

## TREASURY STOCK POLICY

1. Transactions involving the buying and selling of shares of the Company by the latter or by companies dominated by it shall conform, in the first place, to the provisions of current regulations and the resolutions of the General Meeting of Shareholders in such regard.
2. The trading of own shares shall have the following objectives, respecting, as established herein, the recommendations on discretionary treasury stock trading published by the CNMV in July 2013:
  - a. To provide liquidity or a supply of securities, as applicable, in the market of the shares of the Bank, giving depth to such market and minimizing possible temporary imbalances between supply and demand.
  - b. To the benefit of shareholders as a whole, to take advantage of situations of weakness in the price of the shares in relation to prospects of changes in the medium-term.

3. Treasury stock transactions shall be carried out by the Investments & Holdings Department, which is isolated as a separate area from the rest of the Bank's activities and protected by the respective walls, preventing it from receiving any insider or relevant information. The head of such department will be responsible for the management of treasury stock, such fact being notified to the CNMV.

In order to be aware of the market situation of the shares of the Bank, the latter Department may gather data from the market members it considers appropriate, although ordinary market trades should be executed by only one of them, such fact being notified to the CNMV.

No other unit of the Group may undertake the trading of its own shares, the only exception being that stated in section 10 below.

4. The trading of own shares shall be subject to the following general guidelines:
  - a. It shall not entail a proposed intervention in the free formation of prices.
  - b. Trading may not take place if the unit entrusted with such transaction is in possession of insider or relevant information.
  - c. Where applicable, the execution of buy-back programs and the acquisition of shares to cover obligations of the Bank or the Group shall be permitted.
5. Buy orders shall be made at a price not exceeding the greater of the following two:
  - The price of the last market trade carried out by independent parties.
  - The highest price contained in a buy order in the order book.

Sell orders shall be made at a price not exceeding the lower of the following two:

- The price of the last market trade carried out by independent parties.
- The lowest price contained in a sell order in the order book.

Furthermore, the buy or sell prices should not generate a trend in the price of the security.

6. As a general rule, treasury stock trading, including buying and selling, shall not exceed 15% of the average daily trading involving purchases of shares of the Bank in the 30 previous trading sessions in the order market of the continuous market.

Such limit shall be 25% whenever the treasury stock is to be used as consideration in the acquisition of another company or to be given in exchange within the framework of a merger process.

7. Treasury stock transactions shall conform to the following time limits:
  - a. No buy or sell orders may be introduced during the opening or closing auctions, except in exceptional and duly justified cases and exercising extreme caution to prevent such orders from decisively influencing the price trend of the auction. In such exceptional cases: (i) the accumulated volume of buy and sell orders introduced shall not exceed 10% of the theoretical volume resulting from the auction at the time of introducing the orders; and (ii) no market or best execution orders will be introduced, except in exceptional and justified circumstances.
  - b. No treasury stock may be traded if the Bank has decided to delay the publication and diffusion of material information pursuant to article 82.4 of the Securities Market Act and until such information is diffused. For this purpose, the Compliance Area shall inform the Investments & Holdings Department in the event of such circumstance occurring.
  - c. No orders shall be introduced during the auction period prior to the lifting of the suspension of the Bank's shares from trading, should this have occurred, until trades have been crossed in the security. Orders not executed on declaring the suspension should be withdrawn.
  - d. No trades may be carried out on treasury stock during the 15-calendar day period prior to publication of the Bank's financial information required by Royal Decree 1362/2007, of October 19<sup>th</sup>.
  - e. All trades involving treasury stock shall be carried out during normal trading hours, except for exceptional transactions corresponding to any of the cases contemplated for undertaking special operations.
8. In exceptional circumstances, such as, among others, those causing significant alterations in the volatility or levels of supply and demand of shares and for justified reasons, the limit stated in the first paragraph of section 6 may be exceeded or the rule stated in section 7.d above may not apply. In either case, the Investments & Holdings Department should immediately notify such situation to the Compliance Area.
9. The rules contained in sections 3 (second paragraph), 5, 6 and 7 shall not apply to treasury stock transactions carried out in the block market, unless the Bank has proof that the counterparty of the Bank is undoing a position previously set up through transactions in the orders market.
10. In accordance with section 3, other Group units other than the Investments & Holdings Department may acquire own shares in the course of market risk hedging activities or when providing intermediation or hedging for clients. The rules contained in sections 2, 4 (sub-section c), 5, 6 and 7 above will not be applied to such activities.
11. The Executive Committee shall receive regular information on treasury stock activity.

In turn, directors shall verify at each meeting of the Board of Directors that the requirements established for the acquisition of own shares under article 146.3 of the Capital Corporations Act have been respected.

12. The Head of Compliance shall report each month to the Risk, Regulation & Compliance Supervision Committee on the treasury stock trading carried out during that month and the operation of the controls carried out in the same period of time.