

# 03.2

## PROGRESS IN CORPORATE GOVERNANCE.

IN LINE WITH ITS STRATEGY OF CONTINUOUSLY IMPROVING CORPORATE GOVERNANCE, IN 2016 BANKIA EXTENDED THE POWERS OF THE LEAD INDEPENDENT DIRECTOR, DEVELOPED THE INFORMATION CHANNELS AND STRENGTHENED THE ROLE OF THE APPOINTMENTS AND RESPONSIBLE MANAGEMENT COMMITTEE.

It also passed various amendments to its bylaws and internal regulations to adapt them to the new Code of Good Governance of Listed Companies and the amendments to the Capital Companies Act (Ley de Sociedades de Capital) introduced by the Audit Act (Ley de Auditoría de Cuentas) and the Business Finance Promotion Act (Ley de Fomento de la Financiación Empresarial).

At the same time, the role of the lead director was expanded to include the following functions, besides those assigned by law:

- Chair the Board of Directors in the chairman's absence.
- Voice the concerns of non-executive directors and organise any common positions they may adopt.
- Maintain contacts with investors and shareholders to gather their points of view.

- Coordinate the chairman's succession plan.
- Conduct the chairman's performance assessment.

Following the resignation of Alfredo Lafita as director and, therefore, as lead director, in March 2016, at the proposal of the then Appointments Committee (now the Appointments and Responsible Management Committee), the Board of Directors agreed to appoint Joaquín Ayuso García to the position of lead director. The appointment was approved by the supervisory bodies.



## NEW RESPONSIBILITIES

.....

In 2016 the Appointments Committee was also given responsibility for the management of corporate social responsibility policy and non-financial risks. Its new functions are as follows:

- Monitor, review and assess the Bank's corporate social responsibility policy and practices. The committee has accordingly been renamed the Appointments and Responsible Management Committee.
- Oversee relations with the different stakeholder groups.
- Assess matters relating to social, environmental, political and reputational risks, independently of the powers assigned to the Risk Advisory Committee and other risk oversight bodies.
- Coordinate non-financial and diversity reporting, in accordance with applicable laws and regulations and international standards.
- Ensure that the Board of Directors' decisions are not dominated by any one individual or small group of individuals against the interests of the bank.

Improvements were also made to the corporate website, both in form and in content. The changes facilitate access to information and ensure transparency, in compliance with applicable laws and regulations and the recommendations of the Good Governance Code.