

**INTERNAL STANDARDS OF CONDUCT
ON THE SECURITIES MARKETS**

BBVA

Contents

PART I INTRODUCTION

1. INTRODUCTION AND APPLICABLE REGULATIONS	
I. Introduction	6
II. Regulatory Framework.....	8
2. SCOPE OF APPLICATION	
I. Entities Subject to these Standards	9
II. Persons Subject to these Standards	9
III. Securities Affected	11
3. THE COMPLIANCE DEPARTMENT	
I. Powers	13
II. Functions	13
III. Duty of Confidentiality	14

PART II: GENERAL STANDARDS OF CONDUCT

4. PRIVILEGED INFORMATION	
I. Defining Privileged Information	15
II. Prohibitions	17
III. Obligations	18
IV. Special Activities	18
5. CONFLICTS OF INTEREST	
I. Possible Conflicts of Interest	19
II. Identifying Conflicts of Interest.....	19
III. Preventing Conflicts of Interest	20
IV. Resolving Conflicts of Interest	21
V. Disclosing Conflicts of Interest	21
6. MARKET INTEGRITY: PRICE MANIPULATION	
I. Generic Obligation	22
II. Prohibited Practices	22
III. Indications	23
IV. Enforcement.....	24
V. Communication with the Regulator.....	24
VI. Special Activities	25

Contents

PART III

STANDARDS FOR OWN-ACCOUNT TRADING BY PERSON SUBJECT

7. OWN-ACCOUNT TRADING OF PERSONS SUBJECT	
I. Definition of Own-Account Trading	26
II. Obligations regarding other relatives living with the Person Subject, or other persons with an interest	27
III. Definition of Securities Affected	27
8. PORTFOLIO MANAGEMENT CONTRACTS	
I. Signing Portfolio Management Contracts	28
II. Transactions within the framework of Portfolio Management	28
9. GENERAL RESTRICTIONS ON OWN-ACCOUNT TRADING	
I. Prohibitions	29
II. Doing transactions	30
III. Type of orders	31
IV. Provision of funds or securities	31
V. Holding securities in portfolio	31
VI. Prohibitions on trading under special circumstances	32
VII. Exceptions to general restrictions	32
10. SPECIAL RESTRICTIONS ON OWN-ACCOUNT TRADING	
I. Application of special restrictions	33
II. Advance notification of transactions	33
III. Prior authorisation of transactions	33
IV. Prohibition against trading certain securities	34
11. NOTIFICATION OF TRANSACTIONS MADE IN OWN ACCOUNT TRADING	
I. Disclosure duty	35
II. Disclosure procedures	35

Contents

PART IV CONTROL OF INFORMATION

12. CONTROL OF INFORMATION OBJECTIVES AND INFORMATION BARRIERS	
I. Objectives of Information Oversight.....	36
II. Establishment of Information Barriers.....	36
13. SEPARATE AREAS	
I. Defining Separate Areas.....	37
II. Structure of Separate Areas	37
14. OTHER AREAS IN THE GROUP	38
15. GENERAL MEASURES FOR PROTECTING INFORMATION	
I. Locating information and identifying Insiders	39
II. List of Securities and Insiders	40
III. Physically protecting the information	40
IV. Controlling dissemination of information.....	40
V. Enforcement.....	41
16. ADDITIONAL MEASURES FOR CONTROLLING INFORMATION	
I. Physical Barriers	42
II. Specific procedural controls.....	42
III. Enforcement.....	42
17. CONTROLLING THE FLOW OF INFORMATION	43
18. SPECIAL ACTIVITIES	
I. Activity of Financial Analysis.....	44
II. Managing Treasury-Stock.....	45
19. PRINCIPLE OF INDEPENDENT DECISION MAKING	
I. General Rules	47
II. Decisions regarding the exercise of voting rights with respect to management activity to third-party accounts.....	47
20. RELEVANT INFORMATION	
I. Definition of Relevant Information.....	48
II. Duty to report Relevant Information	48
III. Control measures.....	49

Contents

PART V

IMPLEMENTATION OF THE INTERNAL STANDARDS OF CONDUCT

21. KNOWLEDGE AND ACCEPTANCE OF THE INTERNAL STANDARDS OF CONDUCT	51
22. CONSEQUENCES OF FAILURE TO COMPLY WITH THE INTERNAL STANDARDS OF CONDUCT	52
23. TERM AND REPEAL.....	53

ANNEX:

GENERAL STANDARDS OF CONDUCT APPLICABLE TO CUSTOMER RELATIONS

1 INTRODUCTION AND APPLICABLE REGULATIONS

I. INTRODUCTION

- 1.1 Integrity in business is one of the values comprising the BBVA Group's corporate culture. This commitment to integrity is put into practice through the BBVA Group's Code of Conduct, which contains the principles and standards that all employees and management in the Group must observe when acting for BBVA. These principles include general standards to conserve integrity in 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 **BBVA Group Policy on Conduct in the Securities Markets**, which applies to all employees and management in the BBVA Group worldwide and establishes the minimum standards to be respected with respect to Privileged Information, Price Manipulation, Conflicts of Interest and Own-Account Trading for all the people that comprise BBVA.
- 1.3 In each jurisdiction, the **Policy** is supplemented with a set of Internal Standards of Conduct on Securities Markets. This is informed 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 In December 2000, the Board of Directors of BANCO BILBAO VIZCAYA ARGENTARIA, S.A. (hereforeto BBVA) approved its Code of Conduct on the Securities Market, which established required rules of behaviour to ensure that institutional and personal actions of BBVA Group professionals on the Securities Markets be carried out in strict compliance with prevailing legislation and in accordance with generally accepted ethical standards intended to foster transparency on the markets (ensuring price formation mechanisms function appropriately) and to preserve investors' interests at all times.
- 1.5 On 18th February 2003, the BBVA Board of Directors passed an amendment to the content of those chapters in the Code affected both by the enactment of the Finance Act Reform in November 2002 and by the evolution of the BBVA Financial Group's businesses and organisational structure. Adapting to the new legal environments only required the amendment of specific concepts and the consequent amendment of the regime of obligations and duties for the persons and organisations affected.
- 1.6 On 28th February 2006, the BBVA Board of Directors approved a further amendment to the Code, firstly to adapt it to changes in regulations, mainly stemming from Royal Decree 1333/2005 and secondly, to improve its content in those aspects where experience in applying the Code made this advisable.

- 1.7 Finally, on 24th September 2008 the BBVA Board of Directors approved an amendment adapting the Code, hereforeto "Internal Standards", to the requirements stemming mainly from the transposition to Spanish law of European regulations related to the 2004/39/EC Markets in Financial Instruments Directive (known as MiFID) and its ramifications, which have given rise to substantial changes in the Securities Market Act and the issue of Royal Decree 217/2008, 15th February.

II. REGULATORY FRAMEWORK

1.8 These Internal Standards of Conduct have been written in accordance with current legislation, and their main provisions are highlighted in the following sections:

- 1.8.1 Act 24/1988, 28th July, concerning Securities Markets.
- 1.8.2 Royal Decree 1333/2005, 11th November, ramifying Act 24/1988, 28th July, on the Securities Market, regarding market abuse.
- 1.8.3 Royal Decree 217/2008, 15th February, on the legal regime governing investment services enterprises and other organisations providing investment services.

2 SCOPE OF APPLICATION

I. ENTITIES SUBJECT TO THESE STANDARDS

- 2.1 All Entities domiciled in any of the European Union member States, and all branches domiciled within the EU belonging to the BBVA Financial Group (hereforeto “BBVA Group”) who either directly or indirectly conduct business on the securities markets are deemed *Entities Subject* to these Internal Standards of Conduct, with the exception of those bound by internal standards of conduct on the securities markets of their own.
- 2.2 The Compliance Department will keep an updated list of the *Entities Subject* to the current Internal Standards of Conduct.

II. PERSONS SUBJECT TO THESE STANDARDS

- 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 Management Committee.
 - 2.3.3 Other managers, partners and staff employed by the Group Entities Subject who should be subject to these Internal Standards (1) due to the level of their responsibilities or (2) because they engage in activities related to the Securities Markets and thus, have access to Privileged Information or Relevant Information, 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 Internal Standards of Conduct, the people 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 65 b of the Securities Market Act, these standards will 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 authorise specific exemptions from compliance with pre-determined obligations in the Internal Standards, 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 or communicate through the BBVA Group under the terms established in sections 9.16 and 9.17 herein.

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 will determine which members of the BBVA Group are subject to these Internal Standards, and where applicable, determine the period of time for which they are bound by them. The Compliance Department will keep an updated list of the *Persons Subject* to these Standards and any others that are exempt, in compliance with the authorisations granted under section 2.6 above.

2.8 Without detriment to the measures established under contract, when it is deemed necessary, these Internal Standards may be extended, in full or in part, to entities providing services under an outsourcing contract or under a contract empowering them to do so, or to any individual person

2.8.1 providing services, which are under the control of the Entities Subject or any of their agents, which participate in providing investment services, or

2.8.2 which participate directly in providing services to these under an agreement empowering them to carry out the investment services provision or exercise functions essential to such provision,

whenever their activities are carried out under analogous circumstances to those in section 2.3.3 above.

III. SECURITIES AFFECTED

2.9 The provisions contained in these Internal Standards of Conduct apply to those securities and financial instruments that at any time fall within the scope of prevailing legislation concerning Securities Markets.

2.10 Thus, in accordance with article 2 of the Securities Markets Act, the following securities are included:

2.10.1 Negotiable 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 deemed to be negotiable securities:

- 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.
- Stakeholder certificates (*quotas participativas*) of savings banks and the stakeholder certificates of the Spanish confederation of savings banks (CECA).
- The bonds, debentures and other analogous securities representing participation in debt issues, including convertible or swappable securities.
- Mortgage-backed securities, bonds and warrants.
- Securitised bonds.
- Shares and units in collective-investment institutions.
- Money-market instruments, ie, 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.
- Preferred securities.
- Covered bonds secured by regional-government loans (*cedulas territoriales*).
- 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, eg, negotiable securities, currency, interest rates or distributions, commodities, credit risk or other indices or benchmarks.
- Others deemed to be negotiable securities by legal and statutory provisions.

2.10.2 Contracts on options, futures or swaps, forward interest-rate agreements and other contracts for derivative financial instruments linked to securities, currencies, interest rates or distributions, or other derivative financial instruments, financial indices or financial measures that may be settled in kind or in cash.

- 2.10.3 Contracts on options, futures or swaps, forward interest-rate agreements and other contracts for derivative financial instruments linked to commodities that must be settled in cash or may be settled in cash at the request of one of the parties (for reasons other than breach of contract or any event leading to cancellation of the contract).
 - 2.10.4 Contracts on options, futures or swaps and other contracts for derivative financial instruments linked to commodities that may be settled in kind, provided these are traded on a regulated market or through a multilateral trading system.
 - 2.10.5 Contracts on options, futures or swaps, forward interest-rate agreements and other contracts for derivative financial instruments linked to commodities that may be settled by physical delivery 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 recognised clearing chambers or whether they are subject to regular adjustments in their guarantee margins, etc.
 - 2.10.6 Derivative financial instruments for transfer of credit risk.
 - 2.10.7 Cash-settlement financial contracts.
 - 2.10.8 Contracts on options, futures, swaps, forward interest-rate agreements and other contracts for derivative financial instruments linked to variables in weather, transport expenses, emission permits or inflation rates or other official economic statistics, that must be settled in cash or that may be settled in cash at the choice of one of the parties (for reasons other than breach of contract or another event leading to cancellation of the contract), and also any other contract for derivative financial instruments linked to assets, rights, obligations, indices or 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 recognised clearing chambers or whether they are subject to regular adjustments in their guarantee margins, etc.
- 2.11 In general, the rules contained in this set of Internal Standards of Conduct shall be applicable to all the securities defined in the previous section, which shall hereforeto be called *Securities Affected*.
- 2.12 However, at any time, in compliance with prevailing regulations, the Compliance Department may 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 Internal 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 compliance with the principles contained in these Internal Standards of Conduct, 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 person or body in the 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 BBVA Group employees and executives are obliged to attend to such requests for information diligently and precisely and, where applicable, to supply the Compliance Department access to information 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 Securities Markets.
- 3.4 Interpret specific applications of the rules contained in these Internal Standards of Conduct and monitor 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 Internal Standards.
- 3.6 Check that the entity has adequate administrative and organisational measures to avoid possible *Conflicts of Interest* damaging customers's interests.
- 3.7 Establish means of control over the transactions carried out by *Persons Subject* to these Internal Standards of Conduct.
- 3.8 Maintain control over the *Privileged Information* in compliance with the standards contained herein, keeping *Lists of Insiders* and *Lists of 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 *Privileged Information*.
- 3.10 Deal with any queries forthcoming from *Persons Subject* with respect to these Internal Standards of Conduct.

- 3.11 Answer requests for information regarding rules of conduct on the securities market sent to the BBVA Group by the regulatory authorities.
- 3.12 Keep a register of Relevant Events which have been forwarded to the securities markets regulators.
- 3.13 Propose the composition and possible changes in the list of *Separate Areas* of the BBVA Group.
- 3.14 Assess the suitability of measures to be established in each Area of the BBVA Group to control access to and transmission of *Privileged Information*.
- 3.15 Establish periodic training programmes to make the Internal Standards of Conduct known and understood amongst all people who should know them.
- 3.16 Ensure the necessary procedures are established and ramified in order to comply with the rules outlined in these Internal Standards of Conduct.
- 3.17 Any other duty that may be relevant in order to reduce the risk of possible non-compliance with these Standards.

III. DUTY OF CONFIDENTIALITY

- 3.18 The Compliance Department shall guarantee the confidentiality of the data that, in compliance with these Internal Standards of Conduct, are submitted by *Persons Subject* and, where applicable, those whom these people have entrusted with their asset management. To such end, it shall develop procedures and foster the design of any systems that may be necessary.

4 PRIVILEGED INFORMATION

I. DEFINING PRIVILEGED INFORMATION

4.1 As established in article 81.1 of the Securities Markets Act, *Privileged Information* is defined as follows:

4.1.1 It is specific in nature.

4.1.2 It refers directly or indirectly to one or several negotiable securities and financial instruments covered by the Securities Market Act, or to one or various issuers of such securities and instruments.

4.1.2.1 The above paragraph shall also apply to negotiable securities and financial instruments for which listing has been requested on an organised market or trading system.

4.1.3 It has not been made public.

4.1.4 If made public, it would likely have or have had a significant effect on the price of the securities in an organised trading system or market or on the price of their related derivative financial instruments.

4.2 According to article 1 of Royal Decree 1333/2005, when evaluating whether or not information should be classified as *Privileged*, the information will be considered to be specific in nature if:

4.2.1 It indicates a set of circumstances that exist, or could reasonably be expected to exist, or an event that has occurred or could reasonably be expected to occur,

4.2.2 The information is sufficiently detailed to allow it to lead to conclusions regarding its possible effect on a set of circumstances or events regarding the prices of negotiable securities or their corresponding financial instruments or, where applicable, the derivative financial instruments related to them.

4.3 Likewise, information that may be considered to noticeably influence pricing when such information could be used by a reasonable investor as part of the basis for their investment decisions.

- 4.4 According to article 81.1, *Privileged Information* regarding derivatives of commodities shall be defined as follows:
- 4.4.1 Is specific in nature.
 - 4.4.2 Has not been made public.
 - 4.4.3 Refers directly or indirectly to one or several of these derivatives.
 - 4.4.4 That which users of the markets in which these products are traded would expect to receive according to accepted market practices in said markets.
- 4.5 For the effects of point 4.4.4 above, it is presumed that market users expect to receive information directly or indirectly related to one or several derivative financial instruments when this information:
- 4.5.1 Is made available to the users of these markets on a regular basis; or
 - 4.5.2 Should obligatorily be revealed by virtue of laws or regulations, market standards, contracts or the market practices of the underlying commodities or the market of instruments derived from the commodities in question.
- 4.6 Without prejudice to the foregoing sections, and by way of clarification but not limitation, *Privileged Information* often affects the following:
- 4.6.1 A company's profit and loss account.
 - 4.6.2 Extraordinary changes to the company's profit and loss account or changes to earnings guidance which has been made public.
 - 4.6.3 Transactions conducted by the company such as capital increases or the issuing of securities which have special relevance.
 - 4.6.4 Significant mergers or acquisitions.
 - 4.6.5 Circumstances which could lead to litigation, disputes or sanctions which may have a significant effect on the expected results.
 - 4.6.6 Decisions taken by the Authorities prior to these being made public.
 - 4.6.7 Information covering large put and call orders on specific securities.
 - 4.6.8 Other facts or similar situations.
- 4.7 Regarding persons charged with executing orders relating to negotiable securities or financial instruments, all information passed on by a customer in relation to their own pending orders shall be considered *Privileged Information* when it complies with the requirements of section 4.1 above.

- 4.8 Information will not be considered privileged once it is disclosed to the public or is no longer relevant and therefore has no effect on the price of Securities Affected. As a general principle, information is to be considered public from the time it has been recorded on the relevant authority's public register or from when it has been published using any medium authorised by the issuer.

II. PROHIBITIONS

- 4.9 Any one in possession of *Privileged Information* who knows, or should know, that it is privileged, will be subject to the following prohibitions:

4.10 Prohibitions against preparing or engaging in own-account transactions.

- 4.10.1 Employees in possession of *Privileged Information* may not directly or indirectly prepare or engage in any kind of Own-Account Trading of securities or financial instruments to which such information refers, nor of any other security, financial instrument or contract of any kind, whether or not traded on a secondary market, whose underlying are negotiable securities or financial instruments to which the information refers.

- 4.10.2 Notwithstanding, the above prohibitions shall not apply to the following:

- 4.10.2.1 Preparation and engagement in transactions whose existence, in itself, constitutes *Privileged Information*.

- 4.10.2.2 Transactions carried out in compliance with an obligation, already due, to buy or sell negotiable securities or financial instruments, when this obligation is covered by an agreement signed before the person involved came into possession of the *Privileged Information*.

- 4.10.2.3 Any other transaction done in accordance with applicable regulations.

4.11 Prohibitions against preparing or engaging in third party transactions.

Anyone in possession of *Privileged Information* shall be subject to the same restrictions as outlined in section 4.10 above regarding direct or indirect trading for third parties.

4.12 Prohibition against passing on information to third parties.

No-one in possession of *Privileged 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 17 of these Internal Standards of Conduct (Controlling the Transfer of Information). 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 *Privileged 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, 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 20 herein.

4.13 Prohibition against recommendations.

Persons in possession of *Privileged Information* cannot recommend the purchase, sale or lending of securities or induce another to purchase or assign based on *Privileged Information*.

III. OBLIGATIONS

4.14 Anyone who, because of their position or responsibilities within the BBVA Group, is in possession of Privileged Information will be subject to the following obligations:

4.15 Obligation to safeguard information.

4.15.1 Anyone in possession of Privileged 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.

4.15.2 In pursuit of the above obligation, anyone in possession of Privileged Information must adopt suitable measures to avoid it being abusively or unfairly used.

4.15.3 Likewise, should Privileged Information be used abusively or unfairly, anyone aware of this must immediately report it to their superior and to the Compliance Department.

4.16 Obligation to notify the Compliance Department of Privileged Information.

Anyone in possession of *Privileged Information* must notify the Compliance Department immediately. Notification must take place by the people and in accordance with the rules detailed in Chapter 15 section (I). Furthermore, any transfer of this type of information must take place following the terms outlined in Chapter 17 of the Standards (Controlling the Transfer of Information).

IV. SPECIAL ACTIVITIES

4.17 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.

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 duties pursued in the Securities Markets by the BBVA Group make it possible that the following *Conflicts of Interest* may arise at certain times:

- 5.2.1 Between different areas within the BBVA Group.
- 5.2.2 Between BBVA Group customers and the 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 the 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 the 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 the BBVA Group.

WARNING: The English version is only a translation of the original in Spanish for information purposes. In case of a discrepancy, the Spanish original prevails.

- 5.6 When determining the possibility of *Conflicts of Interest* due to the *Persons Subject's* affiliations, 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 defines as *Equivalent Persons* in its 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 section 5.7 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) Ascendents, descendents and siblings of the person subject to the Standards, and their respective spouses or persons with analogous relationship of affect, pursuant to the domestic legislation.
- c) Ascendents, descendents and siblings of the spouse or person with analogous relationship of affect, pursuant to the 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.
- b) Directors or senior management of listed companies or Investment Services Companies.

IV. RESOLVING CONFLICTS OF INTEREST

- 5.9 The BBVA Group has a policy on *Conflicts of Interest* intended to prevent such Conflicts harming the interests of its customers. Moreover, in order to resolve any kind of potential *Conflicts of Interest*, each Area of the BBVA Group shall have procedures to guarantee they are properly managed.

V. DISCLOSING CONFLICTS OF INTEREST

- 5.10 When the organisational and/or administrative measures adopted to manage the *Conflict of Interests* 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 lasting 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: PRICE MANIPULATION

I. GENERIC OBLIGATION

- 6.1 Any person or entity engaging directly or indirectly in activities related to the securities market must refrain from preparing or engaging in practices that distort market price formation, ie, that constitute market manipulation. The following shall be deemed to be such practices:

II. PROHIBITED PRACTICES

- 6.2 Issuing orders or engaging in market transactions that provide or may provide false or deceptive indications of supply, demand or the price of negotiable securities or financial instruments.
- 6.3 Issuing orders or engaging in transactions that uphold, through one or several persons acting in a concerted manner, the price of one or several financial instruments at an abnormal or artificial level, unless the person who effected the transactions or issued the orders can prove the legitimacy of their reasons and these reasons are in keeping with accepted market practices in the regulated market in question.
- 6.4 Issuing orders or engaging in transactions that employ fictitious devices or any other form of deceit or scheming.
- 6.5 Disseminating information through the mass media, including internet, or through any other medium, that provides or may provide false or deceptive indications about the financial instruments, including propagating rumours and false or deceptive news items, when the person divulging them knows or should have known that the information was false or deceptive.
- 6.6 Acting individually or in concert with others to ensure a dominant position over the supply and/or demand of a security or financial instrument resulting in indirect or direct fixing of purchase or sale prices or fixing of other non-equitable trading conditions.
- 6.7 Selling or buying a financial instrument or security as the market closes with the effect of inducing error amongst investors who act on the basis of closing prices.
- 6.8 Taking advantage of occasional or periodic access to the traditional or electronic media, publicising an opinion on a financial instrument or security or, indirectly, its issuer, after having taken positions on this financial instrument or securities, and consequently having benefited from the repercussions of the opinion expressed on the price of said financial instrument or security, without having simultaneously disclosed this conflict of interest to public opinion in a suitable and effective manner.

6.9 Notwithstanding, the following exceptions are made to the above prohibitions:

- 6.9.1 Orders or transactions that originate in the BBVA Group implementing programmes to buy back own stock or in activities to stabilise securities or financial instruments in the framework of public offerings, provided these comply with legally established conditions on such activities.
- 6.9.2 In general, transactions or orders effected in compliance with applicable regulations.

III. INDICATIONS

6.10 In order to determine whether or not conduct constitutes a practice distorting free price formation, ie, manipulating the market, the indications contained below must be taken into account. The list is not exhaustive and the practices cannot, of themselves, be considered to constitute market manipulation.

6.11 Regarding conducts described in point 6.2 and 6.3 above, at least the following indications shall be taken into account when examining the transactions or orders to be negotiated:

- 6.11.1 To what degree orders to be negotiated given and transactions carried out represent a significant proportion of the daily volume of transactions of the security or financial instrument in question on the corresponding regulated market, especially when orders given and transactions carried out lead to a significant change in the price of the financial instrument.
- 6.11.2 If orders to be negotiated given and transactions carried out by persons with a significant buying or selling position on securities and financial instruments lead to a significant change in their listed price or in the price of the derivative or underlying financial instrument related to it that is listed on a regulated market.
- 6.11.3 To what degree transactions carried out, either between persons or institutions acting on the account of the other, or between persons or institutions acting on the account of a same person or institution, or by persons acting on the account of another person, do not lead to any change in the ownership of the security or financial instrument listed on a regulated market.
- 6.11.4 If orders to be negotiated given and the transactions carried out include withdrawing from positions in a short period and represent a significant proportion of the daily volume of transactions of the security or financial instrument in question on the corresponding regulated market, and could be associated to significant changes in the price of the security or financial instrument listed on a regulated market.
- 6.11.5 To what degree orders to be negotiated given or transactions carried out are concentrated in a short time period during trading hours and lead to a price change that is later inverted.

- 6.11.6 If orders to be negotiated change the best demand or supply price of a security or financial instrument that is listed on a regulated market, or in general, change the configuration of the order book available to market operators, and are withdrawn before being executed.
- 6.11.7 If orders to be negotiated are given or the transactions carried out at the specific moment, or around it, when the reference prices, the settlement prices and the gains are being calculated and lead to changes in the listed prices that affect these prices and gains.
- 6.12 Regarding the conduct described in point 6.4 and 6.5 above, at least the following indications shall be taken into account when examining the transactions or orders to be negotiated.
- 6.12.1 If the orders to be negotiated given or the transactions carried out by certain persons are preceded or followed by the dissemination of false or deceptive information by the same persons or others related to them.
- 6.12.2 If the orders to be negotiated given or the transactions carried out by certain persons before or after said persons or others related to them draw up or disseminate analysis or recommendations on investment that are erroneous, biased or could be shown to be influenced by a relevant interest.

IV. ENFORCEMENT

- 6.13 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.
- 6.14 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 analyse 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 WITH THE REGULATOR

- 6.15 When it is deemed that there are reasonable indicators to suspect that a transaction is using *Privileged Information* or constitutes a practice distorting the free formation of prices, 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.

VI. SPECIAL ACTIVITIES

6.16 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.

In such cases, the Compliance Department, or another appointed to do so, shall inform the persons affected of the specific rules applicable to them.

7 OWN-ACCOUNT TRADING OF PERSONS SUBJECT

I. DEFINITION OF OWN-ACCOUNT TRADING

- 7.1 For the purposes of these Internal Standards of Conduct, *Own-Account Trading* refers to transactions involving *Securities Affected* that are executed by *Persons Subject* to the Internal Standards of Conduct or to 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, shall be considered on a par with and be bound by the same restrictions as if performed by *Persons Subject to the Standards*. The following are considered one and the same with the *Person Subject*:
- 7.2.1 The spouse or anybody united to them 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 their 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 4 of the Securities Market Act 24/1988 (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 transaction shall be carried out through any third person acting as a “front man” other than a recognised nominee company controlled by a regulated entity.
- 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 item *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 *Person Subjects'* transaction/s. 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 In this sense, transactions with shares or units in Spanish collective investment institutions, and transactions with such institutions under harmonised EU regulations (or equivalent¹), provided the *Person Subject* or any other person for whose account the transaction is being made does not participate in the management of the institution, will not be deemed *Own-Account Trading* and are consequently exempt from compliance with restrictions other than any special restrictions that may be established from time to time.

¹ where "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.

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 sign 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 signed 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*.

II. TRANSACTIONS WITHIN THE FRAMEWORK OF PORTFOLIO MANAGEMENT

- 8.4 Any transaction on which there was prior communication between the portfolio manager and the *Person Subject* (or person/s for 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 detailed in the following sections.

I. PROHIBITIONS

9.2 *Own-Account Trading* is prohibited under the following circumstances:

9.2.1 The transaction entails unsuitable use of *Privileged Information* as established under section 4.10 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.

9.3 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 Trade 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 or assist another person such that they carry out said transaction.

II. DOING TRANSACTIONS

- 9.5 Every *Person Subject* shall do *Own-Account Trading* through a single qualified financial intermediary.
- 9.6 Unless the *Person Subject* specifically notifies the Compliance Department that he/she will be doing 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 trading 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 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.
 - Date of execution.
 - Identification of the financial instrument or security traded.
 - The direction of the transaction.
 - Volume (number of financial instruments or certificates).
 - 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 authorisations 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 make a transaction directly through the financial intermediary of choice, whether or not said financial intermediary belongs to the BBVA Group, the *Person Subject*:
- 9.9.1 Must request specific authorisation from the Compliance Department before they carry out the transaction.
 - 9.9.2 Must send notification to the Compliance Department, detailing the terms and conditions of the transactions made, within three days of the trade.
 - 9.9.3 When the Compliance Department so requires, must notify the other financial intermediary, authorising 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 securities and derivative products or other financial instruments whose underlying security is BBVA, *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 done on BBVA stock or financial instruments secured by said stock, from 15 working days prior to the end of each quarter until the second working day following the date on which BBVA publishes its quarterly, half-year or annual earnings or, where applicable, when said earnings become known, should that occur prior to the deadline given.
- 9.15 Likewise, *Persons Subject* must refrain from *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

- 9.16 Whenever the Compliance Unit so determines, the *Persons Subject* whose main activity is in a financial institution not belonging to the BBVA Group, which has its own Internal Standards of Conduct, and 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* 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.
- 9.17 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.

10 SPECIAL RESTRICTIONS ON 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 are carrying out certain kinds of duties or belong to specific areas or groupings within the 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 made. 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 AUTHORISATION OF TRANSACTIONS

- 10.7 *Persons Subject* to whom such restriction is applicable may not trade without receiving prior authorisation from the Compliance Unit or the body or person designated for such authorisation, 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 authorisation no later than the working day following receipt of said request.

- 10.9 The authorisation to carry out 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 Unit may establish that certain *Persons Subject* may not transmit order to make trades that have been effectively authorised until the session immediately following that in which the corresponding authorisation is 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.

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* transaction 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, 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.
- 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* transactions.
- 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.

12 CONTROL OF INFORMATION: OBJECTIVES AND INFORMATION BARRIERS

I. OBJECTIVES OF INFORMATION OVERSIGHT

12.1 These Internal Standards of Conduct, among other things, aim to establish rules and procedures in order to:

12.1.1 Avoid the uncontrolled flow of *Privileged 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 establish 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 the BBVA Group. Chapter 14 then refers to the Areas defined as *Non-Separate Areas*.

12.4 Chapter 15 below brings together a set of general measures aimed at protecting information, which must be adopted by all those in possession of *Privileged Information*.

12.5 The special functions performed within the *Separate Areas* require additional measures to control the information detailed in Chapter 16.

12.6 Once these measures have been established, a series of procedures will be adopted to control the flow of *Privileged Information* between the different Areas. These are detailed in Chapters 17 and 18.

12.7 Lastly, Chapter 19 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 the BBVA Group engaged in activities managing their own or third-party portfolios or financial analysis, and others that may have access to *Privileged 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 Officers appointed by the General Manager with competence in such matters, 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 rules 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 OTHER AREAS IN THE GROUP

- 14.1 For purposes of these Internal Standards of Conduct only, *Non-Separate Areas* are defined as those Areas of the BBVA Group that have not been previously defined as *Separate Areas*.
- 14.2 Each *Non-Separate Area* will have one or more officers appointed by the General Manager with competence in such matters, to liaise with the Compliance Department in supervising the procedures established within their areas of responsibility to ensure compliance with the rules outlined herein.
- 14.3 The Compliance Department will keep an updated list of *Persons Subject* to these Internal Standards of Conduct who provide services in any of the *Non-Separate Areas*. The officers responsible for each Area will provide the information needed to compile this list.

15 GENERAL MEASURES FOR PROTECTING INFORMATION

- 15.1 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*.
- 15.2 Apart from being bound in a general manner to confidentiality regarding unpublished information to which they may have access in pursuit of their job or post, everyone with access to information which may classify as *Privileged* must exercise caution to ensure proper safekeeping and prevent it from reaching persons who should not have access to it, even within the same Area.
- 15.3 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 4.15.2 above, special consideration should be given to the measures outlined in the following sections.

I. LOCATING INFORMATION AND IDENTIFYING INSIDERS

- 15.4 *Persons Subject* who are in possession of *Privileged Information* must notify the officer in charge of their Area.
- 15.5 Officers in charge of an Area, whether *Separate* or otherwise, must notify the Compliance Department of any *Privileged 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 on which each of them accessed the information.
- 15.6 *Persons Subject* who rank superior to the officers responsible for each *Separate Area* in the Bank organisation and who know of Information which could be considered *Privileged* must notify the Compliance Department.
- 15.7 In any correspondence on transactions or projects which may contain *Privileged 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

- 15.8 The Compliance Department will keep an updated list of *Privileged Information* based on the information it has received, which will enable it to draw up a list of Prohibited Securities, *i.e.* Securities Affected by *Privileged Information*.
- 15.9 The Compliance Department shall also keep a list of direct or indirect employees of the *Entities Subject*, working for it under an employment or outsourcing contract or otherwise, who may have access to *Privileged Information*. This list shall be called the *List of Insiders* and shall include: a) their identity; b) date on which they accessed the information; c) reasons why they appear on the list and d) dates on which the lists were created and updated.
- 15.10 The *List of Insiders* must be updated immediately:
- 15.10.1 When there is a change in the reasons why a person is on the list.
 - 15.10.2 When a new person needs to be added to the list.
 - 15.10.3 When a person on the list ceases to have access to *Privileged Information*, recording the date on which they ceased to have such access.
- 15.11 The Compliance Department shall expressly advise persons on the *List of Insiders* 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 penalisation in the event of improper use. Insiders shall be informed of the cases established under personal data protection legislation.

III. PHYSICALLY PROTECTING THE INFORMATION

- 15.12 *Persons Subject* must adopt or foster measures aimed at ensuring that the hardware containing the information (documents, files, open-access shared Web resources, diskettes, etc.) is not open to uncontrolled access by Outsiders.
- 15.13 The officer responsible for each Area must establish concrete measures to be applied in each situation.

IV. CONTROLLING DISSEMINATION OF INFORMATION

- 15.14 Knowledge of projects or transactions containing *Privileged Information* should be strictly confined to people within and outside the organisation for whom it is absolutely necessary. In such case, the rules contained in Chapter 17 must be followed. Thus, necessary measures should be adopted to refuse access to said information by persons who should not have it in pursuit of their duties.

- 15.15 No aspect of projects or transactions containing *Privileged 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.
- 15.16 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.
- 15.17 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.
- 15.18 Particular care and discretion should be exercised to minimize the exposure of temporary staff to *Privileged Information*.

V. ENFORCEMENT

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

16 ADDITIONAL MEASURES FOR CONTROLLING INFORMATION

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

I. PHYSICAL BARRIERS

16.2 SEPARATION

Reasonable, proportional 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 Bank.

16.3 LOCATION

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

16.4 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

- 16.5 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, indiscriminate access of *Privileged Information*.

III. ENFORCEMENT

- 16.6 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.

17 CONTROLLING THE FLOW OF INFORMATION

- 17.1 In addition to the aforementioned measures, a set of rules and procedures must be drawn up to allow the controlled flow of *Privileged Information*, under specific circumstances. In these cases, the following rules must be observed:
- 17.2 The transfer of *Privileged Information* within the *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.
- 17.3 Any transfer of *Privileged Information* between persons from different Areas must be reported to the Compliance Department, pursuant to part 15.5 above.
- 17.4 Should it be necessary to pass *Privileged Information* to persons who do not belong to the BBVA Group, the Compliance Department must be notified. Those who are to receive the information must sign a confidentiality agreement.
- 17.5 Should a transaction or decision require temporary incorporation into the Area with the *Privileged Information* of a person from another Area other than the BBVA Group, the following will apply:
- 17.5.1 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.
- 17.5.2 These persons may not pass on the *Privileged 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.

18 SPECIAL ACTIVITIES

- 18.1 Mention must be made of the following Areas because of the special characteristics of their business:

I. ACTIVITY OF FINANCIAL ANALYSIS

- 18.2 *Financial Analysis* shall mean the drawing up of *Investment Reports* and financial analysis or other forms of general recommendation on trading financial instruments.

- 18.3 The 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 for one or several financial instruments or issuers of financial instruments, including any judgement on the current or future price or value of such instruments, providing the information is targeted to distribution channels or the public and complies with the following conditions (hereforeto, *Investment Report*):

- 18.3.1 The *Investment 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.

- 18.3.2 The recommendation not constitute advice regarding investments, this being understood to mean providing personalised 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.

- 18.4 Entities and Persons Subject that draw up and/or disseminate *Investment Reports* must:

- 18.4.1 Be fair, professional and impartial in drawing up the reports.

- 18.4.2 Base their opinions on objective criteria and not make use of *Privileged Information*.

- 18.4.3 Disclose to customers, in an easily visible part of reports, publications or recommendations, any relevant affiliation between the BBVA Group and the entities being analysed, including commercial relations and core holdings that the BBVA may have or be going to have with said entities or said entities with BBVA, and any potential conflict of interest that may arise.

- 18.4.4 Clearly state on their documents that these do not constitute a call or put bid over the securities.

- 18.4.5 Refrain from distributing reports or analysis which contain investment recommendations whose sole aim is to benefit the company.

- 18.5 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 favourable reports.
- 18.6 The Officer in charge of the Analysis Department shall foster adoption of suitable measures to ensure that the *Investment Reports* observe the foregoing principles, and the internal standards that are established to enforce them.
- 18.7 Due measures must be taken with respect to Own-Account Trading to ensure compliance with the following requirements:
- 18.7.1 Analysts or other relevant persons whose professional interests or responsibilities may come into conflict with the interests of the persons to whom the reports are addressed, may not engage in personal transactions or trade to the account of anyone, including the company itself, with respect to the financial instruments to which the Investment Report refers or any connected financial instrument, if they are aware of the publication dates or probable content of the report and these data have not been made public or revealed to customers nor can easily be inferred from available information, until those to whom the report is address have had reasonable possibility to take action in this respect.
- 18.7.2 Under circumstances not covered by the previous section, financial analysts and other relevant persons charged with drawing up reports on investments may not make 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.

II. MANAGING TREASURY STOCK

- 18.8 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.
- 18.9 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 have about the future expectations and performance of their business.
- 18.10 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.

18.11 Consequently, investment or divestment decisions will be made within the Treasury Stock Management Department by persons who have not had knowledge of any *Privileged Information* which may affect the stock.

18.12 Moreover, when conducting transactions involving treasury stock, the following will apply:

18.12.1 Buying and selling transactions involving BBVA shares must be properly conducted to ensure correct formation of the stock price.

18.12.2 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.

19 THE PRINCIPLE OF INDEPENDENT DECISION MAKING

I. GENERAL RULES

- 19.1 The rules outlined below apply exclusively to decisions on acquisitions, transfers or sales of *Affected Securities* and to specific transactions concerning listed securities.
- 19.2 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.
- 19.3 In any event, persons in possession of *Privileged 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.
- 19.4 Executives who are not restricted by the *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

- 19.5 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.
- 19.6 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.
- 19.7 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 the BBVA Group.
- 19.8 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.

WARNING: The English version is only a translation of the original in Spanish for information purposes. In case of a discrepancy, the Spanish original prevails.

20 RELEVANT INFORMATION

I. DEFINITION OF RELEVANT INFORMATION

- 20.1 *Relevant Information* is defined as any information whose disclosure could reasonably lead an investor to buy or offload securities or financial instruments and could therefore have a considerable impact on their price in the secondary market.

II. DUTY TO REPORT RELEVANT INFORMATION

- 20.2 Security Issuers are obliged to immediately publish and disclose any *Relevant Information* to the market. It shall also file this information with the securities market authority (hereinafter CNMV) so it can be recorded in the corresponding official registry. When there is a significant change in relevant information that has been reported, this must be disclosed immediately to the market in the same manner.
- 20.3 Relevant Information will be reported to the CNMV simultaneously with its disclosure via any other media and as soon as the significant event is known, decision adopted or agreement/contract signed with third parties.
- 20.4 However, when the *Relevant Information* may disturb the normal performance of transactions on the issuer's securities or jeopardise investor protection, the issuer must file the *Relevant Information* with the CNMV prior to its publication. The CNMV will disseminate it immediately.
- 20.5 The disclosure must be true, clear, complete and, when the nature of the information so requires, quantified, such that it cannot mislead or confuse. The dissemination of the *Relevant Information* to the market may not be combined in a potentially misleading fashion with commercial marketing information.
- 20.6 The issuers shall also disseminate this information on their websites.
- 20.7 The disclosure shall be made by one of the spokespersons whom the BBVA Group has appointed specifically for this purpose.
- 20.8 The Issuer must diligently attempt to ensure that the *Relevant Information* is disclosed in the most synchronised form possible to all the different investor categories in the European Union member States where BBVA has requested or received stock listing for the securities in question.
- 20.9 An issuer may, at its own liability, delay the publication and dissemination of the *Relevant Information* when it considers the information could affect its legitimate interests, provided such omission is unlikely to confuse the public and the issuer can guarantee the confidentiality of such information. The issuer must immediately inform the CNMV.

20.10 The obligation of public disclosure will not include acts of study, preparation or negotiation prior to adopting decisions that are considered *Relevant*, provided due confidentiality safeguards are taken. In particular, the following events could be exempted from said obligation:

20.10.1 Ongoing negotiations, or circumstances related to them, when the outcome or the normal development of these negotiations could be affected by public disclosure of the information. Specifically, in the event of grave and imminent danger to the issuer's financial feasibility, even when liquidation legislation is not applicable, market disclosure may be postponed for a limited time if it could seriously jeopardise the interest of existing and potential shareholders, undermining the conclusion of specific negotiations intended to guarantee the issuer's long-term financial recovery.

20.10.2 Resolutions adopted or contracts signed by the administrative body of an issuer that need to be approved by another in-house management body to become enforceable, when the way this organiser is organised requires separation between the two bodies, and public disclosure of the information prior to approval along with the simultaneous announcement that said approval is pending could jeopardise the market's correct evaluation of the information.

20.11 The above notwithstanding, when issuers or persons acting on an issuer's behalf or to an issuer's account disclose *Relevant Information* in the normal pursuit of their duties, profession or employment, this information must be published in its entirety. Should the disclosure be intentional, comprehensive publication must take place simultaneously; should it be unintentional, then as soon after the original disclosure as possible. This duty is not applicable if the person receiving the information is bound to confidentiality, regardless of whether this obligation stems from a law, regulation, bylaw or contract.

20.12 Persons who may be aware of the *Relevant Information* prior to its disclosure to the market shall be subject to the same prohibitions and obligations as are established in chapters 4 and 9 herein.

III. CONTROL MEASURES

20.13 Generally, any decision which may affect the price of a security issued by the BBVA Group can be subject to previous enquiry before the corporate body involved adopts a resolution. During this enquiry, any facts relating to the transaction or event can constitute *Privileged Information*, to the extent that it could become *Relevant Information*.

20.14 Should information be considered *Privileged Information*, the due measures of control must be adopted as described in these Internal Standards of Conduct. However, should the issuer be unable to guarantee the confidentiality of the *Privileged Information* in question, it should immediately disclose it to the market.

20.15 *Entities Subject* must adopt the following controls for securities they issue:

20.15.1 Supervise the market prices for said securities and the news issued by the financial and business information professionals and other media that may affect them.

20.15.2 Should the trading volumes or prices for the securities show anomalies and there be rational indications that these are a consequence of early, partial or distorted disclosure of a transaction that could have a considerable affect on the price, a Relevant Event disclosure should be made immediately. This disclosure must give clear, exact information on the situation of the current transaction and/or contain advance information of facts to be supplied, unless there is legitimate interest in keeping the information confidential. In such case, the CNMV must be given the reserved information, in compliance with the provisions of 20.9 above.

21 KNOWLEDGE AND ACCEPTANCE OF THE INTERNAL STANDARDS OF CONDUCT

- 21.1 *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.
- 21.2 Moreover, they must know and comply with current securities markets legislation which affects their specific area of activity.

22 CONSEQUENCES OF FAILURE TO COMPLY WITH THE INTERNAL STANDARDS OF CONDUCT

- 22.1 Failure to comply with these Internal Standards of Conduct, drawn up in accordance with the Securities Markets Act and its ramifications, may result in liability under administrative, criminal and labour law.

23 TERM AND REPEAL

- 23.1 This version of the Internal Standards of Conduct was ratified by BANCO BILBAO VIZCAYA ARGENTARIA, S.A., Board of Directors on 24th September 2008.
- 23.2 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.
- 23.3 Once these Internal Standards of Conduct have been signed by those subject to it, applicable BBVA Group Internal Standards and Codes of Conduct will become null and void and replaced by these Internal Standards.

ANNEX:

GENERAL STANDARDS OF CONDUCT APPLICABLE TO CUSTOMER RELATIONS

I OBLIGATION OF DILIGENCE AND TRANSPARENCY

1. At all times, actions must reflect diligence and transparency in the best interest of customers, caring for their interests as if they were one's own.

II INFORMATION OBLIGATIONS

2. The customer must be kept adequately informed at all times.
3. All information addressed to customers, including advertising material, must be impartial, clear and not misleading. Advertising claims must be clearly identifiable as such.
4. Customers must be notified whether they have been classified as retail, professional or eligible counterparty, in accordance with the provisions of the internal procedures established for such purposes.
5. Customers, including potential customers, must be provided with adequate, understandable information on:
 - the entity and the services it provides,
 - the financial instruments and the investment strategies,
 - the centres where orders are executed and
 - associated expenses and costs,

such that they can understand the nature and risks of the investment service and the specific type of financial instrument on offer, in order to thus reach informed decisions on the investments.

6. The information referring to the financial instruments and the investment strategies must include appropriate guidelines and warnings regarding the risks associated to such instruments or strategies.
7. The customer must receive suitable reports on the service provided. When applicable, such reports will include the costs of the operations and services carried out to the customer's account.

8. When providing an investment service, one must have all the necessary information on the customers, in compliance with the provisions in the internal procedures established for such purpose. Thus:

8.1. When providing the investment service of investment advice or portfolio management, in order to be able to recommend customers the most suitable investment services and financial services for them, the following information must be obtained:

- Information on the customers' experience and knowledge, including potential customers, in the area of investment corresponding to the specific type of service or product on offer.
- Information on the customers' financial situation and investment goals.

When this information is not obtained, no investment services or financial services shall be recommended to the customer or potential customer.

Information need not be obtained on the customers' experience and knowledge when they are professional customers.

8.2. When services are provided other than those covered by the previous section:

- Retail customers, including potential customers, must be asked to provide information on their knowledge and experience in the investment area corresponding to the specific type of product or service being offered or requested, in order to assess whether the investment product or service is suitable for each customer.
- When this information suggests the investment product or service is not suitable for customers, they must be advised of this fact.
- Likewise, when customers do not provide the information indicated herein or said information is insufficient, they must be advised that such decision prevents the entity from determining whether the investment service or product is suitable for them.

8.3. When, at the customers' initiative, a service is provided to execute or receive or transmit customer orders, it will not be necessary to follow the procedure described above in the event of orders on non-complex financial instruments, as defined from time to time by the prevailing regulation, provided the customers are clearly advised that the entity is not obliged to assess how suitable the instrument offered or the service provided is for their purposes.

III OBLIGATIONS REGARDING THE MANAGEMENT AND EXECUTION OF ORDERS

9. Executing customer orders will require:
- 9.1. Adopting reasonable measures to obtain the best possible outcome for the customers' operations bearing in mind the factors established under applicable standards, and in compliance with the BBVA Execution Policy.
 - 9.2. Having order management systems and procedures in place to ensure rapid and correct execution and then allocation, such that no customers' interests be prejudiced when transactions are carried out for several customers or trading is done to one's own account. Such procedures and systems will make it possible to execute equivalent customers' orders according to the moment at which they were received.
10. The BBVA Group has an Execution Policy that covers the key elements of its strategy for executing and transmitting orders. Customers must be informed of said policy and their consent obtained before applying it to them.

IV INCENTIVES

11. If in the provision of an investment or ancillary service, a fee or commission is paid or some monetary benefit is received or contributed that is not in keeping with the provisions of the following section, this will be deemed failure to display diligence and transparency or protect the customers' interests.
12. Under prevailing regulations, the following incentives are permitted:
- 12.1. Non-monetary benefits, fees or commissions paid or delivered to customers or to persons acting on their account, or offered by customers or persons acting on their account.
 - 12.2. Non-monetary benefits, fees or commissions paid or delivered to third parties or to persons acting on their account, or offered by tied parties or persons acting on their account, when the following terms and conditions are met:
 - The existence, nature and amount of the monetary benefits, fees or commissions or, when their amount cannot be determined, the method of calculating said amount, must be revealed clearly to the customer, completely, exactly and intelligibly, before the service is provided.

For such purposes, the essential terms and conditions of the system of incentives may be reported in summary fashion, provided more detailed information is given should the customers require it.

This obligation will be deemed to have been met when the customer is given the information required through the Group's distribution channels or on its website, provided the customer has consented to this manner of providing the information.

- Payment of incentives must increase the quality of the service provided to customers and may not hinder the compliance with the obligation to act in the customers' best interest.

- 12.3. Suitable fees that allow or are necessary for the provision of investment services, such as exchange, settlement and custody expenses or legal advisory expenses, that by their very nature cannot enter into conflict with the duty to act honestly, impartially, diligently and transparently, in keeping with the customers' best interest.