

## **International Bancshares Corporation Guidelines Regarding Nomination of Directors**

### **I. Director Nominees**

A majority of the Corporation's independent directors (as determined pursuant to the applicable listing standards of the Nasdaq Stock Market, Inc.'s National Market System)(the "Independent Directors") shall recommend to the board of directors individuals to be nominated for election as directors at any meeting of shareholders at which one or more directors is to be elected.

### **II. Director Nominating Guidelines**

1. The Independent Directors shall lead the search for individuals qualified to become members of the board of directors and to recommend director nominees to be presented for shareholder approval. The Independent Directors shall recommend individuals as director nominees who have the highest personal and professional integrity, who have demonstrated exceptional ability and judgment and who will be most effective, in conjunction with the other nominees to the board, in collectively serving the long-term interests of shareholders. In the case of a vacancy in the office of a director (including a vacancy created by an increase in the size of the board of directors), the Independent Directors shall recommend to the board of directors an individual to fill such vacancy either through appointment by the board of directors or through election by shareholders.
2. The Independent Directors shall review from time to time the board of directors' committee structure and recommend for its approval directors to serve as members of each committee. The committee shall review and recommend committee slates annually and shall recommend additional committee members to fill vacancies as needed.
3. The Independent Directors shall review on an annual basis director compensation and benefits.

### **III. Independent Director Duties and Responsibilities**

The Independent Directors shall have the authority to delegate any of their responsibilities hereunder to any committee(s) composed of Independent Directors as they may deem appropriate in their sole discretion.

The Independent Directors shall have the authority to retain any search firm to assist them in identifying director candidates, and to retain outside counsel and any other advisors as the Independent Directors may deem appropriate in their sole discretion. The Independent Directors shall have authority to approve related fees and retention terms.