

REGULATIONS OF THE REMUNERATIONS COMMITTEE

BANCO BILBAO VIZCAYA ARGENTARIA, S. A.



Regulations of the Remunerations Committee of BBVA Board of Directors

Article 1. *Nature of the Committee*

1. In accordance with the provisions of the law, the Bylaws and the Regulations of the Board of Directors, the Board of Directors of Banco Bilbao Vizcaya Argentaria, S.A. (hereinafter, the **Company** or the **Bank**) has set up a Remunerations Committee (hereinafter, the **Committee**) to better perform its functions.
2. The Committee is a permanent internal body of the Board of Directors that is consultative in nature, without executive functions but with powers of information, supervision, advice and proposal within its scope of action; and governed by the rules contained in the law, the Bylaws, the Regulations of the Board of Directors and these Committee Regulations (hereinafter, the **Regulations**).
3. By virtue of the foregoing, the Committee members' responsibilities are fundamentally supervisory and advisory in nature, and they shall not intervene in the execution or management, inherent to the Bank's management.

Article 2. *Purpose, approval and modification of these Regulations*

1. The purpose of these Regulations is to determine the operational principles of the Committee and to establish the basic rules of its organisation and functioning.
2. These Regulations have been approved by the Board of Directors, in accordance with the provisions of the law, the Bylaws and the Regulations of the Board of Directors, and it is also the responsibility of the Board to approve any amendments hereto.
3. These Regulations build on and complement the provisions of the law, the Bylaws and the Regulations of the Board of Directors applicable to the Committee, and will be interpreted in accordance with these. These will prevail in the event of a contradiction with the Committee Regulations.

4. All other matters not provided for in these Regulations, in particular regarding the system for convening meetings, quorum requirements, adopting resolutions, minutes and remaining areas of the Committee's operation, will adhere to the Regulations of the Board of Directors, insofar as they are applicable.

Article 3. Composition

1. The Committee will be comprised of a minimum of three directors, all of them non-executive and the majority, including the Chair, must be independent directors.
2. Committee members will be appointed by the Board of Directors, seeking to ensure that they possess the necessary dedication, skills and experience to carry out their duties.
3. Committee members that are re-elected as Company directors by resolution of the General Shareholders' Meeting will continue to serve on the Committee, without the need for a new election, unless otherwise agreed by the Board of Directors.
4. Notwithstanding the foregoing, a director will cease as member of the Committee three years following his or her appointment by the Board of Directors, although the latter may agree to his or her re-election.

Article 4. Chair and Secretary of the Committee

1. The Board of Directors will appoint the Chair of the Committee from amongst its independent members.
2. In the absence of the Chair, meetings will be chaired by the longest-serving independent director on the Committee, and, where multiple directors have equal length of service, by the eldest.
3. The Secretary of the Board of Directors or, upon his or her designation, the Deputy Secretary of the Board of Directors, will act as secretary of the Committee.

Article 5. Functions of the Committee

Notwithstanding any others assigned to it by the law, the Bylaws, the Regulations of the Board of Directors or these Regulations, or by decision of the Board of Directors, the Remunerations Committee will have the following functions:

1. Propose to the Board of Directors, for submission to the General Shareholders' Meeting, the remuneration policy for directors, and also submit its corresponding report, all in accordance with the terms established by applicable regulations at any given time.
2. Determine the remuneration of non-executive directors, as provided for in the remuneration policy for directors, submitting the corresponding proposals to the Board.
3. Determine the extent and amount of individual remunerations, rights and other economic rewards, as well as the remaining contractual conditions for executive directors, so that these can be contractually agreed, in accordance with the remuneration policy for directors, submitting the corresponding proposals to the Board of Directors.
4. Determine the objectives and criteria for measuring the variable remuneration of the executive directors and assess the degree of achievement thereof, submitting the corresponding proposals to the Board of Directors, which, in the case of the Chief Executive Officer (*Consejero Delegado*), will take into account the assessment made by the Executive Committee and, in the case of other executive directors who may report to the Group Executive Chairman or to the Chief Executive Officer, the assessment made by these.
5. Analyse, where appropriate, the need to make ex-ante or ex-post adjustments to variable remuneration, including the application of malus or clawback arrangements for variable remuneration, submitting the corresponding proposals to the Board of Directors, prior report of the corresponding committees in each case.
6. Annually submit the proposal of the annual report on the remuneration of the Bank's directors to the Board of Directors, which will be submitted to the Annual General Shareholders' Meeting, in accordance with the provisions of the applicable law.

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7. Propose to the Board of Directors the remuneration policy for senior managers and employees whose professional activities have a significant impact on the Group's risk profile. Likewise, oversee its implementation, including supervision of the process for identifying such employees.
8. Submit a proposal to the Board of Directors, and supervise the implementation of, the Group's remuneration policy, which may include the policy for senior managers and the policy for employees whose professional activities have a significant impact on the Group's risk profile, stated in the previous paragraph.
9. Submit to the Board of Directors the proposals for basic contractual conditions for senior managers, including their remuneration and severance indemnity in the event of termination.
10. Directly oversee the remuneration of senior managers and determine, within the framework of the remuneration model applicable to Senior Management at any given time, the objectives and criteria for measuring variable remuneration of the heads of the Regulation and Internal Control function and of the Internal Audit function, submitting the corresponding proposals to the Board of Directors, on the basis of those submitted to it in this regard by the Risk and Compliance Committee and the Audit Committee, respectively.
11. Ensure observance of the remuneration policies established by the Company and review them periodically, proposing, where appropriate, any modifications deemed necessary to ensure, amongst other things, that they are adequate for the purposes of attracting and retaining the best professionals, that they contribute to the creation of long-term value and adequate control and management of risks, and that they attend to the principle of pay equity. In particular, ensure that the remuneration policies established by the Company are subject to internal, central and independent review at least once a year.
12. Verify the information on the remuneration of directors and senior managers contained in the various corporate documents, including the annual report on the remuneration of directors.
13. Oversee the selection of external advisers, whose advice or support is required for the performance of their functions in remuneration matters, ensuring that any potential conflicts of interest do not impair the independence of the advice provided.

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In the performance of its duties, the Committee, through its Chair, will consult with the Chairman of the Board of Directors, particularly with respect to matters relating to executive directors and senior managers.

Article 6. Meetings

1. The Committee will meet whenever it is convened by its Chair, who is empowered to call the Committee meetings and to set their agendas.
2. The Committee will endeavour to establish an annual calendar of meetings, considering the amount of time to be devoted to its different tasks.
3. The calling for ordinary sessions will include the agenda and must be made in writing, giving sufficient notice and endeavouring that the Committee members receive the relevant information and documentation with sufficient time for the proper performance of their duties, unless, exceptionally, upon judgment of its Chair, this should not be appropriate for reasons of confidentiality.
4. Extraordinary meetings of the Committee may be convened by telephone or by any other means of distance communication, and the requirements set out in the preceding paragraph will not apply where, upon judgment of the Chair of the Committee, the circumstances so warrant.
5. Executives responsible for the areas that manage matters within the Committee's remit may be called to meetings, as well as, at the request thereof, those persons within the Group who have knowledge of or responsibility for the matters covered by the agenda, when their presence at the meeting is deemed convenient.
6. The Committee may also call any other Group employee or manager, and even arrange for them to attend without the presence of any other manager.
7. Notwithstanding the foregoing, it will seek to ensure that the presence of persons outside the Committee during these meetings, such as Bank managers and employees, be limited to those cases where it is necessary and to the items on the agenda for which they are called.
8. In order to promote a diversity of views that enriches the Committee's analyses and proposals, its Chair will ensure that all members participate freely in deliberations and will promote constructive dialogue amongst them, encouraging the free expression of their views.

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9. The corresponding minutes from the meetings held by the Committee will be drawn up and, once approved, will be signed by the Secretary, with the approval of its Chair, or by whomever acted in such capacities during the corresponding meeting.

Article 7. *Quorum and adoption of resolutions*

1. The Committee will be validly constituted when more than half of its members, present or represented, attend the meeting.
2. Committee members will personally attend Committee meetings, and when they are unable to do so, will endeavour to grant a proxy to another Committee member, including the appropriate instructions and communicating this to the Chair of the Committee.
3. The Committee will be validly constituted without previously being convened if all of its members are present and unanimously accept the holding of the meeting.
4. Resolutions will be adopted by an absolute majority of votes present or represented.

Article 8. *Report to the Board of Directors*

1. The Chair of the Committee will inform the Board of Directors, at its ordinary meetings, on the activities carried out and the resolutions adopted by the Committee.
2. The minutes, once approved by the Committee, will be made available to all members of the Board of Directors.

Article 9. *Assessment*

1. The Committee will submit to the Board of Directors an annual report of its activity so that the latter may evaluate its operation.

Article 10. *Advisory powers*

1. The Committee may, through its Secretary, engage external advisory services for relevant issues when it considers that, these cannot be provided by experts or technical staff within the Group on grounds of specialisation or independence.

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2. Furthermore, the Committee may solicit personal cooperation and reports from any employee or member of the Senior Management if deemed necessary in order to comply with its functions in relevant matters. The usual channel for a request of this nature will be through the hierarchical line. However, in exceptional cases, the request may be notified directly to the person whose cooperation is required.

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