

# Board of Directors Report

## Re-election of Sunir Kumar Kapoor as an independent director

## 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 Appointments Committee is responsible for proposing the re-elections of members of the Bank's Board of Directors who are categorised as independent directors.

The abovementioned article of BBVA's Regulations of the Board of Directors, in compliance with the Spanish Corporate Enterprises Act, also states that proposals by the Appointments Committee 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 proposal to re-elect Sunir Kumar Kapoor as a member of the Bank's Board of Directors as an independent director, submitted to BBVA's Ordinary General Shareholders' Meeting (hereinafter, the "**Report**").

## Appointments Committee proposal

In order to create this Report, the Board of Directors has assessed the proposal by BBVA's Appointments Committee in accordance with Article 529 *decies* 4 of the Spanish Corporate Enterprises Act and Articles 3 and 33 of the Bank's Regulations of the Board, after having analysed the current composition of the Board and its needs, as well as the requirement for its members to have diverse knowledge, skills and experience to enable them to perform their roles adequately. To this end, its directors must have extensive training and experience, both nationally and internationally, in areas such as banking and finance, accounting and risk, law, academics, business and new technologies.

Therefore, in accordance with its functions and the Board's continual renewal process, the Appointments Committee has assessed the objectives set out in the Board of Directors' selection, appointment, renewal and diversity Policy, which include ensuring a balance between the different categories of directors so that non-executive directors represent an ample majority

compared to executive directors, and so that independent directors make up at least 50% of its members.

The Committee also believes that independent directors contribute to the suitable composition of the Board's Committees, in particular those that assist the Bank's Board of Directors in its supervision and control duties. These Committees must have a significant number of independent directors, from among whom their Chairs must also be appointed.

Furthermore, the Committee has assessed the conditions required to hold the position of BBVA director—including those attached to the role of director, training and professional experience, in the terms described below—and the time commitment required, ensuring that directors always fulfil the suitability and independence requirements.

In accordance with the above, and taking into account the current requirements of BBVA's corporate bodies, the structure, size and composition of the Board and the Board of Directors' selection, appointment, renewal and diversity Policy, the Appointments Committee decided that Sunir Kumar Kapoor has the knowledge, skills and experience needed to fulfil the role of a member of the Board of Directors, and also meets the other eligibility requirements for such a role. The Committee therefore agreed to propose that the Board of Directors in turn proposes to the General Shareholders' Meeting that Sunir Kumar Kapoor be re-elected as an independent director of the Bank.

## 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 in the following terms:

Sunir Kumar Kapoor holds a Bachelor's degree, with honours, in Physics from the University of Birmingham and a Master's in Computer Systems from Cranfield Institute of Technology.

From the outset, his professional career has been tied to the technology and digital businesses sector, and he has worked for leading companies and multinationals such as Honeywell, the European Space Agency and Novell.

Subsequently, Mr Kapoor held positions of the highest responsibility at some of the world's leading technology companies, such as Microsoft Corporation, where he was responsible for the company's business activities in Europe and was Director of Worldwide Business Strategy, and Oracle Corporation, where he was Vice President of Strategy, Marketing & Planning, responsible for the development of products, sales and marketing at global level.

He also has notable entrepreneurial credentials in the technology sector, where he founded and developed some business initiatives and innovative companies such as E-Stamp Corporation, where he held the positions of President and CEO; Tsola Incorporated, of which he was the Founder and CEO; Cassatt Corporation, where he was EVP and CMO; and UBmatrix, Inc., where he held the positions of President and CEO.

Since 2012 he has been working as an independent consultant collaborating with various initiatives and leading companies in different areas of the technology sector, such as cloud infrastructures, mobile devices and applications, data analysis and processing, and cybersecurity, in both European and North American companies such as Panda Security, GlobalLogic, Merrill Corporation, Avni Networks, Point Inside, mCloud, Stratio and Atlantic Bridge Capital. This has given him direct, first-rate knowledge of the main advances and trends in technology at a global level.

Since 31 March 2016, Mr Kapoor has also been a member of the Technology and Cybersecurity Committee.

Sunir Kumar Kapoor's other current and past experience and positions set out in his curriculum vitae (attached as an **Appendix** to this Report) were also assessed.

## Conclusion

As a result of the above and considering the proposal submitted for this purpose by the Bank's Appointments Committee, the Board of Directors believes that Sunir Kumar Kapoor has the necessary skills, experience and merits to propose his re-election to the Bank's Ordinary General Shareholders' Meeting as a member of the Board of Directors, as an independent director, for the statutory period of three years.

## **Mr. Sunir Kumar Kapoor**

### **Director**

Born in India.

US & European citizen.

BSc Physics, University of Birmingham and MSc Computer Systems, Cranfield University.

#### **Professional Background:**

2005 – 2011 UBmatrix Incorporated, President & CEO

2004 – 2005 Cassatt Corporation, EVP and CMO

2002 – 2004 Oracle Corporation  
VP Collaboration Suite

1999 – 2001 Tsola Incorporated, Founder & CEO

1996 – 1999 E-Stamp Corporation, President & CEO

1994 – 1996 Oracle Corporation  
VP Strategy, Marketing & Planning

1992 – 1994 Microsoft Corporation  
Director Worldwide Business Strategy

1990 – 1992 Microsoft Europe  
Manager Enterprise Business EMEA

1988 – 1990 Novell, Manager European Systems Group

1986 – 1988 European Space Agency, Systems Design Engineer

1985 – 1986 Honeywell, Software Development & Support Engineer

Currently, Mr. Kapoor is involved in a number of technology companies in Silicon Valley and Europe. He is an Operating Partner at Atlantic Bridge Capital, an independent director at Stratio, and an advisor to mCloud.

He was appointed to a BBVA directorship on 11 March 2016 and is member of the Technology and Cybersecurity Committee of BBVA.