



BBVA

BBVA Creando Oportunidades

Internal Standards of Conduct on the Securities Markets

Index

Part I. Introduction

1. Introduction and applicable regulations	5
I. Introduction	5
II. Regulatory framework	5
2. Scope of application	5
I. Entities subject	5
II. Persons subject	6
III. Securities affected	6
3. The compliance department	8
I. Powers.....	8
II. Functions.....	8
III. Duty of confidentiality	8

Part II. General Standards Of Conduct

4. Inside information	9
I. Definition of inside information	9
II. Insider dealing	10
III. Obligations	10
IV. Prohibitions.....	10
V. Exceptions.....	11
VI. Public disclosure of inside information	12
VII. Special activities	12
5. Conflicts of interest.....	13
I. Possible conflicts of interest	13
II. Identifying conflicts of interest	13
III. Preventing conflicts of interest	13
IV. Resolving conflicts of interest	14
V. Disclosing conflicts of interest.....	14
6. Market integrity: market manipulation	14
I. Restricted activities and conduct.....	14
II. Exceptions and accepted market practices	15
III. Indicators	16
IV. Enforcement	16
V. Communication to the regulator	16
VI. Special activities	16
VII. Restricted securities.....	16

Part III. Standards For Own-Account Trading By Person Subject

7. Own-account trading of persons subject	17
I. Definition of own-account trading	17
II. Obligations regarding other relatives living with the person subject, or other persons with an interest	17
III. Definition of securities affected	18
8. Portfolio management contracts	18
I. Signing portfolio management contracts	18
II. Transactions within the framework of portfolio management	18
9. General restrictions on own-account trading.....	18
I. Prohibitions.....	18
II. Transmission of orders and execution of transactions	19
III. Type of orders	20
IV. Provision of funds or securities	20
V. Holding securities in portfolio	20
VI. Prohibitions on trading under special circumstances.....	20
VII. Exceptions to general restrictions	20
10. Specific to own-account trading	21
I. Application of special restrictions.....	21
II. Advance notification of transactions	21
III. Prior authorization of transactions	21
IV. Prohibition against trading certain securities.....	21
V. Exceptions to special restrictions	21
11. Notification of transactions made in own-account trading	22
I. Disclosure duty.....	22
II. Disclosure procedures.....	22
III. Other notification duties concerning the manager’s transactions.....	22

Part IV. Control Of Information

12. Control of information: objectives and information barriers	23
I. Objectives of information oversight.....	23
II. Establishment of information barriers	23
13. Separate areas	23
I. Defining separate areas	23
II. Structure of separate areas.....	23
14. General measures for protecting information.....	24
I. Locating information and identifying insiders.....	24
II. List of securities and insiders	24
III. Physically protecting the information.....	25
IV. Controlling dissemination of information.....	25
V. Enforcement.....	25
15. Additional measures for controlling of information	25
I. Physical barriers.....	25
II. Specific procedural controls	26
III. Enforcement.....	26

16. Controlling the flow of information	26
17. Special activities	26
I. Activity of financial analysis.....	26
II. Investment recommendations carried out by experts.....	27
III. Managing treasury stock.....	28
18. Principle of independent decision making	28
I. General rules.....	28
II. Decisions regarding the exercise of voting rights with respect to management activity to third-party accounts.....	29

Part V. Implementation Of The Internal Standards Of Conduct

19. Knowledge and acceptance of the internal standards of conduct	30
20. Consequences of breaches of the internal standards of conduct	30
21. Term and repeal	30

Annex I

Indicators Of Manipulations.....	31
----------------------------------	----

Annex II

Esma: Accepted Market Practices.....	32
--------------------------------------	----

Specific Annex

to the internal regulation on conduct in securities markets, applicable to Banco Bilbao Vizcaya Argentaria, S.A. as depository entity.....	33
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PART I

Introduction

1. Introduction and Applicable Regulations

I. Introduction

- 1.1 Prudence, integrity and transparency in business are the values comprising BBVA Group's corporate culture. Its commitment to these values is put into practice through BBVA Group's Code of Conduct, which contains the principles and guidelines that all those who are part of the Group must observe when acting for BBVA. These principles include general guidelines to preserve the integrity of the markets. There are standards for preventing market abuse and guaranteeing transparency and competition on the markets.
- 1.2 These basic principles have been more specifically developed in the Corporate Policy on Conduct in the Securities Markets (the "Policy"), which applies to every member of BBVA Group around the world and establishes the minimum standards in respect of Inside Information, market manipulation, conflicts of interest and own-account trading by persons in BBVA Group.
- 1.3 In each jurisdiction, the Policy is supplemented with a code or internal standards of conduct (ISC) for securities markets. This is inspired by the principles of the Policy, which establish the minimum standards of conduct, developing them in greater detail, adjusting them where applicable to the legal requirements of the jurisdiction.
- 1.4 Finally, this version adapts the content of the ISC to the provisions of Directive 2014/57/EU of the European Parliament and of the Council, of April 16, 2014, on criminal sanctions for market abuse, and Regulation (EU) No. 596/2014 of the European Parliament and of the Council, of April 16, 2014 on market abuse.

II. Regulatory framework

- 1.5 The ISC has been drafted in accordance with the provisions in the following laws:
 - Royal Legislative Decree 4/2015, dated October 23, which approves the revised text of the Securities Market Act.
 - Royal Decree 217/2008, 15th February, on the legal regime governing investment services enterprises and other organizations providing investment services.
 - Directive 2014/57/EU of the European Parliament and of the Council of April 16, 2014, on criminal sanctions for market abuse.
 - Regulation (EU) No. 596/2014 of the European Parliament and of the Council of April 16, 2014, on market abuse and its regulatory implementation.
 - Directive 2014/65/EU of the European Parliament and of the Council, dated May 15, 2014, relating to financial instruments markets (MiFID).

2. Scope of Application

I. Entities subject

- 2.1 *Entities Subject* to these standards are those entities domiciled in any of the European Union Member States, and all branches domiciled within the EU that constitute the BBVA Financial Group (hereinafter "BBVA Group") whose activities are carried out either directly or indirectly within the scope of the securities market, except for those bound by their own internal standards of conduct on the securities markets.
- 2.2 The Compliance Department will keep an updated list of the *Entities Subject* to the current Internal Standards of Conduct.

II. Persons subject

- 2.3 These internal standards shall be applicable to the following persons:
- 2.3.1 Members of the boards of directors of Entities Subject to these Standards.
 - 2.3.2 Members of the BBVA Senior Management.
 - 2.3.3 Other members of the the Entities Subject in BBVA Group that must be subject to these standards (1) as Members of the Management Committees of the area or entity; or (2) because they engage in activities related to the securities markets and thus, have access to Inside Information, (as defined in point 4 of this ISC), or other confidential information on securities that could be used illicitly on the markets, relating to customers or transactions with or for customers, or engaging in activities that may give rise to a conflict of interests.
- 2.4 For the purposes of these standards, the persons listed in the previous section shall be called *Persons Subject*.
- 2.5 Should any of the *Entities Subject* have agents such as those outlined in article 146 of the Securities Market Act, the ISC shall also be applicable to them and, where applicable, their directors, partners, executives and employees, whenever they engage in activities under circumstances analogous to those listed in section 2.3.3 above and always in compliance with the provisions of section 2.6 below.
- 2.6 The above notwithstanding, the Compliance Department may authorize specific exemptions from compliance with pre-determined obligations in the ISC, under the following circumstances.
- 2.6.1 Should Persons Subject engaging in their main business in other Entities Subject to these Standards of Conduct request exemption from some of the regulations contained herein, on the basis of obligations in the internal standards of conduct of the entities in which they pursue their main business.
 - 2.6.2 Should Persons Subject to these Standards of Conduct whose main business activity takes place in a financial institution which is not part of the BBVA Group and has its own internal standards of conduct, request exemption from the duty to operate through or report to BBVA Group under the terms established in sections 9.17 and 9.18 of these ISC.
 - 2.6.3 Should some other circumstance arise that may justify a specific exemption, provided it complies with applicable regulations.
- 2.7 The Compliance Department is responsible for determining the persons belonging to BBVA Group to whom the ISC are applicable, as well as the period of time for which they will be subject to it. The Compliance Department will keep an updated and dated record of the *Persons Subject* and those others exempt, in accordance with the authorizations granted according to paragraph 2.6 above.
- 2.8 Without prejudice to the contractual measures established, these ISC may be extended in whole or in part when considered necessary to entities that provide services under an outsourcing or delegation agreement, or any individual whose services are made available and under control of the *Entities Subject* or of their agent that participates in providing services to them under an agreement to delegate the provision of investment services or the exercise of essential functions for this provision, provided that they carry out their services under cases similar to those included in paragraph 2.3.3 above.

III. Securities affected

- 2.9 The following will be Securities Affected:
- 2.10 Securities and financial instruments admitted to trading on a regulated market, or for which admission has been applied for to trade on a regulated market, that are included within the scope of applicable legislation on securities markets. At a minimum, the following securities or financial instruments are covered:
- 2.10.1 Transferable securities issued by public- or private-sector persons or entities, and grouped as issues. Negotiable securities shall mean any right in equity, whatever it may be called, whose own legal status and rules governing its transmission, make it eligible for general, arms-length trading on a financial market. The following shall at all times be considered negotiable securities:
 - 2.10.1.1 Shares in companies and negotiable securities equivalent to shares, and any other kind of negotiable securities that grant rights to purchase shares or equivalent securities through conversion or exercise of the rights conferred.

- 2.10.1.2 Internationalization covered bonds and bonds.
- 2.10.1.3 The bonds, debentures and other analogous securities representing participation in debt issues, including convertible or swappable securities.
- 2.10.1.4 Mortgage-backed securities, bonds and warrants.
- 2.10.1.5 Securitized bonds.
- 2.10.1.6 Shares in collective investment undertakings, as well as those in venture capital firms and closed-end collective investment firms.
- 2.10.1.7 Money-market instruments, i.e. those categories of instruments habitually traded on the money market, such as treasury bonds, deposit certificates and promissory notes, except in singular issues, excluding payment instruments deriving from previous commercial transactions that do not entail raising repayable finance.
- 2.10.1.8 Preferred securities.
- 2.10.1.9 Territorial bonds.
- 2.10.1.10 Warrants and other negotiable derivatives conferring a right to purchase or sell any other negotiable security, or that confer the right to a cash settlement determined with reference to, e.g., negotiable securities, currency, interest rates or distributions, commodities, credit risk or other indices or benchmarks.
- 2.10.1.11 Others deemed to be negotiable securities by legal and statutory provisions.
- 2.10.2 Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, emission allowances or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash.
- 2.10.3 Options, futures, swaps, forwards and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties other than by reason of default or other termination event; (for reasons other than breach of contract or any event leading to cancellation of the contract).
- 2.10.4 Options, futures, swaps, and any other derivative contract relating to commodities that can be physically settled provided that they are traded on a regulated market or through a multilateral trading system.
- 2.10.5 Options, futures, swaps, forwards and any other derivative contracts relating to commodities, that can be physically settled not mentioned in the previous section of this article and not destined for commercial purposes, that show the features of other derivative financial instruments, taking into account whether they are settled through recognized clearing chambers or whether they are subject to regular adjustments in their guarantee margins.
- 2.10.6 Derivative financial instruments for transfer of credit risk.
- 2.10.7 Cash-settlement financial contracts.
- 2.10.8 Options, futures, swaps, forward rate agreements and any other derivative contracts relating to climatic variables, freight rates or inflation rates or other official economic statistics that must be settled in cash or may be settled in cash at the option of one of the parties other than by reason of default or other termination event, as well as any other derivative contracts relating to assets, rights, obligations, indices and measures not mentioned in the previous sections of this article, that show the features of other derivative financial instruments, taking into account whether they traded on a regulated market or through a multilateral trading system, whether they are settled through recognized clearing chambers or whether they are subject to regular adjustments in their guarantee margins.
- 2.11 As well as instruments admitted to trading in a regulated market, financial instruments traded in a multilateral trading facility (MTF) or for which admission or negotiation in a MTS has been requested, and the financial instruments traded in Organized Trading Facility (OTF).
- 2.12 Financial instruments not included in the above paragraphs whose price or value depends on financial instruments that are included in those paragraphs or that have an effect on their price or value, including, but not limited to, derivative financial instruments for the transfer of credit risk and spread contracts.
- 2.13 However, in compliance with prevailing regulations, the Compliance Department may at any time determine which *Securities Affected* may be excluded regarding all or some *Persons Subject*, indefinitely or for a specific period of time, from some of the obligations detailed in these standards.

3. The Compliance Department

I. Powers

- 3.1 The Compliance Department, always guided by the principle of independence from those areas or units on which its activity is focused, exercises supervision and control over the observance with the principles contained in these standards, and the rules comprising the policies and procedures laid down as these are ramified. To ensure due compliance with its duties, the Compliance Department has been granted full powers to require any persons or bodies in BBVA Group and in any of its entities charged with managing the moveable assets of those subject to these Standards to provide it with such information as it deems advisable.
- 3.2 *Persons Subject* and other persons in BBVA Group are obliged to attend to such requests for information diligently and precisely and, where applicable, to supply the Compliance Department access to information that may be held by third parties.

II. Functions

- 3.3 Comply with and promote compliance with the rules contained in the Internal Standards of Conduct and other prevailing legal provisions at any time regarding the conduct in the securities markets.
- 3.4 Interpret specific applications of the rules contained in these standards and monitor its compliance.
- 3.5 Coordinate those aspects relating to development of mechanisms that need to be dealt with in or with other entities belonging to the BBVA Group located outside Spain to ensure compliance with these standards.
- 3.6 Check that the entity has adequate administrative and organizational measures to avoid possible *Conflicts of Interest* damaging customers interests.
- 3.7 Establish control measures over the transactions carried out by *Persons Subject* to these Internal Standards of Conduct.
- 3.8 Maintain control over the *Inside Information* in compliance with the standards contained herein, keeping *Insider Lists and Prohibited Securities* available to the supervisor during the legally established period.
- 3.9 Foster measures of all kinds that it considers advisable to adopt in the light of a possible abusive or unfair use of *Inside Information* (as defined in point 4 below).
- 3.10 Maintain control over the Global Restricted List in accordance with the standards contained herein, keeping updated list of the securities included, as well as the restrictions applicable at any time.
- 3.11 Maintain the documentary support required for the legally established periods to comply with the provisions of the Internal Standards of Conduct.
- 3.12 Deal with any queries forthcoming from *Persons Subject* with respect to these Internal Standards of Conduct.
- 3.13 Answer enquiries regarding the rules of conduct on the securities market sent to BBVA Group by the regulatory authorities.
- 3.14 Propose the composition and possible changes in the list of *Separate Areas* of BBVA Group.
- 3.15 Assess the suitability of measures to be established in each Area of BBVA Group to control access to and transmission of *Inside Information*.
- 3.16 Promote the establishment and development of internal policies and procedures necessary to comply with the regulations contained herein.
- 3.17 Advise and make those in the Group aware of the importance of observing the procedures developed to comply with these standards, establishing periodic training programs on conduct in securities markets, geared to ensure that the Subject Persons are aware and have the capacity required with respect to conduct in securities market to carry out their duties.
- 3.18 Any other duty that may be relevant in order to reduce the risk of possible non-compliance with these standards.

III. Duty of confidentiality

- 3.19 The Compliance Department will guarantee the confidentiality of the data that, in compliance with the ISC, are provided by the *Persons Subject* and, where appropriate, those persons entrusted by them with the management of their assetmanagement. For this purposes, it shall develop procedures and promote the design of any systems that may be necessary.

PART II

General Standards of Conduct

4. Inside Information

I. Definition of inside information

- 4.1 In accordance with the provisions of article 7 of Regulation 596/2014 of the European Parliament and of the Council on market abuse (the “**Market Abuse Regulation**”), *Inside Information* is considered to be information of any of the following types:
- 4.1.1 Information of a precise nature, which has not been made public, relating, directly or indirectly, to one or more issuers or to one or more financial instruments, and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial instruments;
 - 4.1.2 In relation to commodity derivatives, information of a precise nature, which has not been made public, relating, directly or indirectly to one or more such derivatives or relating directly to the related spot commodity contract, and which, if it were made public, would be likely to have a significant effect on the prices of such derivatives or related spot commodity contracts, and where this is information which is reasonably expected to be disclosed or is required to be disclosed in accordance with legal or regulatory provisions at the Union or national level, market rules, contract, practice or custom, on the relevant commodity derivatives markets or spot markets.
 - 4.1.3 In relation to emission allowances or auctioned products based thereon, information of a precise nature, which has not been made public, relating, directly or indirectly, to one or more such instruments, and which, if it were made public, would be likely to have a significant effect on the prices of such instruments or on the prices of related derivative financial instruments;
 - 4.1.4 For persons charged with the execution of orders concerning financial instruments, it also means information conveyed by a client and relating to the client’s pending orders in financial instruments, which is of a precise nature, relating, directly or indirectly, to one or more issuers or to one or more financial instruments, and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments, the price of related spot commodity contracts, or on the price of related derivative financial instruments.
- 4.2 Information shall be deemed to be of a precise nature if it indicates a set of circumstances which exists or which may reasonably be expected to come into existence, or an event which has occurred or which may reasonably be expected to occur, where it is specific enough to enable a conclusion to be drawn as to the possible effect of that set of circumstances or event on the prices of the financial instruments or the related derivative financial instrument, the related spot commodity contracts, or the auctioned products based on the emission allowances.
- 4.3 In this respect in the case of a protracted process that is intended to bring about, or that results in, particular circumstances or a particular event, those future circumstances or that future event, and also the intermediate steps of that process which are connected with bringing about or resulting in those future circumstances or that future event, may be deemed to be precise information.
- 4.4 Information which, if it were made public, would be likely to have a significant effect on the prices of financial instruments, derivative financial instruments, related spot commodity contracts, or auctioned products based on emission allowances shall mean information a reasonable investor would be likely to use as part of the basis of his or her investment decisions. An intermediate step in a protracted process shall be deemed to be inside information if, by itself, it satisfies the criteria of Inside Information.
- 4.5 Without prejudice to the foregoing sections, and by way of clarification but not limitation, *Inside Information* often affects the following:
- 4.5.1 A company’s profit and loss account.
 - 4.5.2 Extraordinary changes to the company’s profit and loss account or changes to earnings guidance which has been made public.

- 4.5.3 Transactions conducted by the company such as capital increases or the issuing of securities which have special relevance.
- 4.5.4 Significant mergers or acquisitions.
- 4.5.5 Circumstances which could lead to litigation, disputes or sanctions which may have a significant effect on the expected results.
- 4.5.6 Decisions made by authorities before they are known publicly that have a material impact on the company's results.
- 4.5.7 Information covering large put and call orders on specific securities.
- 4.5.8 Other facts or similar situations.

II. Insider dealing

- 4.6 The following transactions are considered Insider Dealing:
 - 4.6.1 Transactions where a person possesses inside information and uses that information by acquiring or disposing of, for its own account or for the account of a third party, directly or indirectly, financial instruments to which that information relates.
 - 4.6.2 The use of inside information by cancelling or amending an order concerning a financial instrument to which the information relates where the order was placed before the person concerned possessed the inside information.
 - 4.6.3 In relation to auctions of emission allowances or other auctioned products based thereon, the use of inside information shall also comprise submitting, modifying or withdrawing a bid by a person for its own account or for the account of a third party.

III. Obligations

- 4.7 Anyone who, because of their position or responsibilities within the BBVA Group, is in possession of Inside Information will be subject to the following obligations:
 - 4.7.1 **Obligation to safeguard information:** Anyone in possession of *Inside Information* must safeguard it, without prejudice to their duty of disclosure and cooperation with the judicial and administrative authorities under the terms established in the Securities Market Act and other applicable legislation.
 - 4.7.1.1 Pursuant to the above obligation, anyone in possession of *Inside Information* must adopt suitable measures to avoid it being abusively or unfairly used.
 - 4.7.1.2 Likewise, should Inside Information be used abusively or unfairly, anyone aware of this must immediately report it to their superior and to the Compliance Department.
 - 4.7.2 **Obligation to notify the Compliance Department of Inside Information:** Anyone in possession of any Inside Information must notify the Compliance Department immediately. Such disclosure must be by the persons and in accordance with the rules detailed in Chapter 14 (I) (General Measures for Protecting the Information). Furthermore, any transfer of this type of information must take place following the terms outlined in Chapter 16 (Controlling the Flow of Information) of these standards.

IV. Prohibitions

- 4.8 **Carry out or attempt to carry out** Insider Dealing for one's own account or that of a third party: Whoever has Inside information available may not prepare or execute, directly or indirectly, any kind of transaction on his own behalf with securities or financial instruments to which the information refers, or on any other kind of share, financial instrument or contract of any type, whether or not it is traded in a secondary market, whose underlying is the marketable securities or financial instruments to which the information refers.
- 4.9 **Recommend** that another person carries out transactions with Inside information or induce a person to do so: Persons in possession of Inside Information cannot recommend induce a third party to purchase or assign securities or make another acquire or assign them based on Inside Information.

- 4.10 **Illegally communicate** Inside information, except when such disclosure occurs in the normal course of the person's employment, profession or post:
- 4.10.1 No-one in possession of Inside Information may pass it on to third parties, except in the normal course of their employment, profession or post, in which case, they must apply Chapter 16 of these Internal Standards of Conduct *Controlling the Flow of Information*.
- 4.10.2 Should the Person Subject, acting on behalf of and to the account of the BBVA Group entity in which they work or to which they provide services, unintentionally reveal Inside Information on said entity in the normal course of their employment, profession or post to persons who are not bound to confidentiality by law, regulations, bylaws or contract, they must immediately report this circumstance so that due proceedings may be initiated to disclose the information to the market. These proceedings are contained in Chapter VI below, Public Disclosure of Inside Information.

V. Exceptions

4.11 Legitimate behaviour:

- 4.11.1 It shall not be deemed from the mere fact that a person is in possession of inside information that that person has used that information and has thus engaged in insider dealing on the basis of an acquisition or disposal where that person:
- 4.11.2 For the financial instrument to which that information relates, is a market maker or a person authorized to act as a counterparty, and the acquisition or disposal of financial instruments to which that information relates is made legitimately in the normal course of the exercise of its function as a market maker or as a counterparty for that financial instrument.
- 4.11.3 The person is authorized to execute orders on behalf of third parties, and the acquisition or disposal of financial instruments to which the order relates, is made to carry out such an order legitimately in the normal course of the exercise of that person's employment, profession or duties.
- 4.11.4 The person conducts a transaction to acquire or dispose of financial instruments and that transaction is carried out in the discharge of an obligation that has become due in good faith and not to circumvent the prohibition against insider dealing and that obligation results from an order placed or an agreement concluded before the person concerned possessed inside information.
- 4.11.5 The person has used that information and has thus engaged in insider dealing, where such person has obtained that inside information in the conduct of a public takeover or merger with a company and uses that inside information solely for the purpose of proceeding with that merger or public takeover, provided that at the point of approval of the merger or acceptance of the offer by the shareholders of that company, any inside information has been made public or has otherwise ceased to constitute inside information.

4.12 Market soundings:

- 4.12.1 Market sounding comprises the communication of information, prior to the announcement of a transaction, in order to gauge the interest of potential investors in a possible transaction and the conditions relating to it such as its potential size or pricing, to one or more potential investors by:
- a) an issuer;
 - b) secondary offeror of a financial instrument, in such quantity or value that the transaction is distinct from ordinary trading and involves a selling method based on the prior assessment of potential interest from potential investors.
 - c) an emission allowance market participant; or
 - d) a third party acting on behalf or on the account of a person referred to in points a), b) or c) above.
- 4.12.2 BBVA Group has specific procedures in place to regulate market soundings.
- 4.12.3 Market soundings may require disclosure of Inside information to potential investors. Before carrying out a market sounding a specific assessment must be made of whether this implies disclosure of Inside information. The Inside information shall be deemed to have been legitimately disclosed if it is disclosed in the normal exercise of a person's employment, profession or post.

- 4.12.4 The market participant who discloses Inside Information in the course of a market sounding must do the following before disclosing information:
- 4.12.4.1 Obtain the consent of the person receiving the market sounding to receive Inside Information.
 - 4.12.4.2 Inform the person receiving the market sounding that he is prohibited from using that information, by acquiring or disposing of, for his own account or for the account of a third party, directly or indirectly, financial instruments relating to that information, or by cancelling or amending an order which has already been placed concerning a financial instrument to which the information relates; and that by agreeing to receive the information he undertakes to maintain confidentiality.
 - 4.12.4.3 Carry out, maintain and keep a record of all the information provided to the person receiving the market sounding.
- 4.12.5 The recipient of the market sounding must decide whether he is interested in receiving the market sounding information, in which case he must give his consent to receive the information, determine himself whether he is in possession of Inside Information and when he is no longer in possession of it. To this end must activate a process of communication with the Compliance Department of registration of Inside Information and maintain a record of his actions.
- 4.13 Exemption for buy-back programmes and stabilisation**
- 4.13.1 Finally, the prohibitions mentioned in part IV above shall not apply to trading in own shares in buy-back programmes, or to trading in securities or associated instruments for the stabilisation of securities in the circumstances provided for by the Regulation on market abuse. These activities are regulated by specific rules.

VI. Public disclosure of inside information

- 4.14 The issuer shall make public as soon as possible the Inside information that concerns it directly. It will do so in a way that allows rapid access and a complete, correct and appropriate evaluation of the information by the public.
- 4.15 However, the public disclosure of the Inside information may be delayed, provided that all the following conditions are met:
- 4.15.1 The immediate disclosure is likely to prejudice the legitimate interests of the issuer or emission allowance market participant;
 - 4.15.2 The delay of disclosure is not likely to mislead the public;
 - 4.15.3 The issuer or emission allowance market participant is able to ensure the confidentiality of that information.
- 4.16 If the issuer or participant in the emission rights market delays the Disclosure of the Inside information, it must report this to the competent authority immediately after making public the information, and present an explanation in writing if required.
- 4.17 This procedure is regulated with respect to BBVA as issuer in the Manual for Public Disclosure of Relevant Information.

VII. Special activities

- 4.18 Persons engaging in or in any way involved in activities such as the stabilisation of prices in public offerings, execution of liquidity contracts on issuers' own shares, financial analysis, treasury stock or trading of own shares and lending securities, must take into account the existence of specific rules of conduct applicable to them.
- 4.19 In such cases, the Compliance Department, or another appointed to do so, shall inform the persons affected of the specific rules applicable to them.

5. Conflicts Of Interest

5.1 A *conflict of interest* will be deemed to exist when at least two counterpoised interests that may constrain the impartiality or objective nature of a service or transaction coincide in one and the same person or decision-making scope.

I. Possible conflicts of interest

5.2 The varied activities and functions pursued in the securities markets by BBVA Group make it possible that the following *conflicts of interest* may arise at certain times:

5.2.1 Between different areas within BBVA Group.

5.2.2 Between BBVA Group customers and BBVA Group, including its managers, employees, agents or persons directly or indirectly affiliated to it in a controlling position.

5.2.3 Between different BBVA Group customers.

5.3 For such purposes, however, the sole fact that BBVA Group may obtain a profit shall not be deemed sufficient, unless there is also possible harm done to a customer; nor shall it be sufficient that a customer may gain or avoid a loss, if there is no concomitant loss for another customer.

II. Identifying conflicts of interest

5.4 Identifying *Conflicts of Interest* entails at least awareness as to whether BBVA Group and/or the *Persons Subject* or a person directly or indirectly affiliated in a controlling position, are in any of the following situations:

5.4.1 The entity or person in question may obtain a financial gain or avoid a financial loss at the cost of the customer.

5.4.2 Has an interest in the outcome of the service provided or transaction carried out to the customer's account other than the interest the customer has in said outcome.

5.4.3 Has financial or any other kind of incentives to favour the interests of customers other than those of the customer in question.

5.4.4 Professional activity is identical with that of the customer.

5.4.5 Receives, or will receive, an incentive from a third party with respect to the service provided to the customer, in money, goods or services, other than the habitual payment or fee on the service in question.

5.5 The conflicts affecting *Persons Subject* may arise as a consequence of their family, professional, economic or any other kind of affiliations, or from situations known on the basis of holding a specific post or having specific duties in BBVA Group.

5.6 When determining the possibility of *Conflicts of Interest* due to the relations of the *Persons Subject*, all situations should be taken into account that may generate a potential conflict which would be assessed as such by an impartial observer with knowledge of the set of circumstances surrounding the person in question and the specific case in point. Assessment of these situations should not be limited to the group that these Internal Standards of Conduct define as *Equivalent Persons* in section 7.2.

III. Preventing conflicts of interest

5.7 The BBVA Group's Internal Standards of Conduct are intended to control possible *Conflicts of Interest*. They establish that all *Persons Subject* must notify the head of their area or the Compliance Department of situations that could potentially and under specific circumstances may entail *Conflicts of Interest* that could compromise their impartiality, before they engage in any transaction or conclude any business in which they could arise.

5.8 The following situations shall be considered as affiliations to be included amongst the situations indicated in the section above. The list is not exhaustive:

5.8.1 Economic Affiliations.

5.8.1.1 Direct or indirect ownership of more than 5% of the capital in companies which are BBVA Group customers for services related to the securities markets or in companies which are listed on the Stock Exchange.

5.8.1.2 Holding directorships or senior management posts in listed companies or Investment Service Companies.

5.8.2 Family Affiliations:

For such purposes, related parties will be:

- a) The spouse or person with analogous relationship of affect, pursuant to the domestic legislation
- b) Ascendants, descendants and siblings of the *Person Subject*, and their respective spouses or persons with analogous relationship of affect, pursuant to domestic legislation.
- c) Ascendants, descendants and siblings of the spouse or person with analogous relationship of affect, pursuant to domestic legislation.

When any of the above-mentioned persons are in the following situations, this must be duly reported:

- a) Customers or persons holding directorship or management posts in client companies, who regularly trade in the securities markets through *Entities Subject* to these Standards of Conduct.
- b) Directors or senior management of listed companies or Investment Services Companies.

IV. Resolving conflicts of interest

5.9 BBVA Group has a Conflicts of Interest Policy, aimed at preventing any *Conflicts of Interest* from being detrimental to the interests of its customers. In addition, with the aim of resolving potential *Conflicts of Interest* of any type, the procedures of each of the areas in BBVA Group whose activities may give rise to potential conflicts of interest, must in line with the provisions of the Standards for Prevention of Conflicts of Interest in BBVA and the Code of Conduct of BBVA Group, guarantee sufficient prevention and management of such Conflicts of Interest.

V. Disclosing conflicts of interest

5.10 When the organizational and/or administrative measures adopted to manage the *Conflict of Interest* are not sufficient to guarantee with a reasonable degree of certainty that the risks of damaging customer interests be avoided, the nature and origin of the conflict must be disclosed to the customer in advance, before acting on their behalf.

5.11 Any disclosure must be made on a durable medium and must include sufficient data, depending on the nature of the customer, to enable the customer to be come to an informed decision regarding the service affected by the *Conflict of Interests*.

6. Market Integrity: Market Manipulation

I. Restricted activities and conduct

6.1 Market manipulation undermines the confidence of participants in the markets and their proper operation.

6.2 Avoiding price manipulation is an indispensable requirement in BBVA Group, as part of its commitment to foster integrity and transparency on the Markets in which it operates. All Involved Persons are bound to refrain from engaging in such practices.

6.3 Market manipulation shall comprise the following activities and behaviours:

6.3.1 Market manipulation includes the following **activities**:

- a) Entering into a transaction, placing an order to trade or any other behaviour which:
 - i) gives, or is likely to give, false or misleading signals as to the supply of, demand for, or price of, a financial instrument, a related spot commodity contract or an auctioned product based on emission allowances; or
 - ii) secures, or is likely to secure, the price of one or several financial instruments, a related spot commodity contract or an auctioned product based on emission allowances at an abnormal or artificial level unless the person entering into a transaction, placing an order to trade or engaging in any other behaviour establishes that such transaction, order or behaviour have been carried out for legitimate reasons, and conform with an accepted market practice;
- b) Entering into a transaction, placing an order to trade or any other activity or behaviour which affects or is likely to affect the price of one or several financial instruments, a related spot commodity contract or an auctioned product based on emission allowances, which employs a fictitious device or any other form of deception or contrivance;

- c) Disseminating information through the media, including the internet, or by any other means, which gives, or is likely to give, false or misleading signals as to the supply of, demand for, or price of, a financial instrument, a related spot commodity contract or an auctioned product based on emission allowances or secures, or is likely to secure, the price of one or several financial instruments, a related spot commodity contract or an auctioned product based on emission allowances at an abnormal or artificial level, including the dissemination of rumours, where the person who made the dissemination knew, or ought to have known, that the information was false or misleading;
- d) Transmitting false or misleading information or providing false or misleading inputs in relation to a benchmark where the person who made the transmission or provided the input knew or ought to have known that it was false or misleading, or any other behaviour which manipulates the calculation of a benchmark.

6.3.2 Market manipulation includes the following **behaviours**:

- a) The conduct by a person, or persons acting in collaboration, to secure a dominant position over the supply of or demand for a financial instrument, related spot commodity contracts or auctioned products based on emission allowances which has, or is likely to have, the effect of fixing, directly or indirectly, purchase or sale prices or creates, or is likely to create, other unfair trading conditions;
- b) The buying or selling of financial instruments, at the opening or closing of the market, which has or is likely to have the effect of misleading investors acting on the basis of the prices displayed, including the opening or closing prices;
- c) The placing of orders to a trading venue, including any cancellation or modification thereof, by any available means of trading, including by electronic means, such as algorithmic and high-frequency trading strategies, by disrupting or delaying the functioning of the trading system of the trading venue or being likely to do so; making it more difficult for other persons to identify genuine orders on the trading system of the trading venue or being likely to do so, including by entering orders which result in the overloading or destabilisation of the order book; or creating or being likely to create a false or misleading signal about the supply of, or demand for, or price of, a financial instrument, in particular by entering orders to initiate or exacerbate a trend;
- d) taking advantage of occasional or regular access to the traditional or electronic media by voicing an opinion about a financial instrument, related spot commodity contract or an auctioned product based on emission allowances (or indirectly about its issuer) while having previously taken positions on that financial instrument, a related spot commodity contract or an auctioned product based on emission allowances and profiting subsequently from the impact of the opinions voiced on the price of that instrument, related spot commodity contract or an auctioned product based on emission allowances, without having simultaneously disclosed that conflict of interest to the public in a proper and effective way
- e) The buying or selling on the secondary market of emission allowances or related derivatives prior to the auction held with the effect of fixing the auction clearing price for the auctioned products at an abnormal or artificial level or misleading bidders bidding in the auctions.

II. Exceptions and accepted market practices

- 6.4 Market manipulation is a prohibited practice. However, there is a number of exceptions to this prohibition, as well as accepted practices.
- 6.5 Accepted market practices are those admitted by the Competent Authorities, taking into account the level of transparency and protection in market operations offered by market practice, its impact on market liquidity and efficiency and the risks it generates. In Spain liquidity agreements are an accepted market practice (see Annex II).
- 6.6 Finally, the prohibitions mentioned in part IV above shall not apply to trading in own shares in buy-back programmes, or to trading in securities or associated instruments for the stabilisation of securities in the circumstances provided for by the Regulation on market abuse. These activities are regulated by specific rules.

III. Indicators

- 6.7 In order to determine whether or not a conduct constitutes a market manipulation practice, the indications described in Annex 1 must be taken into account. The list is not exhaustive and the practices cannot, of themselves, be considered to constitute market manipulation.

IV. Enforcement

- 6.8 Officers in charge of the areas affected by the preceding prohibitions must take due measures to guarantee compliance. They must also ensure proper dissemination of forbidden practices amongst members of their area.
- 6.9 Officers in charge of the areas receiving, transmitting and/or executing third-party orders must take measures to promote knowledge of the indicators contained in point III above. Likewise, they must define and implement procedures and controls to detect and analyze such indications. The areas shall establish absolute and relative parameters and values to determine whether a specific transaction should be considered an indication. These parameters must always be validated by the Compliance Department.

V. Communication to the regulator

- 6.10 When it is deemed that there are reasonable indicators to suspect that a transaction is using *Inside Information* or constitutes a practice of market manipulation, this must be reported to the Compliance Department, so it may assess the need to inform the stock-exchange authority (CNMV) or whatever authority may be applicable at that time, as soon as possible, on the basis of applicable regulations and procedures defined at any time.

VI. Special activities

- 6.11 Persons engaging in or in any way involved in activities such as the stabilisation of prices in public offerings, execution of liquidity contracts on issuers' own shares, financial analysis, treasury stock or trading of own shares and lending securities, must take into account the existence of specific rules of conduct applicable to them.
- 6.12 In such cases, the Compliance Department, or another appointed to do so, shall inform the persons affected of the specific rules applicable to them.

VII. Restricted securities

- 6.13 BBVA's participation in certain project involves some times, particularly in the area of investment banking services (public offerings, fusions and acquisitions, financing projects and so on), the imposition of certain restrictions in addition to those explained above, that may limit the activity of different areas or units in the Group in relation to particular negotiable securities or financial instruments. These restrictions derive from the commitments assumed by the Group of a legal, contractual or similar nature. Their purpose is none other than to prevent market abuse.
- 6.14 BBVA has an internal procedure in place for restricted securities whose aim is to strengthen the information barriers of BBVA Group, mitigate real or perceived conflicts of interest, prevent transactions that may represent a risk for BBVA Group's reputation and comply with current law. This procedures lays down that the supervisor of the area or unit that assumes contractual commitments constrained by restrictions of the type described above should inform to the Compliance Department.
- 6.15 These restrictions therefore represent limitations to own-account trading for certain groups among the persons subject to the ISC in each of the affected jurisdictions, and it is the responsibility of the Compliance Department to determine it in each case.

PART III

Standards for Own-Account Trading by Person Subject

7. Own-Account Trading of Persons Subject

I. Definition of own-account trading

- 7.1 For the purpose of these ISC, *Own-Account Trading* refers to transactions involving *Securities Affected* that are executed by *Persons Subject* to the Internal Standards of Conduct, or on their account, outside the scope of activity that would be theirs by virtue of their duties in the company, or by *Equivalent Persons*.
- 7.2 *Equivalent Persons*, and consequently their transactions, will have the same consideration and will be subject to the same limitations as if the Subject Person had made them. The following are considered *Equivalent persons*:
- 7.2.1 The spouse or any other individual united by a relationship of similar affect according to domestic legislation. However, transactions will not be considered to be made by the *Person Subject* when they are ordered and made by the spouse in the spouse's individual name and exclusively:
- 7.2.1.1 For their private patrimony, when their marriage is not subject to a separation of estate.
- 7.2.1.2 For assets owned exclusively by that spouse, when their marriage is subject to a separation of estate.
- 7.2.2 Below-age children or step-children under his/her charge and care as well as those children or step-children of legal age who are economically dependent on him/her.
- 7.2.3 Persons with whom the Person Subject maintains close links, such as the following:
- 7.2.3.1 Legal persons over which the Person Subject directly or indirectly owns or has a controlling interest in 20% or more of the voting rights or capital.
- 7.2.3.2 A controlling relationship in the terms defined under article 5 of the Securities Market Act (group of companies).
- 7.2.4 Any other person, physical or legal, on whose behalf the *Person Subject* trades with *Affected Securities*.
- 7.3 No transactions may be ordered through nominees.
- 7.4 Trading under an arms-length portfolio management contract without previous communication between the portfolio manager and the *Person Subject* (or person(s) on his/her account) will not be considered *Own-Account Trading*.

II. Obligations regarding other relatives living with the person subject, or other persons with an interest

- 7.5 Although they will not be deemed *Equivalent Persons* nor be covered under the concept of *Own-Account Trading*, in compliance with the applicable standards, *Persons Subject* must inform the Compliance Department within three working days after the trade, of any transaction on *Securities Affected* carried out by the following persons:
- 7.5.1 The spouse or any person united with the Person Subject by a relationship of analogous affect under domestic legislation, regarding those transactions not considered *Own-Account Trading* under section 7.2.1 above.
- 7.5.2 Any other relatives with which the Person Subject has been living for at least one year.
- 7.5.3 Persons whose relationship is such as to have a significant direct or indirect interest in the outcome of the transactions of the *Person Subject*. Charging due fees or commissions on the execution of such transactions will not be deemed an interest.

III. Definition of securities affected

- 7.6 The rules applicable to *Own-Account Trading* by *Persons Subject* and/or *Equivalent Persons*, are confined to those *Securities Affected* that are not expressly excluded.
- 7.7 The following is not considered *Own-Account Trading*, and is therefore exempt from compliance with related restrictions:
- 7.7.1 Transactions carried out on shares in Spanish collective investment institutions, as well as those in collective investment institutions harmonized at EU level (or equivalent¹), provided that the *Person Subject* or any other person on whose account the transaction is carried out does not participate in the management of the institution.

8. Portfolio Management Contracts

I. Signing portfolio management contracts

- 8.1 *Persons Subject* to the Internal Standards of Conduct, as well as *Equivalent Persons* may sign portfolio management contracts with entities that are legally qualified to do so.
- 8.2 *Persons Subject* who enter into portfolio management contracts are obliged to notify the Compliance Department in writing, indicating the date the contract was signed and enclose a copy of the contract. In addition, if prior to being subject to the Internal Standards of Conduct another similar contract had already been signed the Compliance Department must be notified immediately.
- 8.3 *Persons Subject* who have entered into portfolio management contracts must provide the Compliance Department with all the information relating to transactions carried out under these contracts. In addition, the management company must be notified of its obligation to comply with Compliance Department's request for any information relating to transactions with *Affected Securities*.
- 8.4 The Compliance Department shall keep a record of the Discretionary Management Portfolio Contracts declared by Subject Persons.

II. Transactions within the framework of portfolio management

- 8.5 Any transaction on which there was prior communication between the portfolio manager and the *Person Subject* (or person(s) acting on their account), or any of their *Equivalent Persons*, even when there is a signed portfolio management contract, will be deemed *Own-Account Trading* and consequently must have been carried out in compliance with the instructions detailed in Chapters 9 and 11 of these Internal Standards of Conduct.

9. General Restrictions on Own-Account Trading

- 9.1 All *Persons Subject* to the Internal Standards of Conduct, and their *Equivalent Persons*, will be subject to the general restrictions regarding *Own-Account Trading* as explained in the following sections.

I. Prohibitions

- 9.2 Ordering *Own-Account Trading*, and modifying or canceling orders is prohibited under the following circumstances:
- 9.2.1 The transaction entails unsuitable use of *Inside Information* as established under section 4.8 hereof.
- 9.2.2 The transaction entails preparation or engagement in practices distorting the free formation of prices.
- 9.2.3 The transaction entails unsuitable use or improper dissemination of confidential information.
- 9.2.4 The transaction enters into or may enter into conflict with an obligation of the entity, according to prevailing regulations on securities markets.
- 9.2.5 The transaction is carried out on one of the securities included in the List of Restricted Securities.

¹ "Equivalent" means subject to supervision under the legislation of a EU member State that established a level equivalent to Community regulations regarding the distribution of risk amongst its assets.

- 9.3 The *Person Subject* is also forbidden from advising or assisting another person, outside the normal course of their work or, where applicable, their service contract, to trade with financial instruments that, were the trade *Own-Account Trading*, would:
- 9.3.1 Be prohibited under section 9.2 above.
 - 9.3.2 Be included under the circumstances expressly forbidden by prevailing regulations for financial analysts' trading.
 - 9.3.3 Entail unsuitable use of information that the entity has on customers' pending orders.
- 9.4 Except during the normal course of work or of a service contract, communication of any information or opinion to anyone is forbidden when the *Person Subject* knows, or should reasonably know, that the other person may, or it is conceivable that they may, as a consequence of such information, carry out any of the following:
- 9.4.1 Order a transaction on financial instruments that if it were *Own-Account Trading* by the *Person Subject* would:
 - 9.4.1.1 Be prohibited under section 9.2 above.
 - 9.4.1.2 Be included under the circumstances expressly forbidden by prevailing regulations for financial analysts' trading.
 - 9.4.1.3 Entail unsuitable use of information that the entity has on customers' pending orders.
 - 9.4.2 Advise, recommend or assist another person such that they carry out said transaction.

II. Transmission of orders and execution of transactions

- 9.5 Every *Person Subject* shall carry out *Own-Account Trading* through a single qualified financial intermediary.
- 9.6 Unless the *Person Subject* specifically notifies the Compliance Department that he/she will order his/her *Own-Account Trading* through another financial intermediary, he/she will be deemed to chose to buy or sell *Affected Securities* through any of BBVA Group's channels available for non-institutional clients. The Compliance Department will keep an updated list of the channels available, of which *Persons Subject* will be notified.
- 9.7 When the *Person Subject* has specifically notified that they will be ordering trades through another financial intermediary, they must ensure that:
- 9.7.1 The financial intermediary or the *Person Subject* personally informs the Compliance Department of any order, including its modification or cancelation, and any transaction on *Securities Affected* within a maximum of three working days as of the trade. For such purposes, inform will mean, at least, apprising said Department of the following information:
 - Who placed the order.
 - Order date and time.
 - Date and time of execution.
 - Identification of the financial instrument or security traded.
 - The direction of the transaction.
 - Volume (number of shares or financial instruments).
 - Price.
 - 9.7.2 The financial intermediary shall respond to any request for information put by the BBVA Compliance Department regarding trading of the *Securities Affected*. Thus, the *Person Subject* is obliged to instruct the financial intermediary to respond to these information requests, conferring any authority required to comply with them and taking heed of the instructions and authorizations of the Compliance Department.
- 9.8 At all times, the Compliance Department shall determine which *Securities Affected* may be excluded indefinitely or for a specific amount period of time from the obligations described in sections 9.5 to 9.7 above with respect to all or some of the *Persons Subject*.

9.9 However, should it be impossible, exceptionally, to order a transaction directly through the financial intermediary of choice, whether or not said financial intermediary belongs to BBVA Group, the *Person Subject*:

9.9.1 Must request specific authorization from the Compliance Department before they order the transaction.

9.9.2 Must inform the Compliance Department of the transaction executed within 3 days of the date of execution.

9.9.3 When the Compliance Department so requires, the *Person Subject* must notify the other financial intermediary, authorizing it to send such information as the BBVA Group Compliance Department may request with respect to the trading of the *Securities Affected*.

III. Type of orders

9.10 Orders must always be transmitted in the form corresponding to the channel chosen for the trade, complying with all the applicable requirements.

IV. Provision of funds or securities

9.11 *Persons Subject* to the Internal Standards may not place any order to their Own Account without having provisioned sufficient funds or without proving their ownership or corresponding rights over the *Securities Affected*.

V. Holding securities in portfolio

9.12 Before disposing of or cancelling BBVA shares, debt instruments, derivative products or other financial instruments linked to them, the *Persons Subject* must hold them for at least 20 stock-exchange trading sessions in their portfolio.

9.13 Other *Securities Affected* may not be traded in more than one direction during the same trading session, although these minimum holding periods may be extended on the basis of the specific post or duties of the *Persons Subject*. The Compliance Department or officer in charge of the Area shall give the *Persons Subject* affected by the special restriction advance notice of the applicable minimum holding period.

VI. Prohibitions on trading under special circumstances

9.14 No *Own-Account Trading* may be ordered on the issuer's shares or debt instruments, or with derivative instruments or other related financial instruments, for a limited period of 30 calendar days (including the publication date) prior to the publication of BBVA's quarterly, half-yearly or annual financial statements, or where appropriate, from the time this information becomes known, should that occur prior to the deadline given.

9.15 The Compliance Department shall publish the dates on which this prohibition is applied in the ISC Management Tool and the Compliance website.

9.16 Likewise, *Persons Subject* must refrain from ordering *Own-Account Trading* on any other *Security Affected* as of the moment in which they are apprised of the issuer's earnings prior to their publication and until the second working day after the date of said publication.

VII. Exceptions to general restrictions

9.17 Whenever the Compliance Department so determines, the *Persons Subject* whose main activity is in a financial institution not belonging to BBVA Group, and that has its own internal standards of conduct, as well as any others to which exemptions are granted under section 2.6.3, will be exempted from complying with sections 9.5 to 9.7 herein, provided they notify the BBVA Group Compliance Department, within three working days as of the trade, of any *Own-Account Trading* transaction on *Securities Affected* issued by the BBVA Group and on any others regarding which the *Persons Subject* have had any kind of information in pursuit of their duties within the BBVA Group.

9.18 The above notification will not be necessary if said trades have been carried out through the BBVA Group, under the terms and conditions established in 9.6 above.

9.19 Those transactions that are a result of the exercise of the rights assigned to the shareholder in a (released) capital increase, as well as those that are supplementary to this assignment, will be extent of the compliance of the general restrictions contained herein, as long as they are not required by law, and always following the criteria established by the Compliance Unit.

10. Specific yo Own-Account Trading

I. Application of special restrictions

- 10.1 The Compliance Department may establish, under certain circumstances, to apply special restrictions to some *Persons Subject*, along with their *Persons Equivalent*, to be added to those described above.
- 10.2 Such restrictions may be permanent for the *Persons Subject* who carry out certain kinds of duties or belong to specific areas or groupings within BBVA Group.
- 10.3 Likewise, these restrictions may be temporary for other persons or areas within the Group when this is deemed necessary or appropriate.
- 10.4 In all the circumstances described above, the Compliance Department will directly notify the persons affected of the specific restrictions to which they are subject and for how long or when the restriction will be lifted.
- 10.5 The Compliance Unit may impose one or several of the following special restrictions:

II. Advance notification of transactions

- 10.6 *Persons Subject* to whom this restriction is applicable must notify the Compliance Department or the body or person designated for notification, of planned trading of *Securities Affected* at least in the session immediately prior to the session in which the transaction is to be ordered. The Compliance Department or person designated for notification shall check that the transaction does not breach any of the prohibitions in section 9.2 herein.

III. Prior authorization of transactions

- 10.7 *Persons Subject* to whom such restriction is applicable may not order transactions without receiving prior authorization from the Compliance Department or the body or person designated for such authorization, which shall check that the transaction does not breach any of the prohibitions in section 9.2 herein.
- 10.8 The *Person Subject* shall be apprised of the answer to their request for authorization no later than the working day following receipt of said request.
- 10.9 The authorization to order the transaction shall be valid to be transmitted on the channel chosen for it, during the trading session on the day on which it is received and the trading session immediately following that.
- 10.10 The Compliance Department may establish that certain *Persons Subject* may not issue an order to make trades that have been effectively authorized until the session immediately following that in which the corresponding authorization is received. The authorization shall therefore be valid for the two stock-market sessions following the date on which it was received.

IV. Prohibition against trading certain securities

- 10.11 The *Persons Subject* to whom this restriction is applicable may not trade certain *Securities Affected*. This prohibition may be temporary or permanent, depending on the area or department to which the *Person Subject* belongs or their post or duties.
- 10.12 The Compliance Department shall determine in each case which people are subject to this restriction, which are the specific *Securities Affected* to which it will be applicable and how long the prohibition will last.

V. Exceptions to special restrictions

- 10.13 Those transactions that are a result of the exercise of the rights assigned to the shareholder in a (released) capital increase, as well as those that are supplementary to this assignment, will be extent of the compliance of the specific restrictions contained herein, as long as they are not required by law, and always following the criteria established by the Compliance Unit.

11. Notification of Transactions Made in Own-Account Trading

I. Disclosure duty

- 11.1 During the first days of each month, all *Persons Subject* to these Internal Standards of Conduct must notify the Compliance Department of each *Own-Account Trading* carried out during the previous month.
- 11.2 The Compliance Department shall keep an updated list of the securities that are exempt from the duty of disclosure, and the *Persons Subject* to whom said exemption is applicable.

II. Disclosure procedures

- 11.3 To this effect, the Compliance Department, in the first days of the month, will send a report to the *Persons Subject*, which will include a detailed description of *Own-Account Trading* that took place or was reported during the previous month. Once this has been signed (electronically, through the Management Application of ISC, or on a printed document, if this functionality is not available), it should be returned to the Compliance Department, acknowledging the transactions it contains to be correct or if there are discrepancies, adding, eliminating, or modifying the transaction or transactions in question (in the latter case through a printed document).
- 11.4 Likewise, should the Compliance Department so request, *Persons Subject* to the Internal Standards of Conduct must at any given time, in writing, provide a detailed description of *Own-Account Trading*.
- 11.5 All communication and information detailed in the sections above will be filed by the Compliance Department in such way as to guarantee confidentiality.

III. Other notification duties concerning the manager's transactions

- 11.6 In addition to the notification duties established in the present chapter, applicable to all the *Persons Subject*, the members of the Board of Directors and the members of the Senior Management, must comply with the additional notification duties relating their own account trading and the own account trading of their closely associated persons, both to the supervisory authority and the issuing entity (BBVA) in accordance to the applicable regulation.

PART IV

Control of Information

12. Control of Information: Objectives and Information Barriers

I. Objectives of information oversight

- 12.1 One of the aims of these Internal Standards of Conduct is to establish rules and procedures in order to:
- 12.1.1 Avoid the uncontrolled flow of *Inside Information* between different areas of the BBVA Group.
 - 12.1.2 Guarantee that decisions related to the securities markets are taken independently within each area.
 - 12.1.3 Control the occurrence and existence of *Conflicts of Interest*.

II. Establishment of information barriers

- 12.2 In order to meet the objectives mentioned in the section above, the following chapters will set out a series of measures and procedures defined as *Information Barriers*.
- 12.3 First, and solely for the purpose of these Internal Standards of Conduct, Chapter 13 defines what are to be defined as *Separate Areas* in BBVA Group.
- 12.4 Chapter 14 below brings together a set of general measures aimed at protecting information, which must be adopted by all those in possession of *Inside Information*.
- 12.5 The special functions performed within the *Separate Areas* require additional measures to control the information detailed in Chapter 15.
- 12.6 Once these measures have been established, a series of procedures will be adopted to control the flow of *Inside Information* between the different Areas. These are detailed in Chapters 16 and 17.
- 12.7 Lastly, Chapter 18 defines a set of guidelines that must inform the decision making on transactions related to the securities markets.

13. Separate Areas

I. Defining separate areas

- 13.1 For the purpose of these Internal Standards of Conduct, a *Separate Area* is defined as each department or area of BBVA Group engaged in activities managing their own or third-party portfolios or financial analysis, and others that may have access to *Inside Information* with certain frequency, including those engaged in investment banking activities, brokerage of negotiable securities and financial instruments and the Compliance Department itself.
- 13.2 The Compliance Department shall determine which departments and areas of the BBVA Group may be considered *Separate Areas* on the basis of the criteria established in the previous section.

II. Structure of separate areas

- 13.3 Each *Separate Area* will have one or more persons responsible appointed by the director of the competent area, who will liaise with the Compliance Department to supervise the correct enforcement of procedures established within their area of competence, to ensure compliance with the standards outlined herein.
- 13.4 The Compliance Department will keep an updated list of employees who provide services in any of the *Separate Areas*. The officers responsible for each Area will provide the information needed to compile this list.

14. General Measures for Protecting Information

- 14.1 The measures described in the following section are applicable to all *Persons Subject* to the Internal Standards of Conduct, whether or not they belong to a *Separate Area*.
- 14.2 In addition to the general duty of confidentiality applicable to non public information that Involved Persons access in pursuit of their duties or position, any Involved Person who has access to information that may be classified as *Inside Information* must proceed to safeguard it, ensuring its correct protection and avoiding inappropriate accessibility to persons who, although belonging to the same area, should not access it.
- 14.3 To enforce the legal obligation to keep information safe, without prejudice to the adoption of any additional measures that may be implemented in the different Areas of the Group, in accordance with section 14.2 above, special consideration should be given to the measures outlined in the following sections.

I. Locating information and identifying insiders

- 14.4 *Persons Subject* who are in possession of *Inside Information* must notify the officer in charge of their area.
- 14.5 The person responsible for each area originating the *Inside Information* must notify the Compliance Department of any *Inside Information* in their area, and of any person in said area who also has access to the information and others to whom the information was disclosed, including the date and time on which each of them accessed the information and the function and purpose for which the access was made.
- 14.6 *Persons Subject* whose rank is superior to the officers responsible for each area originating *Inside Information* and who know of information which could be considered *Inside* must notify it to the Compliance Department.
- 14.7 In any correspondence on transactions or projects which may contain *Inside Information*, a code-name must always be used. The code-name will be assigned by the superior officer in charge at the beginning of the transaction and disclosed to the persons who have had access to the information (insiders) as well as to the Compliance Department. Thenceforth, the code-name will be used without mentioning the real name of the companies involved.

II. List of securities and insiders

- 14.8 The Compliance Department will keep an updated Insider List based on the information it has received, which will enable it to draw up a list of *Prohibited Securities*, i.e. *Securities Affected* by *Inside Information*.
- 14.9 The Compliance Department shall also keep a list of direct or indirect employees of the *Entity Subject* that work for it under an employment or outsourcing contract or otherwise, and who may have access to *Inside Information*. This list shall be called the *Insider List* and shall include: a) the identity of everyone with access to the list (full name and ID); b) phone numbers and professional and personal addresses; c) dates of birth; d) function and reason for access to *Inside Information*; e) the date and time when there was access to the information, the list was prepared and the access to *Inside Information* ceased.
- 14.10 The *Insider List* must be in electronic format and be updated:
- 14.10.1 When there is a change in the reasons why a person is on the list.
- 14.10.2 When a new person needs to be added to the *Insider List*.
- 14.10.3 When a person on the list ceases to have access to *Inside Information*, recording the date and time on which they ceased to have such access.
- 14.11 The Compliance Department shall expressly advise persons on the *Insider List* of the confidential nature of the information, their duty to maintain confidentiality and prohibitions regarding its use. It shall also inform them on infractions and penalization in the event of improper use. Insiders shall be informed of the cases established under personal data protection legislation.

III. Physically protecting the information

14.12 *Persons Subject* must adopt or foster security measures aimed at ensuring that persons not party to this information do not have access to the hardware containing the information (documents, files, unrestricted shared network resources, electronic storage devices, etc.). The officer responsible for each area must establish concrete measures to be applied in each situation.

IV. Controlling dissemination of information

14.13 Knowledge of projects or transactions that contain Inside Information must be strictly limited to persons, whether inside or outside the organization, for whom such knowledge is essential, in which case they must follow the rules contained in Chapter 16 and adopt any measures needed to deny access to persons who should not have this information for the performance of their duties.

14.14 No aspect of projects or transactions containing *Inside* information can be discussed in public places (elevators, trains, airplanes, taxis, restaurants, etc.) or in areas where there is a risk of being overheard by persons to whom the information should not be disclosed.

14.15 Conference rooms must be checked before and after meetings to ensure that no documents containing confidential information remain behind. Special care must be exercised with notes, diagrams on boards or flip-charts or similar materials.

14.16 Extreme caution must be taken when using unprotected media, e.g. mobile phones, faxes or electronic mail. In particular, information must not be sent to terminals that are unmanned at time of sending or to which Outsiders could have access.

14.17 No aspect of the projects or transactions that contain information of a *Inside* nature may be published, commented or recommended by Internet (in the social media, forums, chats, etc.). Particular care and discretion should be exercised to minimize the exposure of temporary staff to *Inside* Information.

V. Enforcement

14.18 The officer responsible for each *Separate Area* will determine which measures apply to his/her area and will be responsible for adopting and enforcing these measures among the area's staff.

15. Additional Measures for Controlling of Information

15.1 The special business functions carried out within the *Separate Areas* may require additional measures to those detailed in the previous chapter, aimed at controlling information.

I. Physical barriers

15.2 SEPARATION:

Reasonable and appropriate physical arrangements will be set up in order to avoid the flow of information between the various *Separate Areas*, and between the *Separate Areas* and the rest of the Organization.

15.3 LOCATION:

The *Separate Areas* will be physically distanced and/or differentiated, to the extent required by the size of the Group or area itself. They will either be placed in a different location or on a separate floor or in a space clearly separate and differentiated from others in the same building.

15.4 RESTRICTED ACCESS:

Access to the *Separate Areas* will be restricted. The Compliance Department, along with the person in charge of each area, will determine which *Separate Areas* require special measures in order to control access to them.

II. Specific procedural controls

15.5 Specific internal procedures will be drawn up to establish formal requirements, verification and other measures considered suitable to ensure strict compliance with these Internal Standards of Conduct, especially regarding controls to prevent free and indiscriminate access to *Inside Information*.

III. Enforcement

15.6 The officer responsible for each *Separate Area* will liaise with the Compliance Department to determine which specific measures apply to their particular area, and will be responsible for adopting and enforcing said measures among the area's staff.

16. Controlling the Flow of Information

16.1 In addition to the aforementioned measures, a set of rules and procedures must be drawn up to allow the controlled flow of *Inside Information*, under specific circumstances. In these cases, the following rules must be observed:

16.2 The transfer of *Inside Information* within *Separate* and *Non-Separate* Areas should only occur for strictly professional reasons and when this type of information is needed to conduct a transaction or to make a decision.

16.3 Any transfer of *Inside Information* between persons from different Areas must be reported to the Compliance Department.

16.4 Should it be necessary to pass *Inside Information* to persons who do not belong to BBVA Group, the Compliance Department must be notified. Those who are to receive the information must sign a confidentiality agreement.

16.5 Should a transaction or decision require temporary incorporation into the Area with the *Inside Information* of a person from another Area other than BBVA Group, the following will apply:

16.5.1 These persons will be considered part of the area in which they are working for the period of time in which they provide their services.

16.5.2 These persons may not pass on the *Inside Information* disclosed to them as a consequence of their secondment to members of the Area where they normally work, or to any other person, except under the rules previously established in this Chapter.

17. Special Activities

17.1 Mention must be made of the following areas because of the special characteristics of their business:

I. Activity of financial analysis

17.2 This activity is regulated in the *Corporate Procedure governing the activity of Financial Analysis and the Analyst Rules*, establishing the rules, procedures, obligations and restrictions applicable to this activity and to the persons that carry it out.

17.3 *Financial Analysis* means the drawing up of *Investment Reports* and financial analysis or other forms of general recommendation on trading in financial instruments.

17.4 Paragraph 17.2 above will be deemed to include any information that, without taking into account the specific personal circumstances of the customer to whom it is addressed, implicitly or explicitly recommends or proposes an investment strategy involving one or several financial instruments or issuers of financial instruments, and including any judgment on the current or future price or value of such instruments, providing the information is targeted at distribution channels or the public and complies with the following conditions (hereinafter, the "*Research Report*"):

17.4.1 That the *Research Report* be qualified as such, or as financial analysis or any similar term, or else is presented as an objective, independent explanation of those issuers or instruments regarding which recommendations are made.

17.4.2 That the recommendation not constitute advice regarding investments, this being understood to mean providing personalized recommendations to a customers, either at the customer's request or at BBVA's initiative, with respect to one or several transactions regarding financial instruments.

- 17.5 Entities Subject and Persons Subject that draw up and/or disseminate Research Reports must:
- 17.5.1 Be fair, professional and impartial in drawing up the reports.
 - 17.5.2 Base their opinions on objective criteria, not make use of *Inside Information* and respect the Information Barriers.
 - 17.5.3 Disclose to customers, in an easily visible part of the reports, publications or recommendations, any relevant relation between BBVA Group and the entities being analyzed, including commercial relations and core holdings that BBVA Group may have or be going to have with said entities or said entities with BBVA, and any potential conflict of interest that may arise.
 - 17.5.4 Clearly state on their documents that these do not constitute a call or put bid over the securities.
 - 17.5.5 Refrain from distributing reports or analysis which contain investment recommendations whose sole aim is to benefit the company.
- 17.6 Likewise, neither the entity nor the analysts nor the rest of the stakeholders in drawing up the reports on investments may accept incentives from those who have a relevant interest in the subject-matter of the report in question. Nor may they promise the issuers to draw up favorable reports.
- 17.7 The officer in charge of the Analysis Department shall foster adoption of suitable measures to ensure that the *Research Reports* observe the foregoing principles, and the internal standards that are established to enforce them.
- 17.8 Due measures must be taken with respect to Own-Account Trading to ensure compliance with the following requirements:
- 17.8.1 The analysts and other relevant persons whose responsibilities or professional interests may enter into conflict with the interests of the persons receiving the reports, may not:
 - 17.8.1.1 Acquire, sell or receive shares or financial instruments issued by the companies they discuss in their reports, or of those that are in the sector discussed by the analyst.
 - 17.8.1.2 Carry out personal transactions or trade on account of any other person, including BBVA, with respect to the securities to which the investment reports refer, if they have knowledge of the publication dates or probable content of the reports.
 - 17.8.2 Under circumstances not covered by the previous section, financial analysts and other relevant persons charged with drawing up reports on investments may not order personal transactions with the financial instruments to which said reports refer, or with any connected financial instrument, in a manner contrary to the prevailing recommendations, except under exceptional circumstances and with prior approval from the Compliance Department.
- 17.9 The Analysis Departments shall act in complete independence from the rest of the areas or companies in BBVA Group. The business areas, particularly those dedicated to the distribution or sale of securities (and/or trading on account of customers or own account) and to the provision of Investment Banking Services, shall abstain from influencing or pressuring the Analysis Departments in the process of preparing and issuing ratings or recommendations; and they may not review or give their approval to analysis reports or supervise the employees of this area.
- 17.10 The remuneration of Analysts (salary, bonus or any other remuneration item) may not be based on a specific transaction of the Investment Banking Department, nor may it be directly linked to their contribution to the results of the Investment Banking Services.
- 17.11 These measures must guarantee that the financial analysts enjoy an appropriate level of independence from the interests of persons whose responsibilities or business interests may reasonably be considered to enter into conflict with the interests of the persons for whom the investment reports are issued.

II. Investment recommendations carried out by experts

- 17.12 It is essential to distinguish financial analysis, as described in the above paragraph and carried out by analysts who act under the principle of independence, from the investment recommendations carried out by experts. In both cases, an investment recommendation is made, however the experts prepare research reports recommending or suggesting an investment strategy, either explicitly or implicitly, in relation to one or more financial instruments or to the issuers, including all opinions on the current or future value or price of these instruments; such recommendations is targeted at distribution channels or the public, and their activity does not involve the principle of independence. As in the case of Financial Analysis, the investment recommendations carried out by experts have a specific procedure.

- 17.13 The experts' main activity is not the preparation of investment recommendations, but they can make such recommendations on a repeated basis, as they present themselves as having financial experience or expertise, or puts forward his recommendation in such a way that other persons would reasonably believe he has financial expertise or experience. These investment recommendations made by experts are known as "trading ideas".
- 17.14 The persons who draft investment recommendations or information of another type in which they recommend or suggest an investment strategy must communicate, in a clear and visible way in all the recommendations that they draft, both their identity and the identity of any other person or persons, whether individuals or legal entities, responsible for drafting the recommendation, as well as the identity of the pertinent competent authority. These persons guarantee (i) facts are clearly distinguished from interpretations, estimates, opinions and other types of non-factual information; (ii) all substantially material sources of information are clearly and prominently indicated; (iii) the projections, forecasts and price targets are clearly indicated; and (iv) the date and time when the production of the recommendation was completed are clearly indicated.
- 17.15 The persons that prepare recommendations shall notify in their recommendations all the relations and circumstances with respect to which it may be reasonable to expect that the objectivity of the recommendation is impaired, including interests or conflicts of interest, either for them or for any individual or legal entity working for them under contract, including an employment contract; or related persons who have participated in drafting the recommendation with respect to any financial instrument or issuer to which the recommendation refers directly or indirectly.

III. Managing treasury stock

- 17.16 For the purpose of these Internal Standards of Conduct, Treasury Stock Management refers to transactions on the Group's own shares. Generally, these types of transactions provide investors with adequate volumes of liquidity and depth in that particular security and reduce possible temporary imbalances between supply and demand.
- 17.17 It must be noted that Treasury Stock Management can give rise, in certain cases, to a series of *Conflicts of Interest* with the rest of the investors. This could arise from knowledge persons belonging to the entity itself have about the future expectations and performance of their business.
- 17.18 In order to avoid possible *Conflicts of Interest*, it is necessary to include this area within information control system to ensure that persons in this area do not have uncontrolled access to information existing in other areas.
- 17.19 Consequently, investment or divestment decisions will be made within the Treasury Management Department by persons who have not had knowledge of any *Inside Information* which may affect the security.
- 17.20 Moreover, when conducting transactions involving treasury stock, the following will apply:
- 17.20.1 Buying and selling transactions involving BBVA shares must be properly conducted to ensure correct formation of the stock price.
- 17.20.2 The Treasury Stock Management Department is responsible for maintaining a list of all transactions on BBVA shares. This list should include all the information necessary to correctly identify each transaction.

18. Principle of Independent Decision Making

I. General rules

- 18.1 The rules outlined below apply exclusively to decisions on acquisitions, transfers or sales of *Securities Affected* and to specific transactions concerning listed securities.
- 18.2 Within this context, decisions must be taken independently by those persons authorized to do so, without accepting specific orders or recommendations from persons belonging to other Areas.
- 18.3 In any event, persons in possession of *Inside Information* or in a situation of *Conflict of Interest* regarding the security in question, must refrain from taking part in the decision to buy or sell the *Securities Affected* or shares in listed companies, or to engage in projects or transactions relating to the securities in question.
- 18.4 Executives who are not restricted by *Information Barriers* and are part of committees or bodies which merely set general criteria and do not recommend or approve transactions concerning certain securities, are not required to refrain from such activities.

II. Decisions regarding the exercise of voting rights with respect to management activity to third-party accounts

- 18.5 The Group Areas and Collective Investment Institution Management Companies managing third-party assets must exercise the voting rights linked to the assets under management in an independent fashion, whether these be: (a) shares bearing voting rights, or (b) financial instruments conferring the right to acquire already issued listed shares that bear voting rights.
- 18.6 In this sense, they must not accept any direct or indirect instruction on the decision-making process for the vote from anyone in the dominant entity or company controlled by said dominant entity. They must always be in a position to exercise the voting rights linked to the assets under management independently from the dominant entity.
- 18.7 In this same sense, nobody in the dominant company or companies it controls must interfere, giving direct or indirect or any kind of instructions, in the exercise of voting rights belonging to the management company or the investment services company or any entity or department that manages customer assets and forms part of BBVA Group.
- 18.8 When the dominant company is customer or has a stake in the assets managed by the management company or investment company, there must be a clear written mandate imposing a relationship of independence between the dominant company and the management company or investment company.

PART V

Implementation of the Internal Standards of Conduct

19. Knowledge and Acceptance of the Internal Standards of Conduct

19.1 Persons Subject to these Internal Standards of Conduct shall acknowledge that they have read and understood the rules established herein. By signing the binding document, they agree to adhere to the rules set forth herein.

19.2 Moreover, they must know and comply with current securities markets legislation which affects their specific area of activity.

20. Consequences of Breaches of the Internal Standards of Conduct

20.1 Breach of these ISC, which have been issued to develop the provisions of the Securities Market Act and its implementing regulations and Directive 2014/57/EU of the European Parliament and of the Council, of April 16, 2014, on the criminal sanctions applicable to market abuse, may result in liability under administrative, criminal and labor law.

21. Term and Repeal

21.1 This version of the Internal Standards of Conduct in Securities Markets was ratified by BANCO BILBAO VIZCAYA ARGENTARIA, S.A., Board of Directors on November 29th, 2017.

21.2 Upon signing the binding document all Persons Subject will be required to comply with its content. Until this document is signed any Codes of Conduct or Internal Standards of Conduct which may apply will continue to be in force.

21.3 Once these Internal Standards of Conduct have been signed by those subject to it, previous BBVA Group Internal Standards and Codes of Conduct will become null and void and replaced by these Internal Standards.

ANNEX I

Indicators of Manipulations

A. Indicators of manipulative behaviour relating to false or misleading signals and to price securing

With respect to the conduct described in point 6.3.1 a), the following indicators (but not limited to them) will be taken into account. They shall not necessarily be deemed, in themselves, to constitute market manipulation, shall be taken into account when transactions or orders to trade are examined by market participants and competent authorities:

- (a) the extent to which orders to trade given or transactions undertaken represent a significant proportion of the daily volume of transactions in the relevant financial instrument, related spot commodity contract, or auctioned product based on emission allowances, in particular when those activities lead to a significant change in their prices;
- (b) the extent to which orders to trade given or transactions undertaken by persons with a significant buying or selling position in a financial instrument, a related spot commodity contract, or an auctioned product based on emission allowances, lead to significant changes in the price of that financial instrument, related spot commodity contract, or auctioned product based on emission allowances;
- (c) whether transactions undertaken lead to no change in beneficial ownership of a financial instrument, a related spot commodity contract, or an auctioned product based on emission allowances;
- (d) the extent to which orders to trade given or transactions undertaken or orders cancelled include position reversals in a short period and represent a significant proportion of the daily volume of transactions in the relevant financial instrument, a related spot commodity contract, or an auctioned product based on emission allowances, and might be associated with significant changes in the price of a financial instrument, a related spot commodity contract, or an auctioned product based on emission allowances;
- (e) the extent to which orders to trade given or transactions undertaken are concentrated within a short time span in the trading session and lead to a price change which is subsequently reversed;
- (f) the extent to which orders to trade given change the representation of the best bid or offer prices in a financial instrument, a related spot commodity contract, or an auctioned product based on emission allowances, or more generally the representation of the order book available to market participants, and are removed before they are executed; and
- (g) the extent to which orders to trade are given or transactions are undertaken at or around a specific time when reference prices, settlement prices.

B. Indicators of manipulative behaviour relating to the employment of a fictitious device or any other form of deception or contrivance

Regarding conduct described in point 6.3.1.b), at least the following indications shall be taken into account when examining the transactions or orders to be traded. They shall not necessarily be deemed, in themselves, to constitute market manipulation, shall be taken into account when transactions or orders to trade are examined by market participants and competent authorities:

- (a) whether orders to trade given or transactions undertaken by persons are preceded or followed by dissemination of false or misleading information by the same persons or by persons linked to them; and
- (b) whether orders to trade are given or transactions are undertaken by persons before or after the same persons or persons linked to them produce or disseminate investment recommendations which are erroneous, biased, or demonstrably influenced by material interest.

ANNEX II

Esma: Accepted Market Practices

Date	Ref.	Title	Section
30/05/2005	AMP France Liquidity	Accepted Market Practices: a market practice related to share buy back programs. Liquidity contracts on Euronext (France)	Market Abuse
11/02/2008	AMP Spain	Accepted Market Practices: Liquidity Contracts (Spain)	Market Abuse
19/08/2008	AMP Portugal	Accepted Market Practices: Liquidity Contracts (Portugal)	Market Abuse
31/05/2010	AMP Italy	Accepted Market Practices: Liquidity Enhancement Agreements and Purchase of own shares to set up a shares ware-house position (Italy)	CESR Archive

Specific annex to the internal regulation on conduct in securities markets, applicable to Banco Bilbao Vizcaya Argentaria, S.A. as depository entity

Contents

- A. Scope of application and regulatory framework.
- B. General principles.
- C. General rules for separation as depository entity from CIIs, Venture Capital entities, Pension Funds and EPSV.
- D. Rules of separation as depository entity from CIIs, Pension Funds and Venture Capital entities managed by BBVA Group entities. Control of information flow between the managing company and the Depository
- E. Possible conflicts of interest in the delegation of functions, particularly in deposit activity.
- F. Possible conflicts of interest in the delegation of functions, particularly in deposit activity.

A. Scope of application and regulatory framework

This Annex supplements the standards of conduct included in the Internal Standards of Conduct in the Securities Markets with respect to the depository activity of Banco Bilbao Vizcaya Argentaria, S.A. ("BBVA") as depository entity of collective investment institutions (CIIs), Venture Capital entities or closed-end collective investment entities (hereinafter, "VC"), pension funds (PFs) and Voluntary Social Prevision Entities ESPV).

Hereinafter, BBVA as depository of CIIs, VC, PFs and ESPV is referred to as "Depository".

The following rules are established under the provisions of the laws below:

- Act 35/2003, dated November 5, on Collective Investment Institutions.
- Royal Decree 1082/2012, dated July 13, approving the Regulation developing Act 35/2003, dated November 4, on collective investment institutions.
- Act 22/2014, dated November 12, regulating venture capital institutions, other closed-end collective investment entities and the managing companies of closed-end collective investment entities.
- Circular 4/2016, dated June 29, of the National Securities Market Commission (CNMV), on the functions of the depositaries of collective investment institutions and entities regulated by Act 22/2014, dated November 12, regulating risk-capital entities, other closed-end collective investment entities and companies managing closed-end collective investment entities, and amending Act 35/2003, dated November 4, on Collective Investment Institutions.
- Commission Delegated Regulation (EU) 2016/438, of December 17, 2015, supplementing Directive 2009/65/EC, of the European Parliament and of the Council, with respect to the obligations of depositaries.
- Commission Delegated Regulation (EU) 231/2013, supplementing Directive 2011/61/EU of the European Parliament and of the Council, with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision.
- Royal Legislative Decree 1/2002, which approved the revised text of the Pension Plans and Funds Regulations Act.
- Royal Decree 304/2004, dated February 20, approving the Regulations of Pension Plans and Funds.
- Act 5/2015, dated February 23, on Voluntary Pension Institutions.
- Decree 203/2015, dated October 27, approving the Regulation of Act 5/2012, dated February 23, on Voluntary Pension Institutions.

For the purpose of this annex, when referring to BBVA Group entities, or in general to the Group, the definition of “group of companies” used is that included in article 5 of Royal Legislative Decree 4/2015 dated October 23, approving the codified text of the Securities Market Act, unless a specific indication to another article is made.

B. General principles

1. The Depositary shall avoid any conflict of interest that may arise in relation to the corresponding management companies.
2. The Depositary shall act honestly, fairly and professionally, and with independence, and only in the interest of the CIIs, VC, PFs, EPSV and their unitholders, shareholders, beneficiaries and partners (as appropriate).
3. The Depositary shall not carry out any activities with respect to the CIIs, VC, PFs and EPSV that may generate conflicts of interest between the management company, the CIIs, VC, PFs and EPSV, their unitholders, shareholders, beneficiaries and partners (as appropriate), and itself, unless the Depositary has made a functional and hierarchical separation of the performance of its functions as depositary from its other potentially conflictive functions, and possible conflicts of interest are duly identified, managed, controlled, mitigated and communicated to the unitholders, shareholders, beneficiaries and partners (as appropriate) of the CIIs, VC, PFs and EPSV.
4. When a conflict of interests cannot be avoided, BBVA will manage, control and disclose the conflict with the aim of avoiding adverse effects for the interests of the CIIs, VC and their investors.
5. The rules and guidelines described in this Annex must be complied with by all those individuals who carry out their duties at the Depositary.
6. BBVA shall apply the general information protection measures established in BBVA's Internal Standards of Conduct in Securities Market to information derived from its activity as a depositary that may be considered Inside Information.

C. General rules for separation as depositary entity from CIIs, VC, PFs and EPSV

1. Rules applicable to CIIs and VC.

The management company or investment company and BBVA will at all times comply with the following requirements:

- 1.1. No person may at the same time be a member of the Board of Directors of the management company or of the investment company and a member of the Board of Directors of BBVA.
- 1.2. No person may at the same time be a member of the Board of Directors of the management company or of the investment company and a BBVA employee.
- 1.3. No person may at the same time be a member of the Board of Directors of BBVA and an employee of the management company or of the investment company.

2. Rules applicable to PFs and EPSV.

The depositary shall not carry out any activities that may generate conflicts of interest between the entity, partners, unitholders, beneficiaries and itself, unless the depositary has made a functional and hierarchical separation of the performance of its functions as depositary from its other potentially conflictive functions, and possible conflicts of interest are duly identified, managed and controlled and reported to the partners, unitholders and beneficiaries of the EPSV or PFs, as appropriate.

D. Rules of separation as a depository of CII, PFs, VC managed by Group entities

In addition to the provisions of section C, when BBVA and the management companies of the CII, VC and PFs are in the same group, the necessary measure will be decided on to guarantee that the information derived from BBVA's activity as depository is not directly or indirectly available to the personnel of the management companies.

In particular, the following rules of separation shall be implemented:

- a. Absence of common board members or directors.
- b. Effective management of the management company will be carried out by persons independent of BBVA.
- c. BBVA and its management company shall have different registered offices and their centers of activity shall be physically separate.
- d. There shall be a physical separation of the human and material resources dedicated to the management and depository activity.
- e. BBVA shall have in place computer means of control for preventing any flow of information which may give rise to conflicts of interest between the management and depository functions and, in general, access to its information systems by individuals unconnected with the entity.

In addition, BBVA as depository of the CII and VC must ensure that:

- a. At least a third, or two persons (whichever figure is lower) out of the members of the board of directors of the management company or investment company and BBVA are independent.

For the purpose of this section, the members of the board of directors of the management company or the investment company and the members of the board of directors of BBVA shall be considered independent, provided that they are not members of the board of directors or the body responsible for functions of representation or employees, of any other of the companies between which there is a group relationship, and they do not have any type of business, family or other relationship with the management company / investment company, BBVA or any other company in the group that could give rise to conflicts of interest that may undermine their capacity for judgment.

- b. The depository shall adopt policies and procedures that guarantee the identification of all the conflicts of interest that may arise from the links of the group with the management company, and the adoption of all the measures that are reasonable to avoid such conflicts.

E. Control of information flow between the management company and the Depository

The designation of the Depository must be established by written contract with the Management Company, stipulating the transfer of information needed for the performance of its functions.

The management companies must provide the Depository, on time and in proper format, the information needed for it to perform the supervision and control functions established in current law and in accordance with the description of its Procedures Manual, also guaranteeing that the information submitted by the management company shall not generate conflicts of interest between those responsible for each activity.

The management companies shall provide the Depository the information requested by the latter, with the frequency to be determined, to ensure it can properly carry out its supervision and monitoring functions.

This information may only be provided/requested by the individuals identified and communicated for this purpose by both the management companies and the Depository.

F. Possible conflicts of interest in the delegation of functions, particularly in deposit activity

The Depository may delegate its functions to a third party, subject to compliance with the requirements and limitations included in applicable law. Except for the cases provided for by applicable law, such delegation does not in any case release the Depository from its liabilities. The measures mentioned above on separation must also be complied with in cases where the Depository has delegated its functions to third parties.