

**Report by the  
Appointments and  
Corporate Governance  
Committee**

**Appointment of Mr. Carlos Vicente  
Salazar Lomelín as an external director**

29 January 2020

# 1. Introduction and legal framework

Article 529 decies of the Spanish Corporate Enterprises Act establishes, in section 4, that the proposal for the appointment or re-election of the members of the Board of Directors is the responsibility of the appointments committee, if they are independent directors, and of the Board itself in other cases.

In section 5 of the aforementioned article, it is also established that in each case, the proposal must be accompanied by a supporting report by the Board detailing the skills, experience and merits of the candidate proposed.

In line with the above-mentioned Act, the Regulations of the Appointments and Corporate Governance Committee of Banco Bilbao Vizcaya Argentaria, S.A. (hereinafter **BBVA** or the **Bank**) establish, in sections 1 and 5 of article 5, that the Appointments and Corporate Governance Committee (hereinafter the **Committee**) is responsible for:

- Submit proposals for the appointment, re-election or removal of independent directors to the Board of Directors of the Bank (hereinafter the **Board** or the **Board of Directors**) and reporting on proposals for the appointment, re-election or removal of the remaining directors.

To this end, the Committee will assess the balance of knowledge, skills and experience of the Board of Directors, as well as the conditions that the candidates must meet to cover the vacancies that arise, evaluating the dedication of time considered necessary so that they can adequately carry out their duties, according to the needs of the Corporate Bodies at any given time.

- Analyse the suitability of the members of the Board of Directors.

For its part, it is up to the Board of Directors, in accordance with Article 3 and Article 17.1.c)(i) of its Regulations (hereinafter the **Regulations of the Board of Directors** or the **Regulations**), to appoint directors by co-option and propose to the General Shareholders' Meeting the appointment, ratification, re-election or removal of directors (at the proposal of the Appointments and Corporate Governance Committee, in the case of independent directors, and following a report from this Committee in other cases).

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Within the scope of its functions and in accordance with the conclusions drawn from the selection process outlined below, the Committee has prepared this report, which includes its analysis of the suitability of Mr Salazar Lomelín to be appointed to the BBVA Board of Directors, as well as his status and the absence of any incompatibilities, prohibitions or limitations in this regard. The content of this report (hereinafter the **Report**) is based on the needs of the Bank's corporate bodies and is structured as follows:

- structure, size and composition of the Board;
- description of the selection process;
- analysis of the suitability of Mr Salazar Lomelín for appointment to the BBVA Board of Directors;
- analysis of his status as a director and the absence of incompatibilities, prohibitions or limitations that would prevent him from performing his directorship; and
- Committee conclusions on the foregoing issues and the favourable report submitted to the Board of Directors, in order to propose to the Bank's Annual General Shareholders' Meeting the appointment of Mr Salazar Lomelín as a member of the Board of Directors, as an external director.

## 2. Structure, size and composition of the Board

The composition of the Board of Directors brings together directors with broad experience and knowledge of the financial and banking sector with other directors who have experience and knowledge in the other areas also of interest to the Bank and its Group, such as audit, risk management and control, the legal and academic field, multinational enterprise, public institutions, digital businesses and technology, both at the national and international level. This allows the Board as a whole to be appropriately composed and possess sufficient knowledge of the environment, activities, strategies and risks of the Bank and the Group, helping it to enhance its operation.

As part of the annual assessment of the Board of Directors conducted for the 2019 financial year, and in accordance with the functions established in Article 5.4 of its Regulations, the Appointments and Corporate Governance Committee has analysed the current structure,

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size and composition of the Board of Directors and its committees (hereinafter the **Corporate Bodies**), including the need for its members to have the diversity of knowledge, skills and experience needed to facilitate its proper operation.

Moreover, during the 2019 financial year, the analysis of the Appointments and Corporate Governance Committee has been supported by a "skills and diversity matrix", developed to help identify the existing skills, characteristics and experience of the Board of Directors, as well as identify the areas that needed to be strengthened in the future.

As a result of the foregoing, the Committee considers that the Corporate Bodies must be made up of directors with adequate skills in the areas of banking and financial services; accounting and auditing; risk management; innovation and information technology; strategy and macroeconomic environment; human resources and remuneration; institutional, legal and regulatory; and corporate governance and sustainability; and have a wealth of prior training and professional experience, at the national and international level.

### 3. Selection process

In accordance with the BBVA Board of Directors selection, appointment, rotation and diversity policy (hereinafter the **Policy**), the selection procedures, appointment and renewal of the Board should be aimed at achieving a composition of the Corporate Bodies that enables the proper exercise of functions assigned to them by the Law, the Bylaws and its own Regulations, in the best corporate interest.

To this effect, the Appointments and Corporate Governance Committee analyses that these procedures allow the most suitable candidates to be identified at all times, based on the requirements of the Corporate Bodies; that they foster diversity of experience, knowledge, skills and gender, and, in general, that they do not suffer from implicit biases that may involve any kind of discrimination.

The foregoing likewise taking into account the objectives set out in the Policy, including to ensure that the selection procedures do not involve discrimination in the selection of female directors; as well as seeking to ensure that in 2020 the number of female directors represents at least 30% of Board members, that non-executive directors represent an ample majority compared to executive directors, and seeking to ensure that the number of independent directors be at least 50% of the total number of directors.

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The selection and appointments processes are thus engrained in the process of progressive and constant renewal of the Board of Directors, through which the Committee ensures that the selection processes of potential candidates are carried out with the utmost professionalism and independence and with the advice of experts in the selection of directors from leading international independent firms.

On the basis of the foregoing, in 2019 the Committee carried out a selection process for directors which incorporated its continuous analysis of the structure, size and composition of the Board of Directors, pursuant to its responsibilities, in accordance with its competence, as well as the findings of the "skills and diversity matrix" outlined above.

This process has also taken into account the number and profile of directors whose three-year statutory mandate ends in the 2020 financial year, for the purpose of submitting the corresponding proposals for appointment or re-election for consideration by the next General Shareholders' Meeting to be held.

The selection process also benefitted from the expert advice of the firm Egon Zehnder in the search for potential candidates, and which has supported the Committee in selecting the appropriate profiles for the Bank's Board of Directors.

The Appointments and Corporate Governance Committee informed Egon Zehnder of the profiles required by the Bank, for the firm's search for candidates. The independent expert thereafter submitted a preliminary list to the Committee, including a description of each candidate's career path, which were then analysed by the Committee.

The Committee then determined the candidates who ostensibly met the needs of the Bank, such as Mr Salazar Lomelín, who underwent an interview process with the whole Committee, in order to grant them a personal insight into his training and career, his key personal and professional skills, his vision about the Bank and the Group, and his readiness to join the Board of Directors.

The subsequent sections of this report reveal the Committee's findings after it had analysed the information at its disposal, as outlined above.

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## 4. Suitability analysis

The suitability of Mr Salazar Lomelín for the position of BBVA director has been evaluated by the BBVA Appointments and Corporate Governance Committee, in accordance with the applicable regulations, specifically Article 24 et seq of Act 10/2014, of 26 June, on the regulation, supervision and solvency of credit institutions (hereinafter **LOSS**) and Article 29 et seq of Royal Decree 84/2015, of 13 February, which implements LOSS (hereinafter **RDOSS**); as well as the provisions of Article 2.3 of the Regulations of the Board of Directors.

The following paragraphs in this section describe the Committee's analysis of Mr Salazar Lomelín's compliance with the suitability requirements provided for in the aforementioned regulations, that is, (i) to possess recognised commercial and professional repute; (ii) to have adequate knowledge and experience to carry out his functions; and (iii) to be in a position to exercise good governance of the company.

### 4.1. Knowledge and experience

The Committee analysed and assessed Mr Salazar Lomelín's knowledge, professional and personal skills and experience, in the light of the information at its disposal, highlighting in this regard the information provided directly by the candidate to each member of the Committee during the selection process, as described in section 3 of this Report.

The members of the Committee were informed that Mr Salazar Lomelín holds a degree Economics and studied Business Administration at postgraduate level at the Tecnológico de Monterrey (Monterrey Institute of Technology and Higher Education). He also undertook postgraduate studies in Economic Development in Italy, as well as an Administrative Management programme at Instituto para la Alta Dirección de Empresas (IPADE Business School) in Mexico and other studies in various countries.

He has also taught economics for more than forty years at the Monterrey Institute of Technology and Higher Education and is the current Chairman of the Consejo de las Escuelas de Negocios (Council of Management Schools) in Mexico and a member of the Consejo Académico (Academic Council) of the same institution.

With regard to his professional experience, his high-level trajectory is of particular note. He spent a large part of his career (from 1973 to 2019) working for Fomento Económico Mexicano S.A.B. de C.V. (**FEMSA**), one of the most important business groups in Mexico.

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Aside from its many activities and businesses worldwide, FEMSA is the second largest Coca-Cola bottling company in the world. During his time at the group, Mr Salazar Lomelín assumed the role of General Manager of Cervecería Cuauhtémoc-Moctezuma and, subsequently, General Manager of FEMSA between 2014 and 2017.

Since February 2019, he has been the Chairman of the Consejo Coordinador Empresarial de México (the Mexican Business Coordinating Council), the largest body in Mexico for the representation and dialogue of entrepreneurs, which, according to the information available to the public, works to promote the free market, democracy, social responsibility and equal opportunities in Mexico.

He is also an independent director at the companies Sukarne and Alsea since 2017 and 2019, respectively.

Mr Salazar Lomelín has actively participated in various social and business organisations. He has been Chairman of Comisión Siglo XXI (21st Century Committee) in the city of Monterrey and a promoter of CINTERMEX (Centro de Exposiciones y Convenciones de Monterrey — Monterrey Exhibition and Convention Centre). In 2014 he was appointed Executive Chairman of Consejo Nuevo León (Committee for Nuevo León). In April 2018, he was appointed Chairman of the Comité de Propuesta Económica (Committee for Economic Proposal) of COPARMEX (Confederación Patronal de la República Mexicana — Mexican Employers' Association).

Lastly, a particularly noteworthy aspect of this profile is that since March 2005 he has held the role of director of Grupo Financiero BBVA Bancomer, S.A. de C.V., and of BBVA Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer.

A summary of the information regarding Mr Salazar Lomelín's training, professional career and other occupations can be found in the curriculum vitae included as an **Annex** to this Report, which is prepared according to the information provided by the candidate and shall be made available to the shareholders when the next Annual General Shareholders' Meeting is called.

In view of the above, the Appointments and Corporate Governance Committee highly values Mr Salazar Lomelín's merits and excellent professional career, highlighting his leadership of a leading multinational corporation, as well as his in-depth knowledge and familiarity of the business and financial environment in Mexico, which plays a crucial role in the Group's strategy, business and activities.

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Specifically, the Appointments and Corporate Governance Committee has highly valued the following aspects of his profile:

- His leadership and management role in important organisations, having headed a business group such as FEMSA. FEMSA is the global leader in its industry, it is listed in several markets, is of particular importance in Mexico and has significant presence in many Latin American countries.
- The fact that he has formed part of BBVA Bancomer's management bodies for approximately 15 years means that he has extensive knowledge of the Bank's business and activities not only in Mexico, but at the global level. This in turn facilitates the process of progressive and constant renewal of the Board. The Committee has also highlighted his knowledge of the Group's values and culture, which he has implemented throughout the years.
- His in-depth knowledge of the Mexican market, highlighting his leadership of one of the country's most important companies and his current chairmanship of the most important business forum in Mexico (Consejo Coordinador Empresarial de México), which will contribute to the Corporate Bodies' understanding and knowledge of the Mexican business environment and its main variables and future prospects.

This knowledge is particularly relevant to the Board, since the Mexican market is one of the most important for the Group in terms of the volume of assets and business generated by BBVA in the country, as well as current and potential clients, and is a key part of its strategy.

Similarly, in this regard, the appointment of Mr Salazar Lomelín would foster greater diversity on the Board, in particular with regard to knowledge and experience, including geographical diversity, thus contributing to meeting the objectives set out in the Policy.

On the basis of all the above, the Appointments and Corporate Governance Committee has deemed that, based on his excellent professional career as a leader of large corporations and his knowledge of the Mexican market, — of great interest to the Corporate Bodies — Mr Salazar Lomelín has the appropriate knowledge and experience to be appointed BBVA director. His appointment would foster the diversity of knowledge and experience within the Board of Directors, thus contributing to the proper composition and performance of the duties of the Corporate Bodies.

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## **4.2. Ability to exercise good governance**

With regard to his readiness to exercise good governance of the entity, in light of the information facilitated by Mr Salazar Lomelín and the analysis performed by the Bank, there are no circumstances or situations that imply potential conflicts of interest that could constitute a hindrance to or difficulty in exercising the role of BBVA director.

With regard to his ability to devote sufficient time to performing his duties as a director of the Bank, the dedication directors must have to the Bank was considered and the candidate has been informed, having concluded that Mr Salazar Lomelín is in a position to devote sufficient time to properly perform the duties of the position.

## **4.3. Commercial and professional repute**

With regard to commercial and professional repute of the directors, the Committee has analysed the information provided by Mr Salazar Lomelín, concluding that he has recognised commercial and professional repute to perform his functions as director of the Bank, since no circumstances concur that could affect his commercial and professional repute, in the terms in which this requirement is described in the applicable regulations.

# **5. Status of the director and absence of incompatibilities, prohibitions and limitations**

The Appointments and Corporate Governance Committee analysed Mr Salazar Lomelín's concurrent circumstances to assess his status in the event that he were appointed as director of the Bank.

In this regard, the Committee has taken into account the independence demonstrated by Mr Salazar Lomelín during the years in which he has held a relationship with the Group as director of the subsidiaries Grupo Financiero BBVA Bancomer, S.A. de C.V. and BBVA Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer. This notwithstanding, taking into account his membership of the management bodies of these companies for approximately 15 years, the Committee considers that, based on prudent criterion, in the event that he were to be appointed director of the Bank, Mr Salazar Lomelín

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should have the status of an external director ("other external director", pursuant to the definition in Article 1.1 of the Regulations of the Board of Directors).

Moreover, according to the information available to the Committee, Mr Salazar Lomelín is not known to be subject to any incompatibility, prohibition or limitation that would prevent him from fulfilling his directorship.

## 6. Committee conclusions and report

As a result of the analysis carried out by the Appointments and Corporate Governance Committee and in response to the needs of the Corporate Bodies in terms of their adequate structure, size and composition, as well as the provisions of the Board of Directors selection, appointment, renewal and diversity policy, the Appointments and Corporate Governance Committee considers that Mr Carlos Vicente Salazar Lomelín:

- Meets the requirements for recognised commercial and professional repute, knowledge and experience and the ability to exercise good governance established in the LOSS, the RDOSS and the Regulations of the Board of Directors, for his appointment as a BBVA director.
- Has the adequate knowledge, skills and experience, and his appointment would foster the diversity of knowledge, experience and gender within the Board of Directors, and would contribute to the appropriate composition and performance of the duties of the Corporate Bodies.
- Would have the status of an external director, and is not known to be subject to any situation of incompatibility, prohibition or limitation that would prevent him from fulfilling the directorship.

Accordingly, the Appointments and Corporate Governance Committee has agreed to submit its favourable report to the Board to propose to the Bank's Annual General Shareholders' Meeting the appointment of Mr Carlos Vicente Salazar Lomelín as a member of the Board of Directors, for the statutory period of three years, and with the status of external director.

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# Board of Directors' Report

## Appointment of Mr Carlos Vicente Salazar Lomelín as an external director

10 February 2020

## 1. Introduction

In accordance with Article 3 of the Regulations of the Board of Directors of Banco Bilbao Vizcaya Argentaria, S.A. (hereinafter **BBVA** or the **Bank**), and in compliance with Article 529 decies of the Spanish Corporate Enterprises Act, the Board of Directors is responsible for proposing appointments of members of the Bank's Board of Directors who are not categorised as independent directors, following a report from the Appointments and Corporate Governance Committee.

The abovementioned article of BBVA's Regulations of the Board of Directors, in accordance with the Spanish Corporate Enterprises Act, also states that proposals must always be accompanied by a supporting report from the Board of Directors assessing the skills, experience and merits of the proposed candidate, which will be attached to the minutes of the General Shareholders' Meeting or of the Board of Directors meeting.

In order to comply with the above, the Bank's Board of Directors has prepared this report, which accompanies the appointment proposal for Mr Carlos Vicente Salazar Lomelín as a member of the Bank's Board of Directors, with the status of external director, submitted to BBVA's Annual General Shareholders' Meeting (hereinafter the **Report**).

## 2. Report by the Appointments and Corporate Governance Committee

In order to draw up this Report, the Board of Directors assessed the report of the BBVA Appointments and Corporate Governance Committee, drafted in accordance with Article 529 decies 6 of the Spanish Corporate Enterprises Act and Article 3 of the Regulations of the Board of Directors. It did this after carrying out an analysis of the current structure, size and composition of the Board and following the completion of the timely selection process of directors, developed within the framework of the process of progressive and constant renewal of the Bank's Corporate Bodies (hereinafter the **Corporate Bodies**).

Thus, the Appointments and Corporate Governance Committee has considered that the composition of the Board of Directors brings together directors with broad experience and knowledge of the financial and banking sector with other directors who have experience

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and knowledge in other areas also of interest to the Bank and its Group, such as audit, risk management and control, the legal and academic field, multinational enterprise, public institutions, digital businesses and technology, both at the national and international level. This allows the Board, as a whole, to be appropriately composed and possess sufficient knowledge of the environment, activities, strategies and risks of the Bank and the Group, helping it to enhance its operation.

As part of the annual assessment of the Board of Directors conducted for the 2019 financial year, and in accordance with the functions established in Article 5.4 of its Regulations, the Appointments and Corporate Governance Committee has analysed the current structure, size and composition of the Corporate Bodies, including the requirement for its members to have the diversity of knowledge, skills and experience needed to facilitate its proper operation.

For this analysis, the Appointments and Corporate Governance Committee, also in the development of its duties, has analysed the objectives set out in the BBVA Board of Directors selection, appointment, rotation and diversity policy (hereinafter the **Selection Policy**). This included having a balance between the different classes of directors, so that the non-executive directors represent a broad majority vis-à-vis the executive directors, as well as seeking to ensure that the independent directors represent at least 50% of the total number of directors and that, in 2020, the number of female directors represents at least 30% of the total membership of the Board.

In this regard, in addition, in financial year 2019, the Appointments and Corporate Governance's analysis has been supported by a "skills and diversity matrix" of the Board of Directors, that has been elaborated in order to facilitate the identification of those skills, features and experience that the Board already has and those that would be appropriate to reinforce in the future.

As a result of the foregoing, the Committee considers that the Corporate Bodies must be made up of directors with adequate skills in the areas of banking and financial services; accounting and auditing; risk management; innovation and information technology; strategy and macroeconomic environment; human resources and remuneration; institutional, legal and regulatory; and corporate governance and sustainability; and have a wealth of prior training and professional experience, at the national and international level.

Taking into account the above, the Appointments and Corporate Governance Committee, within the framework of the indicated process of progressive and constant renewal of the

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Board, has developed a selection process for directors, in order to identify the most suitable candidates to join the Board. This is done in accordance with the current needs of the Corporate Bodies, and taking into account the composition of these bodies, as well as the expiry of the mandate of some of the Bank's directors during the 2020 financial year.

This selection process has been developed with the utmost professionalism and independence, and in its development the diversity of experience, knowledge, skills and gender, and the absence of implicit biases that could involve any discrimination have been sought.

One of the main firms of international independent experts has also advised on the selection process of directors. It has assisted the Appointments and Corporate Governance Committee in its search for candidates and in its analysis of the most suitable profiles for the Bank and the Corporate Bodies.

In this regard, the Committee has analysed various candidates' profiles amongst which was included that of Mr Salazar Lomelín, whereupon the Committee considered to examine in depth such profile in order to assess if he could be an appropriate candidate to be director of the Bank.

Thus, once the profile of Mr Salazar Lomelín was known, the Committee proceeded to analyse the different aspects of the same, including among others, his knowledge, skills and experience to be able to be appointed a director of the Bank, his ability to exercise good governance, his recognised commercial and professional repute, the circumstances that would make him qualify as external director, as well as the absence of incompatibilities, prohibitions and limitations for the performance of the role.

On the basis of the above, in response to the current needs of the BBVA Corporate Bodies, the structure, size and composition of the Board and the Selection Policy, the Appointments and Corporate Governance Committee considers that Mr Carlos Vicente Salazar Lomelín has the appropriate knowledge, skills and experience to carry out the role of member of the Board of Directors, with the ability to exercise good governance of the Bank, as well as possessing the other suitability requirements that are required. All this considering, moreover, that his appointment would favour the diversity of knowledge, experience and gender within the Board of Directors.

All the above has been reflected by the Committee in its favourable report on the appointment of Mr Salazar Lomelín, that has been made available to the Board of Directors.

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### 3. Skills, experience and merits

In order to issue this Report, and as set out in the aforementioned regulations, the Board of Directors has assessed the skills, experience, merits and knowledge of the proposed candidate, for which it analysed the following profile:

Mr Carlos Vicente Salazar Lomelín holds a degree Economics and studied Business Administration at postgraduate level at the Tecnológico de Monterrey (Monterrey Institute of Technology and Higher Education). He also undertook postgraduate studies in Economic Development in Italy, as well as an Administrative Management programme at Instituto para la Alta Dirección de Empresas (IPADE Business School) in Mexico and other studies in various countries.

He has also taught economics for more than forty years at the Monterrey Institute of Technology and Higher Education and is the current Chairman of the Consejo de las Escuelas de Negocios (Council of Management Schools) in Mexico and a member of the Consejo Académico (Academic Council) of the same institution.

With regard to his professional experience, his high-level trajectory is of particular note. He spent a large part of his career (from 1973 to 2019) working for Fomento Económico Mexicano S.A.B. de C.V. (**FEMSA**), one of the most important business groups in Mexico. Aside from its many activities and businesses worldwide, FEMSA is the second largest Coca-Cola bottling company in the world. During his time at the group, Mr Salazar Lomelín assumed the role of General Manager of Cervecería Cuauhtémoc-Moctezuma, and, subsequently, General Manager of FEMSA between 2014 and 2017.

Since February 2019, he has been the Chairman of the Consejo Coordinador Empresarial de México (the Mexican Business Coordinating Council), the largest body in Mexico for the representation and dialogue of entrepreneurs, which, according the information available to the public, works to promote the free market, democracy, social responsibility and equal opportunities in Mexico.

He is also an independent director at the companies Sukarne and Alsea since 2017 and 2019, respectively.

Mr Salazar Lomelín has actively participated in various social and business organisations. He has been Chairman of Comisión Siglo XXI (21st Century Committee) in the city of Monterrey and a promoter of CINTERMEX (Centro de Exposiciones y Convenciones de Monterrey — Monterrey Exhibition and Convention Centre). In 2014 he was appointed

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Executive Chairman of Consejo Nuevo León (Committee for Nuevo León). In April 2018, he was appointed Chairman of the Comité de Propuesta Económica (Committee for Economic Proposal) of COPARMEX (Confederación Patronal de la República Mexicana — Mexican Employers' Association).

Lastly, a particularly noteworthy aspect of this profile is that since March 2005 he has held the role of director of Grupo Financiero BBVA Bancomer, S.A. de C.V., and of BBVA Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer.

Attached as **Annex** to this Report is the curriculum vitae of the candidate, which summarises his aforementioned experience and positions held currently and in the past.

In view of the above, the Board of Directors highly values Mr Salazar Lomelín's merits and excellent professional career, highlighting his leadership of a leading multinational corporation, as well as his in-depth knowledge and familiarity of the business and financial environment in Mexico, which plays a crucial role in the Group's strategy, business and activities.

Specifically, the Board of Directors has highly valued the following aspects of his profile:

- His leadership and management role in important organisations, having headed a business group such as FEMSA. FEMSA is the global leader in its industry, it is listed in several markets, is of particular importance in Mexico and has significant presence in many Latin American countries.
- The fact that he has formed part of BBVA Bancomer's management bodies for approximately 15 years means that he has extensive knowledge of the Bank's business and activities not only in Mexico, but at the global level. This in turn facilitates the process of progressive and constant renewal of the Board. The Board has also highlighted his knowledge of the Group's values and culture, which he has implemented throughout the years.
- His in-depth knowledge of the Mexican market, highlighting his leadership of one of the country's most important companies and his current chairmanship of the most important business forum in Mexico (Consejo Coordinador Empresarial de México), which will contribute to the Corporate Bodies' understanding and knowledge of the Mexican business environment and its main variables and future prospects.

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This knowledge is particularly relevant to the Board, since the Mexican market is one of the most important for the Group in terms of the volume of assets and business generated by BBVA in the country, as well as current and potential clients, and is a key part of its strategy.

Similarly, in this regard, the appointment of Mr Salazar Lomelín would foster greater diversity on the Board, in particular with regard to knowledge and experience, including international diversity, thus contributing to meeting the objectives set out in the Selection Policy.

## 4. Conclusion

As a result of the above, taking into account the report issued for this purpose by the Bank's Appointments and Corporate Governance Committee, and for the purpose of proposing to the Bank's Annual General Shareholders' Meeting his appointment as a member of the Board of Directors, with the status of external director, for the statutory period of three years, the Board of Directors considers that Mr Carlos Vicente Salazar Lomelín has the necessary skills, experience and merits.

To this end, the Board of Directors issues this Report, in response to the requirements established by Article 529 decies of the Spanish Corporate Enterprises Act.

The appointment of Mr Salazar Lomelín is subject to verification, by the European Central Bank, of the regulatory suitability requirements for the performance of the as director.

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# Annex: curriculum vitae

## Mr Carlos Vicente Salazar Lomelín

Born in 1951

Mexican nationality

Bachelor of Economics and postgraduate studies in Business Administration at the Monterrey Institute of Technology and Higher Education.

### Professional experience:

1973–2019      **Fomento Económico Mexicano S.A.B. de C.V. Group (FEMSA)**

General Manager of Cervecería Cuauhtémoc-Moctezuma and subsequently General Manager of FEMSA between 2014 and 2017

### Other occupations:

Since 2017      Independent director at Sukarne

Since 2019      Independent director at Alsea

Mr Salazar Lomelín actively participates in various educational institutions and social and business organisations and forums. Of particular note is his experience as professor of economics for more than 40 years at the Monterrey Institute of Technology and Higher Education, and the fact that he has been Executive Chairman of the Committee for Nuevo León since 2014 and Chairman of the Committee for Economic Proposal of COPARMEX since 2018.

In addition, since 2019 he has been Chairman of Mexico's Business Coordinating Council (Consejo Coordinador Empresarial de México).

He is currently a director at Grupo Financiero BBVA Bancomer, S.A. de C.V., and Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer.