

# **REGULATIONS OF THE EXECUTIVE COMMITTEE**

**BANCO BILBAO VIZCAYA ARGENTARIA, S. A.**

## Regulations of the Executive 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 an Executive Committee (hereinafter, the **Committee**).
2. The Committee is an executive body of the Board of Directors that shall be made aware of matters delegated by the Board of Directors, in accordance with the legislation currently in force, the Bylaws or the Regulations of the Board of Directors.
3. The Committee is governed by the provisions of the law, the Bylaws, the Regulations of the Board of Directors and these Regulations of the Committee (hereinafter, the **Regulations**).

### 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 composed of a minimum of four directors, appointed by the Board of Directors, endeavouring a majority of non-executive directors over executive directors.
2. The Chairman of the Board of Directors will be an ex-officio member of the Committee.

### **Article 4. Chair and Secretary of the Committee**

1. The Committee will be chaired by the Chairman of the Board of Directors, or when this is not possible, by the person designated in the Bylaws.
2. The Secretary of the Board of Directors will hold the same position on the Committee. If absent, the Secretary will be replaced by the Deputy Secretary or by the person appointed by the attendees of the relevant meeting.

### **Article 5. Functions of the Committee**

In accordance with the law, the Bylaws, the Regulations of the Board of Directors or these Regulations, the Executive Committee will deal with matters delegated to it by the Board of Directors and, in particular, will have the following functions:

#### **Support functions to the Board of Directors in its decision-making**

- a) On strategy
  - Establishment of the bases and previous analysis of the proposals submitted to the Board of Directors in relation to the Bank's Strategic Plan or other strategic decisions, including the Risk Appetite Framework.
  - Prior analysis of the strategic and financial aspects of the proposals submitted to the Board of Directors in relation to corporate transactions corresponding to its decision-making powers, in respect of which it will submit its report to the Board, accompanied, where

necessary, by reports from the other Board committees on those matters within their respective remits.

- Adoption of decisions and execution of mandates that may be expressly delegated by the Board of Directors in these fields, once the decisions reserved to it are adopted by the Board.

b) On budgets

- Prior analysis of the proposals submitted to the Board of Directors in relation to the Institution's budgets.
- Adoption of the corresponding decisions for the implementation of the budget approved by the Board of Directors.
- Analysis of deviations from the approved budget and, where appropriate, reporting such to the Board of Directors.

c) On finances

- Establishment of the bases and previous analysis of the proposals submitted to the Board of Directors relating to the Bank's funding plan, its capital and liquidity structure, and its dividends policy.
- Adoption of implementation decisions of mandates expressly conferred on it by the Board of Directors in these fields.

d) Competencies relating to business risk

Analysis of matters relating to business risk in the proposals and plans submitted to the Board of Directors.

e) Competencies relating to reputational risk

Analysis, assessment and management of matters relating to reputational risk.

Functions of prior reporting on policies submitted to the Board of Directors and approval of general Group and Company policies

Analyse, prior to their consideration by the Board of Directors, the general Group and Company policies that, in accordance with the law or internal

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regulations, must be approved by the Board of Directors, except for policies relating to issues within other Board committees' remit, which will be approved or reported to the Board beforehand by the corresponding committee.

#### Monitoring and control functions

The Committee will perform monitoring and control functions regarding the following matters:

- The Group's activity and results.
- Budget monitoring.
- Progress of the Strategic Plan, through the key performance indicators established for this purpose.
- Monitoring of the Group's liquidity and funding plan and capital situation, as well as of the activity of the Assets and Liabilities Committee.
- Monitoring of the evolution of the risk profile and the core metrics defined by the Board of Directors.
- Share-price performance and changes in shareholder composition.
- Analysis of the markets in which the Group carries out its activities.
- Progress of the projects and investments agreed upon within its remit, as well as those agreed upon by the Board of Directors at a strategic level.

Notwithstanding the risk monitoring and control functions of the Risk and Compliance Committee, the head of the Global Risk Management function will provide a monthly report to the Committee on the evolution of risk metrics and risk profile, to provide it with an overview of the progress of the Group's business and business units.

#### Decision-making powers over the following issues:

The Committee will be apprised of and decide, by delegation of the Board of Directors, with the report of the relevant Committees of the Board, as appropriate, on the following matters:

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- a) Investments and divestments exceeding EUR 50 million and not reaching EUR 400 million, unless they are of a strategic nature due to their particular characteristics, in which case the decision will correspond to the Board of Directors.

In relation to transactions arising from the recovery management of the Bank or its Group companies, those exceeding EUR 200 million and not reaching EUR 1 billion, all of which have a positive or negative impact on the profit and loss account will fall within the Committee's remit. Smaller transactions will be handled at executive level, within the limits and in accordance with the procedures approved for the Bank's risk management, and decisions concerning larger transactions will correspond to the Board of Directors or the General Shareholders' Meeting, as appropriate.

- b) Plans and projects that are considered of importance to the Group and that arise from its activities, when they do not fall within the remit of the Board of Directors.
- c) Decisions pertaining the assumption of risks that exceed the limits set by the Board of Directors, which must be reported to the Board of Directors at its first meeting held thereafter, for ratification.
- d) The granting and revoking of the Bank's powers of attorney.
- e) Proposals for the appointment and replacement of directors in the Bank's subsidiaries or investee companies with more than EUR 50 million in own funds.
- f) Regarding whether executive directors may hold management positions in companies controlled, directly or indirectly, by the Bank, or in the Group's investee companies.

Notwithstanding the foregoing, on grounds of urgency and under the terms established by the law, the Committee may make decisions that fall within the remit of the Board of Directors in accordance with Article 17 of the Regulations thereof, reporting these to the Board of Directors at its first meeting held thereafter for their ratification.

## **Article 6. Coordination with other committees of the Board of Directors**

For the proper performance of its functions, the Committee will have available, where necessary, the reports of the relevant Board committees on matters within their remits, and may request, as a matter of relevance, the attendance of the chairs of those committees at its own meetings where such reports are to be dealt with.

Likewise, to ensure consistency and alignment of the Risk Appetite Framework, and the Group's capital and liquidity assessment processes with the strategy defined by the Board of Directors, the Committee will review and provide the bases of the proposals concerning these matters, which will be submitted to the Board by the Risk and Compliance Committee.

In any event, the Committee will ensure that the process of drafting and approving the Risk Appetite Framework is coordinated with those processes corresponding to the Bank's other forward-looking strategic decisions, such as its Annual Budget, in order to ensure adequate coherence and consistency of these documents and integration in all of them of the strategic bases defined by the Board of Directors.

## **Article 7. 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 endeavoring 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. The Committee may call any Bank employee or manager.

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6. 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 8. 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 9. Report to the Board of Directors**

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

#### **Article 10. 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.

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