grant thereto of a mandate on the terms set out above) and, in general, all the guidelines that are to govern the process.
- (x) The authority to draft and sign the covenants, agreements, contracts and any other type of document, on the terms they deem appropriate, with any entity that is involved in the operation in any way.
- (xi) The authority to grant all public and private documents that are convenient for the full or partial execution of the reverse split and authority to carry out all appropriate acts in relation to the foregoing resolutions in order to have them entered in the Mercantile Register and in any other registers, including, in particular, amongst other powers, to appear before notary public to execute the public deeds and notarial certificates that are necessary or convenient for said purpose, to correct, rectify, ratify, interpret or supplement the content of the resolutions and execute any other public or private document that is required or convenient until full registration is achieved of the resolutions adopted by the General Meeting, without the need for a new resolution.
- (xii) And, in general, the authority to carry out all such acts and sign all such public or private documents as may be necessary or convenient in the judgment of the Board

of Directors, the Chairman and Chief Executive Officer, or of such person as may have been authorised thereby, where such is the case, for the full effectiveness and implementation of the foregoing resolutions.

## VI. CONDITION PRECEDENT

A condition precedent for the effectiveness of this reverse split resolution is that there be approved the resolution to reduce the par value of the shares by 0.55 euros per share from the previous par value and that there be obtained such regulatory and authorisations as may be necessary.

### **4. Reelection of members of the Board of Directors.**

All reelections of directors proposed to the General Meeting are accompanied by the explanatory report of the Board of Directors provided for in article 529 decies of the Spanish Corporations Act and, furthermore, (i) in the case of the reelections of Mr. José Ignacio Goirigolzarri Tellaeche and of Mr. Antonio Ortega Parra as executive directors, with the favourable report of the Appointments and Responsible Management Committee, and (ii) the reelections of Mr. Jorge Cosmen Menéndez-Castañedo, Mr. José Luis Feito Higuera, Mr. Fernando Fernández Méndez de Andés and of Mr. Álvaro Rengifo Abbad as independent directors, with the proposal of the Appointments and Responsible Management Committee. These reports have been made available to the shareholders as from the publication of the call of the General Meeting.

#### **4.1 Reelect as director, in the category of executive director, Mr. José Ignacio Goirigolzarri Tellaeche for the bylaws mandated term of four years.**

It is resolved, at the proposal of the Board of Directors, with the favourable report of the Appointments and Responsible Management Committee, to reelect director Mr. José Ignacio Goirigolzarri Tellaeche, of legal age, married, a national of Spain and with address for the purposes hereof at Paseo de la Castellana nº 189, 28046-Madrid, in the category of “executive director”, for the bylaws mandated term of four years reckoned from the date this General Meeting is held.

Mr. José Ignacio Goirigolzarri Tellaeche will accept his reelection by any legally admissible means.

#### **4.2 Reelect as director, in the category of executive director, Mr. Antonio Ortega Parra for the bylaws mandated term of four years.**

It is resolved, at the proposal of the Board of Directors, with the favourable report of the Appointments and Responsible Management Committee, to reelect director Mr. Antonio Ortega Parra, of legal age, married, a national of Spain and with address for the purposes hereof at Paseo de la Castellana nº 189, 28046-Madrid, in the category of “executive director”, for the bylaws mandated term of four years reckoned from the date this General Meeting is held.

Mr. Antonio Ortega Parra will accept his reelection by any legally admissible means.

**4.3 Reelect as director, in the category of independent director, Mr. Jorge Cosmen Menéndez-Castañedo for the bylaws mandated term of four years.**

It is resolved, at the proposal of the Appointments and Responsible Management Committee, to reelect director Mr. Jorge Cosmen Menéndez-Castañedo, of legal age, married, a national of Spain and with address for the purposes hereof at Paseo de la Castellana nº 189, 28046-Madrid, in the category of “independent director”, for the bylaws mandated term of four years reckoned from the date this General Meeting is held.

Mr. Jorge Cosmen Menéndez-Castañedo will accept his reelection by any legally admissible means.

**4.4 Reelect as director, in the category of independent director, Mr. José Luis Feito Higuera for the bylaws mandated term of four years.**

It is resolved, at the proposal of the Appointments and Responsible Management Committee, to reelect director Mr. José Luis Feito Higuera, of legal age, married, a national of Spain and with address for the purposes hereof at Paseo de la Castellana nº 189, 28046-Madrid, in the category of “independent director”, for the bylaws mandated term of four years reckoned from the date this General Meeting is held.

Mr. José Luis Feito Higuera will accept his reelection by any legally admissible means.

**4.5 Reelect as director, in the category of independent director, Mr. Fernando Fernández Méndez de Andés for the bylaws mandated term of four years.**

It is resolved, at the proposal of the Appointments and Responsible Management Committee, to reelect director Mr. Fernando Fernández Méndez de Andés, of legal age, married, a national of Spain and with address for the purposes hereof at Paseo de la Castellana nº 189, 28046-Madrid, in the category of “independent director”, for the bylaws mandated term of four years reckoned from the date this General Meeting is held.

Mr. Fernando Fernández Méndez de Andés will accept his reelection by any legally admissible means.

**4.6 Reelect as director, in the category of independent director, Mr. Álvaro Rengifo Abad for the bylaws mandated term of four years.**

It is resolved, at the proposal of the Appointments and Responsible Management Committee, to reelect director Mr. Álvaro Rengifo Abad, of legal age, married, a national of Spain and with address for the purposes hereof at Paseo de la Castellana nº 189, 28046-Madrid, in the category of “independent director”, for the bylaws mandated term of four years reckoned from the date this General Meeting is held.

Mr. Álvaro Rengifo Abad will accept his reelection by any legally admissible means.



## **5. Reelection of the statutory auditor of the Company and its Consolidated Group for 2017.**

Reelect as statutory auditor of Bankia S.A. and its Consolidated Group for the 2017 financial year the firm of Ernst & Young, S.L., with registered office in Madrid, at Torre Picasso, Plaza Pablo Ruiz Picasso, number 1, holding taxpayer identification number B-78970506, registered in the Mercantile Register of Madrid, page M-23123, folio 215, volume 12749, book 0, section 8 and registered in the Official Register of Auditors of Accounts (Registro Oficial de Auditores de Cuentas) under number S0530, in accordance with the proposal made by the Audit and Compliance Committee to the Board of Directors and approved by the latter.

## **6. Delegation to the Board of Directors of the authority to increase the share capital by up to a maximum of 50% of the subscribed share capital, by means of one or more increases and at any time within a maximum of five years, by means of cash contributions, with authority, if applicable, to disapply preferential subscription rights up to a maximum of 20% of share capital, annulling the delegation of authority conferred at the previous General Meeting.**

To delegate to the Board of Directors, in accordance with article 297.1.b) of the Corporations Act, the authority to increase, on one or more occasions, the share capital of the Company by a maximum amount of up to 50% of the capital at the date of this authorisation. This resolution will be understood, if applicable, to refer to the share capital resulting from the reduction of capital under point 2 of the Agenda, provided this is not altered by the reverse split provided for in point 3 below.

Such capital increase or increases, if any, as may be resolved must be implemented within a maximum term of five years from this date.

The aforesaid increase or increases of share capital may be undertaken with or without an issue premium, either by increasing the par value of the existing shares in accordance with the requirements contemplated by law, or by the issue of new shares, ordinary or preferred, with or without voting rights, or redeemable shares, or any others permissible in law, or multiple forms at the same time, the consideration for the new shares or the increase of the par value of the existing shares being cash contributions.

It is also resolved to authorise the Board of Directors so that, in all matters not provided for, it may fix the terms and conditions of the increases of share capital and the characteristics of the shares, as well as offer the new shares not subscribed within the term or terms for exercise of preferential subscription rights without any restriction. The Board of Directors also may establish that, in the event of incomplete subscription, the share capital will be increased only by the amount of the subscriptions made, redrafting the corresponding article of the Bylaws related to share capital and the number of shares.

The amount available from time to time of the maximum amount referred to above will be deemed to include the amount of such capital increases as may be made for the purpose of covering conversion of debentures, by resolution of the Board of Directors in exercise of the authority delegated by the General Meeting of the Company.

By virtue of this authorisation, the Board of Directors also is authorised to seek admission to trading on secondary markets, official or not, organised or over the counter, in or out of Spain, of the shares issued by virtue of this authorisation, and take the steps and actions necessary to obtain such admission to trading before the competent authorities of the various securities markets.

The Board of Directors is expressly given the authority to disapply the right of preferential subscription, in whole or in part, up to a combined maximum nominal amount equal to 20% of the share capital —understood likewise to refer, if applicable to the share capital resulting from the reduction of capital under point 2 of the Agenda, provided this is not altered by the reverse split provided for in point 3 below— in relation to all or any of the issues it resolves on the basis of this authorisation, in accordance with the provisions of article 506 of the Corporations Act, also including disapplication of preferential subscription rights within the context of issue of securities under point 7 of the agenda.

In any event, if the Board decides to disapply preferential subscription rights regarding any or all of the aforesaid capital increases, it will issue at the time of adopting the corresponding resolution to increase capital a report stating the specific reasons in the Company's interest justifying that measure, which will be subject to the corresponding report of an expert other than the statutory auditor. Said reports will be made available to the shareholders and communicated to the first General Meeting held after the issue resolution.

The Board of Directors also is authorised to delegate to such director or directors as it deems to be appropriate the authority granted by virtue of this resolution in accordance with the provisions of article 249.bis I) of the Corporations Act.

It also is resolved to authorise the Board of Directors, as amply as legally possible, with authority to subdelegate this power to any of the directors of Bankia, so that any of them, without distinction, may take such actions as may be necessary and grant and formalise such documents and contracts, public or private, as may be necessary or appropriate for full effectiveness of the foregoing resolutions, as regards any aspects or content thereof, in particular to correct, clarify, interpret, complete, specify and implement the resolutions adopted; and also to cure such defects, omissions and errors as may be found in the verbal or written review of the Mercantile Register, all of the foregoing on the broadest terms possible.

It is noted that the relevant report of the directors explaining the reasons for the proposed authorisation to increase share capital has been made available to the shareholders.

This delegation of authority to the Board of Directors replaces the delegation granted by the General Meeting of Shareholders of the Company held on 15 March 2016, which will therefore be rendered void.

- 7. Delegation to the Board of Directors of the authority to issue, within a maximum term of five years, securities convertible into and/or exchangeable for shares of the Company, as well as warrants or other similar securities that may directly or indirectly entitle the holder to subscribe for or acquire shares of the Company, for an aggregate amount of up to one billion five hundred million (1,500,000,000) euros; as well as the authority to increase the share capital in the requisite amount, and the authority, if**

**applicable, to disapply preferential subscription rights up to a maximum of 20% of share capital, annulling the delegation of authority conferred at the previous General Meeting.**

To authorise the Board of Directors in accordance with the general scheme for issue of debentures and under the provisions of articles 286, 297, 417 and 511 of the Corporations Act and 319 of the Mercantile Register Regulations, as well as in articles 13, 17, 18 and 21 of the Bylaws, to issue negotiable securities in accordance with the following terms:

- a. Securities to be issued. Debentures and bonds exchangeable for shares of Bankia or any other company, whether or not a member of its Group, and/or convertible into shares of Bankia, as well as warrants (options to subscribe new shares of Bankia or acquire existing shares of Bankia or any other company, whether or not a member of its Group).
- b. Term of the delegation. The issuance of the securities under this authorisation may be carried out in one or more issues within a maximum term of five years reckoned from the date this resolution is adopted.
- c. Maximum amount. The total maximum amount of the issue or issues of securities will be one billion five hundred million (1,500,000,000) euros or its equivalent in other currencies. For purposes of calculation of the aforesaid maximum, in the case of warrants the sum of premiums and exercise prices of the warrants of the issues resolved under this delegation will be taken into account.
- d. Scope of the delegation.- The Board of Directors, under the authorisation approved in this resolution, will have authority, by way of illustration and without limitation, to determine for each issue the amount, subject to the aforesaid overall quantitative limit, the place of issue, in or out of Spain, and the currency, with the euro equivalent thereof in the case of foreign-denominated issues; the name or type, whether bonds (*bonos*) or debentures (*obligaciones*), including subordinated instruments, warrants (which may be settled by physical delivery of shares or for cash differences), or any other legally admissible type; the issue date or dates; the number of securities and their par value, which in the case of convertible and/or exchangeable bonds or debentures cannot be less than the nominal value of the shares; in the case of warrants and comparable securities, the issue price and/or premium, the exercise price —which may be fixed or variable— and the procedure, time frame and other conditions governing exercise of the subscription right for the underlying shares or, if applicable, the disapplication of said right; the fixed or variable interest rate, dates and procedures for coupon payments; whether they are perpetual or redeemable, and, in the case of the latter, the redemption period and date or dates of maturity; the guarantees, redemption rates, premiums and bonuses; the form of representation, whether certificates or book entries; the anti-dilution clauses; the subscription scheme; the rank of securities and any subordination clauses; the law applicable to the issue; to request, if applicable, to have the issued securities admitted to trading on secondary markets, official or unofficial, organised or over the counter, in or out of Spain, subject to the pertinent the legal requirements that apply in each case; and, in general, any other condition of the issue, and, if applicable, appoint the commissioner of the syndicate of holders of the securities issued and approve the fundamental rules that will govern legal relationships between Bankia and the syndicate, if required or if it is decided to form said syndicate.

Likewise, the Board of Directors is empowered, when deemed appropriate, and subject to obtaining the applicable approvals and resolution from the assemblies of the relevant syndicates of securities holders, to modify the conditions of the redemption of the issued fixed income securities and their respective maturities and interest rates, which, where appropriate, result from each of the issues carried out under this authorisation.

- e. Bases for and forms of conversion and/or exchange. For issues of convertible and/or exchangeable bonds or debentures, for purposes of determining the terms and methods of conversion and/or exchange, it is resolved that the following criteria be applied:
- (i) The securities issued under this resolution will be exchangeable for shares of Bankia or any other company, whether or not a member of its Group, and/or convertible into shares of Bankia, using a determined or determinable fixed or variable conversion and/or exchange ratio, the Board of Directors being authorised to determine whether they are convertible and/or exchangeable, and to determine if they are convertible and/or exchangeable on a mandatory or voluntary basis, and if voluntary, at the option of the holder or Bankia, with the regularity and over the term established in the issue resolution, which may not exceed thirty (30) years after the issue date.
  - (ii) The Board may also decide, in the event that an issue is convertible and exchangeable, that the issuer reserves the right to choose at any time between a conversion to new shares or their exchange for outstanding Bankia shares, specifying the nature of the shares to be delivered when executing the conversion or exchange, and may also choose to deliver a combination of newly issued shares and pre-existing Bankia shares, and may also opt to settle the difference in cash. In any event, the issuer must respect the principle of equal treatment among all fixed income securities holders who convert and/or exchange their securities on the same date.
  - (iii) For purposes of the conversion and/or exchange, the securities will be measured at their par value and the shares at the fixed exchange rate established in the Board of Directors resolution approved under this authorisation, or at the variable exchange rate to be determined on the date or dates indicated in the Board resolution itself, on the basis of stock market trading price of the Bankia shares on the date(s) or in the period(s) taken as reference in that resolution. In any event the fixed exchange ratio thus determined shall not be less than the average price of the shares in the Continuous Market (Mercado Continuo) of Spanish stock exchanges on which the Bankia shares are traded, as per the closing prices, during a period to be determined by the Board of Directors of no longer than three months and no shorter than five calendar days preceding the date the Board of Directors adopts the resolution to issue the fixed-income securities or preceding the date on which the subscribers pay for the shares, with a premium or, if applicable, a discount on that price per share, although no discount fixed on the share price may be greater than 30% of the value of the shares taken as reference in accordance with the above. In addition, a minimum and/or

maximum reference price may be set for the shares for purposes of their conversion and/or exchange, on the terms decided by the Board.

- (iv) It also may be resolved to issue the convertible and/or exchangeable fixed-income securities with a variable conversion or exchange ratio. In this case, the share price for the purposes of the conversion and/or exchange will be the arithmetic mean of the Bankia share closing prices in the Continuous Market during a period to be determined by the Board of Directors of no longer than three months and no shorter than five calendar days preceding the conversion and/or exchange date, with a premium or, if applicable, a discount on that price per share. The premium or discount may be different for each conversion and/or exchange date of each issue (or, if applicable, for each class of any issue), although no discount fixed on the share price may be greater than 30% of the value of the shares taken as reference in accordance with the above. In addition, a minimum and/or maximum reference price may be set for the shares for purposes of their conversion and/or exchange, on the terms decided by the Board.
  - (v) At the time of the conversion and/or exchange, the fractions of shares payable to the holders of securities will by default be rounded down to the nearest whole number, and each holder, if so provided in the terms of the issue, will receive any resulting difference in cash.
  - (vi) Under no circumstances may the value of the share used to calculate the conversion of securities into shares be lower than its nominal value. Likewise, and as provided in article 415 of the Corporations Act, debentures may not be converted into shares when the nominal value of the debentures is lower than that of the shares.
  - (vii) When an issue of convertible and/or exchangeable bonds or debentures is approved under the authorisation contained in this resolution, the Board of Directors will issue a directors' report developing and specifying the terms and method of the conversion that will apply to that issue on the basis of the criteria indicated above. This report will be accompanied by the relevant report of the independent expert who is not Bankia's statutory auditor and who is appointed for this purpose by the Mercantile Register according to article 414 of the Corporations Act.
- f. Terms and procedures for exercise of warrants and similar securities. In the case of issues of warrants, it is resolved to establish the following criteria:
- (i) Issues of warrants will be subject by analogy to the terms of the Corporations Act for convertible debentures. To determine the terms and procedures for their exercise, the Board of Directors is authorised to determine, on the broadest terms, the criteria to be applied to the exercise of the rights to subscribe or acquire shares of Bankia or of another company in or out of the Group, or a combination of any of the same, that derive from the securities of this kind issued under the authorisation granted here. Those issues will be subject to application of the criteria established in section 5.e) above, with the adaptations needed to make them compatible with the legal and financial rules for securities of this kind.

- (ii) The above criteria will be applicable, mutatis mutandi, and insofar as they are applicable, to fixed income issues (or warrants) exchangeable for shares of other companies. Where applicable, references to Spanish stock exchanges will be understood to be made, where such is the case, to the markets where said shares are traded.
  
- g. This authorisation to the Board of Directors also includes, by way of illustration and without limitation, delegation to the Board of the following powers:
  - (i) The authority of the Board of Directors, under the provisions of article 511 of the Corporations Act together with article 417 of that Act, to disapply the preferential subscription rights of shareholders, in whole or in part, up to a combined maximum nominal amount equal to 20% of the share capital - understood to refer, if applicable to the share capital resulting from the reduction of capital under point 2 of the Agenda, provided this is not altered by the reverse split provided for in point 3 below. Both capital increases under point six of the agenda-, and issues of convertible securities in which there has been a disapplication of preferential subscription rights, will be taken into account in the computation of this maximum. In any event, if the Board of Directors resolves to withdraw shareholders' preferential subscription rights on a specific issue of convertible debentures or bonds, warrants or other similar securities which it may eventually decide to carry out under the terms of this authorisation, it will, at the same time it approves the issue and pursuant to applicable legislation, issue a report detailing the specific reasons of corporate interest which justify said measure, which will be the subject of the pertinent report of the independent expert appointed by the Mercantile Register, other than Bankia's auditor, in accordance with articles 414, 417 and 511 of the Corporations Act. Said reports will be made available to the shareholders and communicated to the first General Meeting held after the issue resolution.
  
  - (ii) The authority to increase the capital in the amount needed to execute the requests for conversion and/or exercise of share subscription rights. Said powers may only be exercised insofar as the Board, when calculating the sum of the capital increase to address the issue of convertible debentures, warrants and other similar securities and any other capital increases which may have been agreed pursuant to the approvals granted by this General Meeting of shareholders, does not exceed the limit of half of the total share capital outlined in article 297.1.(b) of the Corporations Act. This authorisation to increase the capital includes the authority to issue and place in circulation, in one or more operations, the shares representing the capital that are needed to carry out the conversion and/or exercise of share subscription rights, as well as to amend the Bylaws article on the capital figure and, if applicable, to cancel that part of the capital increase that proves to not be necessary for the conversion and/or exercise of the share subscription rights.
  
  - (iii) The authority to develop and specify the bases for calculation and the formats for the conversion and/or exercise of preferential subscription rights and/or acquisition of shares, deriving from the securities to be issued, in accordance with the criteria listed in the foregoing paragraphs.

- (iv) The delegation to the Board of Directors encompasses the broadest authority required by law for the interpretation, application, execution and development of the resolutions on the issuance of securities convertible into or exchangeable for shares of Bankia, on one or more occasions, and the accompanying capital increase, similarly granting it powers to correct or supplement them in any way required, as well as to comply with any requirements imposed by law to implement them successfully, being entitled to correct omissions or defects in said resolutions, identified by any authorities, officials or agencies, whether Spanish or foreign, also being authorised to adopt such resolutions and execute such public or private documents as may be deemed to be necessary or appropriate to adapt the foregoing resolutions on the issuance of convertible or exchangeable securities and the corresponding capital increase to the verbal or written review of the Commercial Registrar, and, in general, of any other competent authorities, officials or institutions in or out of Spain.
  
- h. Admission to trading.- Bankia will apply, where appropriate, for admission to trading on official or unofficial secondary markets, organised or over the counter, in or out of Spain, for the convertible and/or exchangeable debentures and/or bonds or warrants issued by Bankia under this authorisation, with the Board of Directors being given powers as broad as legally required to carry out the formalities and actions needed for the admission to trading before the competent bodies for the various Spanish and foreign securities markets.

It is expressly placed on record that any possible subsequent application for delisting will be carried out with the same formalities as the application for admission to trading, insofar as they apply, and in such event the interests of the shareholders or debentureholders who voted against or did not vote on the resolution will be guaranteed on the terms provided by the applicable laws. It is likewise expressly declared that Bankia submits to the rules that exist or which may in the future be dictated on securities exchange matters and, especially, on trading, continuation of listing and delisting.

- i. Guarantee of issues of convertible and/or exchangeable fixed income securities or warrants by controlled companies. Under the provisions of the Bylaws, the Board of Directors also is authorised to extend Bankia's guarantee, within the limits indicated above, to new issues of convertible and/or exchangeable fixed income securities or warrants by controlled companies while this resolution is in effect.
  
- j. Delegation of authority. The Board of Directors in turn is expressly authorised to delegate the authority referred to in this resolution under the provisions of article 249.bis.l) of the Corporations Act.

This delegation of authority to the Board of Directors replaces the delegation granted by the General Meeting of Shareholders of the Company held on 15 March 2016, which will therefore be rendered void.

## **8. Authorisation enabling the derivative acquisition by the Board of Directors of own shares of the Company subject to the limits and to the requirements established by the**

**Corporations Act. Delegation within the Board of Directors of the authority to execute this resolution, annulling the authority conferred at the previous General Meeting.**

Authorise the Board of Directors, on the broadest possible terms, to acquire own shares of Bankia, directly or through companies in its Group, subject to the following limits and requirements:

- a. Forms of acquisition: acquisition by way of purchase, by way of any other "inter vivos" act for consideration or any other transaction permitted by law, including out of profits for the fiscal year and/or unrestricted reserves.
- b. Maximum number of shares to be acquired: the acquisitions may be made, from time to time, on one or more occasions, up to the maximum permitted by law.
- c. The price or consideration: will vary from a minimum equal to the lesser of nominal value and 75% of the stock market price on the date of acquisition, and a maximum equal to up to 5% more than the maximum price achieved by the shares in free trading (including the block market) in the Continuous Market session on the date of acquisition.
- d. Duration of the authorisation: five (5) years from the date of this resolution.

The conduct of these transactions will furthermore be in compliance with the rules in this regard contained in the Bankia Internal Code of Conduct.

To authorise the Board of Directors so that it may sell or redeem the shares acquired or use the own shares acquired, in whole or in part, for implementation of remuneration schemes that have delivery of shares or option rights on shares as their purpose or result therein, in accordance with the provisions of article 146.1.a) of the Corporations Act.

This delegation of authority to the Board of Directors replaces the delegation granted by the General Meeting of Shareholders of the Company held on 15 March 2016, which will therefore be rendered void.

The Board of Directors is authorised, on the broadest terms, to use the authorisation covered by this resolution for full implementation and development thereof, being entitled to delegate this authority, without distinction, to the Executive Chairman, to any of the directors, to the General Secretary and to the Board Secretary or any other person the Board expressly authorises for this purpose, with such breadth as it deems to be appropriate.

**9. Approval of the remuneration policy for Bankia directors.**

To approve, in accordance with article 529 novodecies of the Spanish Corporations Act, and article articles 21.1.r) and 49.9 of the Bylaws, the remuneration policy for directors of BANKIA, S.A. for 2017, 2018, 2019 and 2020, the text of which has been made available to the shareholders together with the rest of the General Meeting of Shareholders documentation as from the date of the notice of call of the meeting—in particular, the reasoned proposal of the Board of Directors, accompanied by the prescribed report of the Remuneration Committee—and which fixes the maximum number of shares to be delivered to executive directors pursuant to the policy. The number of shares to be



delivered will be adjusted proportionally if made necessary by a change in the share capital (including, a split or reverse split of Bankia shares or possible capital reductions or increases).

Implementation of this resolution is in all events subject to attainment of such regulatory and other authorisations as may be needed.

## **10. Approval for part of the 2016 annual variable remuneration of Executive Directors to be paid in Bankia shares.**

To approve, in accordance with articles 219 and 511 bis 1. c) of the Spanish Corporations Act, and articles 21.1.r) and 49.7 of the Bylaws, payment of part of the annual variable remuneration of Executive Directors of BANKIA, S.A. (hereinafter, “**Bankia**”, the “**Bank**” or the “**Institution**”) for 2016 in shares of the Bank, as provided in the directors remuneration policy approved by the General Meeting of Shareholders on 22 April 2015, and in discharge of the variable remuneration settlement and payment obligations of Law 10/2014 of 25 June 2014 on regulation, supervision and solvency of credit institutions (hereinafter, “**LRSS**”).

1. The General Meeting of Shareholders is expressly requested to resolve on the authorisation to award the Executive Directors of Bankia a maximum number of shares, representing 0.003822% of the Bank's present share capital, in respect of 50% of the 2016 annual variable remuneration of executive directors payable in the event of fulfilment of the conditions and achievement of the objectives set out in the annual variable remuneration system contained in the Executive Directors Remuneration Policy approved as part of the approval of the Annual Report on Director Remuneration at the General Meeting of 22 April 2015. The shares are as specified below:

Shares in respect of the annual variable remuneration for 2016 (prior to execution of the capital reduction and reverse split resolutions) that are submitted to the General Meeting under points 2 and 3 of the Agenda), 440,142 shares, representing 0.003822% of the share capital.

Of those shares:

146,714 shares may be delivered to Mr. José Ignacio Goirigolzarri Tellaeché

146,714 shares to Mr. José Sevilla Álvarez, and

146,714 shares to Mr. Antonio Ortega Parra.

Some 50% of the shares will be delivered, if applicable, 3 years after the date on which the number of shares to be awarded has been determined, 25% after 4 years and the remaining 25% after 5 years (hereinafter, “**Delivery Date**”).

2. The procedure for delivering the shares and the requirements for their subsequent sale or transfer will be subject to the conditions and requirements laid down in the laws and regulations applicable to rules for credit institutions and to the requirements regarding payment of variable remuneration of executive directors, senior managers and members of the Identified Group that are provided, if applicable, by the LRSS, and its implementing regulations, the Bank of Spain, the European Banking Authority any other competent body, and to the Executive Directors Remuneration Policy of Bankia.

3. In any event, the shares accrued as annual variable remuneration will be delivered only if sustainable in view of Bankia's situation and if justified by the results obtained by the Bank.
4. The number of shares to be delivered will be adjusted proportionally if made necessary by a change in the share capital (including, a split or reverse split of Bankia shares).
5. The number of shares to be delivered has been determined by reference to the average trading price of Bankia shares in the last three months of 2016.

The value of the shares at the Delivery Date will be the closing price of the Bankia share on each share Delivery Date.

6. Payment of annual variable remuneration in Bankia shares may be done using own shares held as treasury stock or such other suitable financial instrument as may be advisable.
7. The Board of Directors is authorised to make the appropriate decisions to manage and administrate the delivery of shares properly, at the proposal of the Remuneration Committee. This specifically includes authority to modify the delivery conditions where necessary in order to comply with the requirements arising from legal provisions or interpretations or instructions issued in relation to present or future rules by any competent authorities and, in particular but without limitation, by the Bank of Spain or the European Banking Authority.

It is furthermore resolved to delegate to the Board of Directors all such powers as may be necessary to implement, develop and execute the delivery of shares, adopting any resolutions and signing any public or private documents that are needed or appropriate for the full effectiveness thereof, including, without limitation, authority to:

- (a) Correct, rectify, modify or supplement this resolution to adapt it to the changes brought about by the execution, if applicable, of the share capital resolutions (reduction of capital and reverse split) submitted to the General Meeting under points 2 and 3 of the Agenda.
- (b) Adapt the delivery of shares to the circumstances or corporate operations that may take place during its term which, in the Board's opinion, have significant effect on the shares or on the Bank, or on the initially stipulated objectives and conditions, or as a result of operations that change the par value of the shares, subject to the limits set out in the Spanish Corporations Act, the LRSS and the rest of the applicable laws and regulations.
- (c) Negotiate, agree and sign counterparty and liquidity contracts with the financial institutions freely designated by the Board, on the terms and conditions it deems fit.
- (d) Draft, sign and present any public or private notice or document deemed necessary or appropriate by any public or private body for the implementation and execution of the delivery of shares.

- (e) Carry out any action, make any declaration or pursue any procedure before any body, public entity, or agency, registry or private entity to obtain any authorisation or verification needed for implementation of the Plan.
  - (f) Assess the degree of achievement of the targets charted for awarding the shares in order to proceed to their delivery. For these purposes, the Board of Directors may rely on the advice of an independent expert.
  - (g) And, in general, carry out any action and sign any document considered necessary or convenient for the validity, effectiveness, implementation, development and execution of the delivery of shares.
8. Implementation of this resolution is in all events subject to attainment of such regulatory and other authorisations as may be needed.

**11. Approval for part of the 2017 annual variable remuneration of Executive Directors to be paid in Bankia shares.**

To approve, in accordance with articles 219 and 511 bis 1. c) of the Spanish Corporations Act, and articles 21.1.r) and 49.7 of the Bylaws, payment of part of the annual variable remuneration of Executive Directors of BANKIA, S.A. (hereinafter, “**Bankia**”, the “**Bank**” or the “**Institution**”) for 2017 in shares of the Bank, as provided in the directors remuneration policy approved by the General Meeting of Shareholders on 22 April 2015, and in discharge of the variable remuneration settlement and payment obligations of Law 10/2014 of 25 June 2014 on regulation, supervision and solvency of credit institutions (hereinafter, “**LRSS**”).

1. The General Meeting of Shareholders is expressly requested to resolve on the authorisation to award the Executive Directors of Bankia a maximum number of shares, representing 0.003822% of the Bank's present share capital, in respect of 50% of the 2017 annual variable remuneration of executive directors payable in the event of fulfilment of the conditions and achievement of the objectives set out in the annual variable remuneration system contained in the Executive Directors Remuneration Policy approved as part of the approval of the Annual Report on Director Remuneration at the General Meeting of 22 April 2015. The shares are as specified below:

Maximum of shares in respect of the annual variable remuneration for 2017 (prior to execution of the capital reduction and reverse split resolutions) that are submitted to the General Meeting under points 2 and 3 of the Agenda), 440,142 shares, representing 0.0201703822% of the share capital.

Of those shares:

146,714 shares may be delivered to Mr. José Ignacio Goirigolzarri Tellaeche

146,714 shares to Mr. José Sevilla Álvarez, and

146,714 shares to Mr. Antonio Ortega Parra.

Some 50% of the shares will be delivered, if applicable, 3 years after the date on which the number of shares to be awarded has been determined, 25% after 4 years and the remaining 25% after 5 years (hereinafter, “**Delivery Date**”).

2. The procedure for delivering the shares and the requirements for their subsequent sale or transfer will be subject to the conditions and requirements laid down in the laws and regulations applicable to rules for credit institutions and to the requirements regarding payment of variable remuneration of executive directors, senior managers and members of the Identified Group that are provided, if applicable, by the LRSS, and its implementing regulations, the Bank of Spain, the European Banking Authority any other competent body, and to the Executive Directors Remuneration Policy of Bankia.
3. In any event, the shares accrued as annual variable remuneration will be delivered only if sustainable in view of Bankia's situation and if justified by the results obtained by the Bank.
4. The number of shares to be delivered will be adjusted proportionally if made necessary by a change in the share capital (including, a split or reverse split of Bankia shares).
5. The number of shares to be delivered has been determined by reference to the average trading price of Bankia shares in the last three months of 2017.

The value of the shares at the Delivery Date will be the closing price of the Bankia share on each share Delivery Date.

6. Payment of annual variable remuneration in Bankia shares may be done using own shares held as treasury stock or such other suitable financial instrument as may be advisable.
7. The Board of Directors is authorised to make the appropriate decisions to manage and administrate the delivery of shares properly, at the proposal of the Remuneration Committee. This specifically includes authority to modify the delivery conditions where necessary in order to comply with the requirements arising from legal provisions or interpretations or instructions issued in relation to present or future rules by any competent authorities and, in particular but without limitation, by the Bank of Spain or the European Banking Authority.

It is furthermore resolved to delegate to the Board of Directors all such powers as may be necessary to implement, develop and execute the delivery of shares, adopting any resolutions and signing any public or private documents that are needed or appropriate for the full effectiveness thereof, including, without limitation, authority to:

- (a) Correct, rectify, modify or supplement this resolution to adapt it to the changes brought about by the execution, if applicable, of the share capital resolutions (reduction of capital and reverse split) submitted to the General Meeting under points 2 and 3 of the Agenda.
- (b) Adapt the delivery of shares to the circumstances or corporate operations that may take place during its term which, in the Board's opinion, have significant effect on

the shares or on the Bank, or on the initially stipulated objectives and conditions, or as a result of operations that change the par value of the shares, subject to the limits set out in the Spanish Corporations Act, the LRSS and the rest of the applicable laws and regulations.

- (c) Negotiate, agree and sign counterparty and liquidity contracts with the financial institutions freely designated by the Board, on the terms and conditions it deems fit.
- (c) Draft, sign and present any public or private notice or document deemed necessary or appropriate by any public or private body for the implementation and execution of the delivery of shares.
- (e) Carry out any action, make any declaration or pursue any procedure before any body, public entity, or agency, registry or private entity to obtain any authorisation or verification needed for implementation of the Plan.
- (f) Assess the degree of achievement of the targets charted for awarding the shares in order to proceed to their delivery. For these purposes, the Board of Directors may rely on the advice of an independent expert.
- (g) And, in general, carry out any action and sign any document considered necessary or convenient for the validity, effectiveness, implementation, development and execution of the delivery of shares.

8. Implementation of this resolution is in all events subject to attainment of such regulatory and other authorisations as may be needed.

## **12. Approval for including Executive Directors in the Bankia multi-year-referenced variable remuneration plan.**

To approve, in accordance with articles 219 and 511 bis 1. c) of the Spanish Corporations Act, and articles 21.1.r) and 49.7 of the Bylaws, the inclusion of the Executive Directors of BANKIA, S.A. (hereinafter, “**Bankia**”, the “**Bank**” or the “**Institution**”) in a multi-year-referenced variable remuneration plan (hereinafter, the “**Multi-Year Variable Remuneration Plan**”, or the “**Plan**”) for certain executives and key employees of Bankia that are included in the Identified Group of the Bank.

Inclusion of Executive Directors in the Plan is approved in accordance with the following basic characteristics, which shall be developed in the regulation of the Multi-Year Variable Remuneration Plan to be approved by the Board of Directors (hereinafter, the “**Regulation**” or the “**Plan Regulation**”):

### **(1) Description and purpose of the Plan**

The Plan will allow Executive Directors of Bankia (hereinafter, the “**Beneficiaries**”) to receive, after a specified amount of time has passed and subject to achievement of certain yearly and multi-year targets charted by the Bank and to fulfilment of the requirements specified in the Regulation, a given number of ordinary shares of Bankia and a given amount in cash, all subject to the conditions and requirements laid down in this Plan and, as applicable, in the Regulation.

The Plan will assign a given cash target incentive to each Beneficiary (hereinafter, the **“Target Incentive”**) that will serve as basis for determining, based on the degree of achievement of certain targets, the number of Bankia shares and the cash amount to be delivered, where such is the case, to each Beneficiary of the Plan.

The Plan consists of four cycles, with four Target Incentive assignments in the years 2017, 2018, 2019 and 2020.

Based on the degree of achievement of the annual variable remuneration targets, the Target Incentive will be used as reference for determining the number of Bankia shares and cash amount (hereinafter, the **“Conditional Variable Remuneration”**) which the Beneficiaries may possibly receive.

The number of shares in the Conditional Variable Remuneration will be determined by reference to the average trading price of Bankia shares in the last three months of each calendar year in which there ends the measurement period for the annual variable remuneration targets on which attainment of the Target Incentive depends.

The award of the Conditional Variable Remuneration together with the ordinary annual variable remuneration will not exceed the maximum annual variable remuneration of 60 percent of the gross annual fixed remuneration of Executive Directors.

The Conditional Variable Remuneration for each year will only be paid provided certain multi-year indicators defined by the Bankia Board of Directors are met during the three (3) years following the grant of each Target Incentive. The number of shares to be delivered and the related cash amount will constitute the final multi-year variable remuneration to be paid (hereinafter, **“Final Multi-Year Variable Remuneration”**).

The shares and cash amount will be delivered five years after the determination of the Conditional Variable Remuneration (hereinafter, **“Delivery Date”**).

The Board of Directors, upon prior report from the Remuneration Committee, will determine for each Conditional Variable Remuneration of each year of the Plan cycles, the indicators, and their degree of fulfilment, on which there will depend for each of the cycles the payment of the Final Multi-Year Variable Remuneration.

The rights granted under the Plan are of an *intuitu personae* nature and therefore not transferable, with the exception of such situations as may be provided for in the Regulation.

## **(2) Beneficiaries**

At the date of this resolution, the Executive Directors eligible for inclusion in the Plan are:

Mr. José Ignacio Goirigolzarri Tellaeche

Mr. José Sevilla Álvarez

Mr. Antonio Ortega Parra

### **(3) Maximum number of shares to be delivered**

Based on the provisions of the preceding sections, and considering the average trading price of Bankia shares in the last three months of 2016, it is estimated that the maximum number of shares to be delivered under the Plan to the Executive Directors collectively (prior to the execution of the resolutions on reduction of capital and reverse split submitted to the General Meeting under points 2 and 3 of the Agenda) will be e 1,056,336, the equivalent of 0.009172 percent of the Institution's share capital, distributed as follows:

352,112 for Mr. Ignacio Goirigolzarri Tellaeche,

352,112 for Mr. José Sevilla Álvarez,

and 352,112 for Mr. Antonio Ortega Parra.

Of those shares, 264,084 are in respect of the first cycle, 264,084 for the second cycle, 264,084 for the third cycle and 264,084 for the fourth cycle of the Plan.

For each cycle of the Plan, the shares will be delivered five years after the determination of the Conditional Variable Remuneration.

The Final Multi-Year Variable Remuneration will be paid, if applicable, with the same timing as the annual ordinary variable remuneration.

### **(4) Value of the shares at delivery**

The value of the shares at the Delivery Date will be the closing price of the Bankia share on each share Delivery Date.

### **(5) Requirements to be met by the Beneficiaries to obtain the Final Multi-Year Variable Remuneration**

To quality to receive the Final Multi-Year Variable Remuneration under the Plan, each Beneficiary must meet the following requirements:

1. Both the annual variable remuneration targets on which the determination of the Conditional Variable Remuneration depends and the multi-year indicators to which each cycle of the Plan is pegged must be achieved, on the terms and conditions described in this resolution and developed further in the Plan Regulation.
2. The Beneficiary must remain in the Institution until each of the Delivery Dates, except in special circumstances such as death, permanent disability, retirement and other circumstances provided for in the Regulation and which will require the approval of the Bankia Board of Directors. Therefore, in the event of voluntary departure or dismissal for failure to perform his or her duties, the Beneficiary will forfeit the right to receive all shares and cash amounts pending receipt under the Plan.

## **(6) Delivery of shares and rules on disposability**

Such shares as may be awarded for each cycle of the Plan will be delivered to the Beneficiary as book entries, or the applicable stock market procedure, in the Beneficiary's securities account.

The Beneficiaries must retain ownership of the shares received, net of the related advance payment in respect of personal income tax, for one year. The shares received under this Plan will be paid up in full, admitted to trading, free and clear of any and all liens or encumbrances and their owners will not be subject to limitations or restrictions that are not generally applicable to the Bank's shareholders, whether by contractual, bylaws or statutory provision.

The Beneficiaries shall not engage in hedging transactions of any kind on the shares they may receive under this Plan.

Settlements under the plan, the procedure for delivering the resulting shares and the requirements for their subsequent transfer will be subject to the conditions and requirements laid down by the legal provisions that apply to credit institutions, or to the requirements for payment of variable remuneration of Executive Directors, senior managers and members of the Identified Group provided for in Law 10/2014 of 26 June on regulation, supervision and solvency of credit institutions (hereinafter, the "LRSS") and its implementing regulations, and by the Bank of Spain, the European Banking Authority or any other competent body.

## **(7) Events of early settlement or modification of the Plan**

The Plan may provide for early settlement or modification in the events of takeover or change of control of the Bank or if events or corporate operations take place that significantly affect the Plan as determined by the Board of Directors. The number of shares to be delivered will be adjusted proportionally if made necessary by a change in the share capital (including, a split or reverse split of Bankia shares).

## **(8) Coverage of the Plan**

Bankia may cover the Plan using own shares held as treasury stock or such other appropriate financial instrument as may be more advisable.

## **(9) Conditions for obtaining the Final Multi-Year Variable Remuneration**

Payment of the Final Multi-Year Variable Remuneration is subject to the reduction (*malus*) and 'clawback' clauses that apply to variable remuneration and are set out in the Directors Remuneration Policy approved by the General Meeting of Shareholders of the Bank.

In any event, each cycle will be settled and the shares and cash amounts delivered only if sustainable in view of Bankia's situation and if justified by the results obtained by the Bank.



## **(10) Delegation of authority**

The Board of Directors is authorised to make the appropriate decisions to manage and administrate the Plan properly, at the proposal of the Remuneration Committee. This specifically includes authority to modify the applicable conditions where necessary in order to comply with the requirements arising from legal provisions or interpretations or instructions issued in relation to present or future rules by any competent authorities and, in particular but without limitation, by the Bank of Spain or the European Banking Authority.

It is furthermore resolved to delegate to the Board of Directors all such powers as may be necessary to implement, develop and execute the Plan, adopting any resolutions and signing any public or private documents that are needed or appropriate for the full effectiveness thereof, including, without limitation, authority to:

- (a) Correct, rectify, modify or supplement this resolution to adapt it to the changes brought about by the execution, if applicable, of the share capital resolutions (reduction of capital and reverse split) submitted to the General Meeting under points 2 and 3 of the Agenda.
- (b) Determine the terms and conditions of the Plan as regards all matters not provided for in this resolution and, in particular but without limitation, determine the specific parameters and targets and the related ratios on the basis of which there will be determined the Target Incentive, the Conditional Variable Remuneration and the payment of the Final Multi-Year Variable Remuneration in each cycle, decide the settlement thereof according to the situation of the Bank, apply the relevant reduction and clawback clauses, define the content of the Regulation and, in general, the conditions of the Plan's operation and settlement.
- (c) Adjust the content of the Plan to corporate operations and circumstances, changes in the par value of the shares amongst other circumstances, or any other situation or significant event that could arise during the life of the Plan, on the terms and conditions considered necessary or appropriate from time to time to preserve the purpose of the Plan, with the limits provided in the Spanish Corporations Act, the LRSS and the rest of the applicable laws and regulations.
- (d) Formulate and implement the Plan in the manner deemed convenient, taking all necessary and appropriate measures for its best implementation.
- (e) Negotiate, agree and sign counterparty and liquidity contracts with the financial institutions freely designated by the Board, on the terms and conditions it deems fit.
- (f) Draft, sign and present any public or private notice or document deemed necessary or appropriate by any public or private body for the implementation and execution of the Plan.
- (g) Carry out any action, make any declaration or pursue any procedure before any body, public entity, or agency, registry or private entity to obtain any authorisation or verification needed for implementation of the Plan.

- (h) Assess the degree of achievement of the targets charted in the Plan and proceed to its application. For these purposes, the Board of Directors may rely on the advice of an independent expert.
- (i) And, in general, carry out any action and sign any document considered necessary or convenient for the validity, effectiveness, implementation, development and execution of the Plan.

## **(11) Subject to authorisation**

Implementation of this resolution is in all events subject to attainment of such regulatory and other authorisations as may be needed.

### **13. Delegation of authority to the Board of Directors, with authority to subdelegate, for the formal execution, interpretation, correction and implementation of the resolutions adopted at the General Meeting.**

To delegate to the Board of Directors, which may subdelegate without distinction to the Chairman of the Board of Directors, any of the directors, the General Secretary and the Secretary of the Board of Directors, as broadly as may be necessary in law, so that any of them, indistinctly, may formalise, interpret, develop, correct and arrange for attestation as a public document of the resolutions adopted at this Meeting, in particular to proceed with filing with the Mercantile Register, for deposit therewith, of the certification of the resolutions approving the annual accounts and application of the result, attaching such documents as may be legally required as well as executing such public or private documents as may be necessary until obtaining the corresponding registration of the resolutions adopted in the Mercantile Register, including requests for partial registration, including with authority for correction or rectification in light of the verbal or written review undertaken by the Registrar.

### **14. Submission for consultative vote of the annual report on remuneration of members of the Bankia Board of Directors.**

To approve, on a consultative basis, the Annual Report on the Remuneration of the members of the Board of Directors prepared by the Board of Directors, in compliance with article 541 of the Corporations Act, and in accordance with the form approved by CNMV Circular 4/2013 of 12 June 2013 (per the amendment introduced by Circular 7/2015 of 22 December 2015), which report has been sent to the CNMV and was published by means of the corresponding Material Disclosure on 22 February 2017, and which has been available to the shareholders as from the call of this General Meeting and which, after a favourable report from the Remuneration Committee, is presented to the General Meeting of Shareholders.

### **15. Information on amendments made to the Board of Directors Regulations, which affect article 8 (Qualitative composition), with the aim of including a shareholding requirement for members of the Board of Directors.**

The General Meeting is advised of the amendment of the Board of Directors Regulations that was resolved, upon the prior favourable report of the Audit and Compliance Committee, by the Board of Directors at its meeting of 9 February 2017, amending article 8 (Qualitative composition), with the aim of including a shareholding requirement for

members of the Board of Directors as a means of aligning their interests with those of the shareholders.

The aforesaid article of the Board of Directors Regulations is henceforth worded as follows:

## “ARTICLE 8. QUALITATIVE COMPOSITION

1. In order to be appointed as a member of the board of directors it will not be necessary to be a shareholder. Nevertheless, once appointed, all members of the board of directors should acquire and maintain a shareholding in the Company.

The members of the board of directors must satisfy the requirements of banking regulation to be considered to be honourable persons suitable for exercise of that function. Supervening failure to satisfy those requirements will be grounds for removal of the director.

2. The board of directors, in the exercise of its authority of proposal to the general meeting and co-optation to cover vacancies on the board, will:
  - a) to it that the external or non-executive directors represents a wide with respect to executive directors, and among them there is a reasonable number of independent directors; and
  - b) progress in the professionalism of the board of directors based to the extent possible, the recommendations of good corporate governance.

When classifying directors as executive, proprietary or independent, the definitions established in the applicable legislation will be followed.

3. The general composition of the board of directors as a whole must include sufficient knowledge, competence and experience in the governance of credit institutions for appropriate understanding of the activities of the Company, including its principal risks, ensuring the effective capacity of the board of directors to take decisions independently and autonomously for the benefit of the Company. In any event it must see to it that the procedures for selection of its members favour diversity of experience and knowledge, facilitate the selection of female directors and, in general, do not suffer from implicit biases that could imply any discrimination.
4. The board will state the classification of each director to the general meeting of shareholders that is to make or ratify the appointment. Also, on an annual basis and after verification by the appointments and responsible management committee, that classification will be reviewed by the board of directors, reporting thereon in the annual corporate governance report.
5. Members of the board of directors may not at the same time occupy more positions than as contemplated by the banking and commercial regulations applicable from time to time”.