

# **REGULATIONS OF THE BOARD OF DIRECTORS**

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

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The Board of Directors of Banco Bilbao Vizcaya Argentaria, S.A. (hereinafter, the **Company** or the **Bank**) constitutes, in accordance with its Bylaws, the Company's natural body of representation, administration, management and supervision.

The purpose of these Regulations is to establish the rules of the internal regime and operation of the Company's Board of Directors according to the applicable legal and statutory provisions, determining its operational principles and the rights and duties of its members.

## **CHAPTER I DIRECTORS' STATUTE**

### **Article 1. *Types of Directorship***

1. The Bank's directors may be executive or non-executive. Executive directors will be those who perform management duties in the Bank or any of its Group companies, irrespective of the legal relationship they have with it. All other members of the Board of Directors will hold non-executive directorships, and may be proprietary, independent or other external directors.
  
2. Non-executive directors who are appointed based on their personal and professional qualities and who may perform their duties without being constrained by their relationship with the Company, or its Group, significant shareholders or managers, will be considered independent directors. Directors may not be considered independent in any of the following situations:
  - a) They have been employees or have been executive directors of Group companies in the last three or five years, respectively.
  
  - b) They receive from the Bank, or from Group companies, any amount or benefit for any item other than director's remuneration, except for those which are not significant for such director.

For the purposes of this item, neither dividends nor pension allowances received by directors relating to their previous professional or employment relations will be taken into account, provided that said

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allowances are unconditional in nature and, therefore, the company that provides said allowances may not suspend, modify or revoke their accrual at its discretion without breaching its obligations.

- c) They are, or have been in the past 3 years, a partner of an external auditor or have been responsible during this time for the auditor's report of the Company or any other company within its Group.
- d) They are executive directors or senior managers of another company for which an executive director or senior manager of the Company is an external director.
- e) They have, or have had over the last year, a significant business relationship with the Bank or any company within its Group, whether in their own name or as a significant shareholder, director or senior manager of a company that has, or has had, such a relationship.

Business relationships include supplying goods or services, including financial services, as well as acting as an adviser or consultant.

- f) They are significant shareholders, executive directors or senior managers of a company that receives, or has received in the past 3 years, donations from the Company or from its Group.

Those who are simply trustees of a foundation receiving donations will not be considered included in this item.

- g) They are spouses, partners in a similar relationship of affection or relatives up to the second degree of an executive director or senior manager of the Company.
- h) They have not been proposed for appointment or renewal by the Appointments and Corporate Governance Committee.
- i) They have been directors for a continuous period of more than 12 years.
- j) In relation to a significant shareholder or shareholder represented on the Board of Directors, any of the circumstances referred to in items a), e), f) or g) above shall apply. In the event of the kinship relations referred to in item g), the limitation will apply not only to the shareholder, but also to any proprietary directors of the company in

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which shares are held.

The directors with a shareholding in the Company may be considered independent provided that they do not meet the conditions above and, in addition, that their shareholding is not legally regarded as significant.

3. Proprietary directors will be considered those non-executive directors whose shareholding is equal to or greater than that legally regarded as significant or who have been appointed due to their status as shareholders, even if their shareholding is not legally regarded as significant; as well as those who represent shareholders in the aforementioned conditions. To this end, a director is considered to represent a shareholder when: he or she has been appointed in exercise of the right of representation; he or she is a director, senior manager or employee of, or regular service provider to, that shareholder or to companies within its group; based on corporate documentation, it is concluded that the shareholder assumes that the director has been appointed by or represents him or her; he or she is a spouse, partner in a similar relationship of affection or relative up to the second degree of a significant shareholder.

These same criteria for determining proprietary directorship will apply when agreements or covenants have been concluded between shareholders under which the parties are obliged to adopt, through a concerted exercise of the voting rights at their disposal, a common policy as regards the management of the Company, or which are otherwise intended to influence the Company in a relevant way.

Proprietary directors whose status as such ends as a result of the sale of their holding by the shareholder they represented may only be re-elected as independent directors when the shareholder they represented until that time has sold the entirety of his or her shares in the Company.

Any director who performs management duties and, at the same time, is or represents a significant shareholder or a shareholder which is represented on the Board of Directors, will be considered as an executive director.

4. Where any non-executive director cannot be considered to have a proprietary or independent directorship, he or she will be considered an "other external director", and his or her circumstance and relationship with

the Company, its directors or shareholders will be explained, as appropriate.

5. Each individual's type of directorship will be presented by the Board of Directors to the General Shareholders' Meeting at the time of his or her proposed appointment, ratification or re-election, and will be reviewed, at least annually, by the Appointments and Corporate Governance Committee so that it may be recorded in the annual corporate governance report.

## **Article 2. Composition of the Board of Directors**

1. The Board of Directors will be composed of the number of directors determined by resolution of the General Shareholders' Meeting within the limits established by the law and the Bylaws.
2. The General Shareholders' Meeting is responsible for appointing members of the Board of Directors; however, if a seat falls vacant, the Board has the authority to co-opt members. In any event, persons proposed to be appointed as directors must meet the requirements set out in current legislation, in the specific regulations applicable to credit institutions and in the Bylaws.
3. In particular, directors must meet the suitability requirements needed to hold the position and must display a recognised business and professional repute, have the adequate knowledge and experience to carry out their duties and be in a position to exercise good governance of the Company.
4. The Board of Directors will ensure that the procedures for the selection of directors favour diversity within its membership and, in general, do not suffer from implicit biases that may imply any discrimination. It will also submit its proposals to the General Shareholders' Meeting, seeking to ensure adequate representation of the underrepresented gender and that, in its composition, there is an ample majority of non-executive directors over executive directors and that at least one third of the Board are independent directors.

## **Article 3. Appointment and re-election of directors**

1. The proposals for appointment or re-election of directors submitted by the

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Board of Directors to the General Shareholders' Meeting, as well as the appointments made directly to fill vacancies under its co-opting powers, will be approved at the proposal of the Appointments and Corporate Governance Committee for independent directors and prior report from this committee for all other directors.

2. The proposal must be accompanied by an explanatory report by the Board of Directors assessing the skills, experience and merits of the candidate proposed, which will be added to the minutes of the General Shareholders' Meeting or the Board of Directors meeting.
3. In the case of proposals for the re-election of directors, the resolutions and deliberations of the Board of Directors will be passed without the participation of the director whose re-election is being proposed, who must also leave the meeting, if present.
4. For the purpose of providing new directors with knowledge of the Company and its rules of corporate governance, they will be provided with an orientation and support programme, without prejudice to the fact that the Company may establish, when circumstances advise, programmes aimed at the directors to update their knowledge.

#### **Article 4. Directors' term of office**

1. The directors will hold their position for the period of time set out in the Bylaws or, when they have been co-opted, until the first General Shareholders' Meeting is held.
2. In any event, the directors will resign from their positions upon reaching 75 years of age, and must submit their resignation at the first meeting of the Bank's Board of Directors to be held after the General Shareholders' Meeting approving the accounts for the financial year in which they reach said age.
3. When a director leaves his or her position before the end of his or her term of office, unless for the reason expressed in the preceding paragraph, he or she will explain the reasons in a letter to be sent to all members of the Board of Directors, and the Company will inform of such in its annual corporate governance report.

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### **Article 5. Performance of the role of director**

1. Directors must fulfil the duties imposed by the laws and the Bylaws with fidelity to the corporate interest, understood as the interest of the Company.

They should thus clearly express their opposition when they consider that any proposal submitted to the corporate bodies may be contrary to the corporate interest or may harm shareholders not represented on the Board of Directors.

2. Directors must devote to their duty the necessary time and effort to perform it effectively and are required to attend the meetings of the corporate bodies on which they sit, except for a justifiable reason, and to participate in the deliberations, discussions and debates held on matters submitted for their consideration.

They will also act in accordance with the channels established on the basis of their respective tasks in the Board of Directors and its committees, and in the exercise of authority delegated expressly by the management bodies of the Company, especially in the relationship with the Bank's customers, managers and employees.

3. Directors will be provided in advance with the information needed to form an opinion with respect to the matters within the remit of the Bank's corporate bodies, and may ask for any additional information and advice required to perform their duties. They may also request the Board of Directors for external expert assistance for any matters submitted to their consideration whose special complexity or importance so requires.

These rights will be exercised through the Chairman or the Secretary of the Board of Directors, who will attend to requests by providing the information directly or by establishing suitable arrangements within the organisation for this purpose, unless a specific procedure has been established in the regulations governing the Board committees.

### **Article 6. Duty of diligence**

1. The directors will perform their duties with the diligence of an orderly business person, taking into account the nature of the position and the duties attributed to each of them.

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2. In the area of strategic and business decisions subject to corporate discretion, the standard of diligence of an orderly businessperson will be understood to be fulfilled when the director has acted in good faith, without personal interest in the matter of decision, with sufficient information and in accordance with an appropriate decision-making process.

#### **Article 7. Duty of loyalty**

1. The directors must hold office with the loyalty of a faithful representative, acting in good faith and in the Company's best interest.

To this end, directors must not exercise their faculties for purposes other than those for which they have been granted and will perform their duties under the principle of personal responsibility with freedom of thought or judgement and independence from instructions and ties from third parties.

2. The directors will keep secret the deliberations of the Board of Directors and of the committees of which they are part, as well as all information to which they have had access in the performance of their duties, which they will use exclusively for their performance and guard with due diligence. Directors' obligation of confidentiality will remain even after he or she has ceased to be a director.
3. Directors must adopt necessary measures to avoid incurring in situations where their interests, whether on their own account or for that of others, may enter into conflict with the corporate interest and with their duties with respect to the Company, unless the Company has granted its consent under the terms established in applicable legislation and in these Regulations.

Likewise, they must refrain from participating in deliberations and votes on resolutions or decisions in which they or a related party may have a direct or indirect conflict of interest, unless these are decisions relating to appointment or removal of positions on the management body.

Directors must notify the Board of Directors of any situation of direct or indirect conflict that they or parties related to them may have with respect to the Company's interests.

## Article 8. *Conflicts of interest*

1. The duty of avoiding situations of conflicts of interest referred to in the previous article obliges the directors to refrain from, in particular:
  - a) Carrying out transactions with the Company, unless these relate to ordinary transactions, performed under standard conditions for customers and of minor relevance. Such transactions are deemed to be those whose information is not necessary to provide a true picture of the Company's equity, financial situation and results.
  - b) Using the name of the Company or invoking their position as director to unduly influence the performance of private transactions.
  - c) Making use of corporate assets, including the Company's confidential information, for private ends.
  - d) Taking advantage of the Company's business opportunities.
  - e) Obtaining advantages or remuneration from third parties other than the Company and its Group, associated to the performance of their position, unless they are mere tokens of courtesy.
  - f) Engaging in activities on their own account or on behalf of third parties that involve effective actual or potential competition with the Company or that, in any other way, bring them into permanent conflict with the Company's interests.

The above provisions will also apply should the beneficiary of the prohibited acts or activities described in the previous subsections be a related party to the director.

2. However, the Company may exempt the aforementioned prohibitions in specific cases, authorising a director or a related party to carry out a certain transaction with the Company, to use certain corporate assets, to take advantage of a specific business opportunity or to obtain an advantage or remuneration from a third party.
3. When the authorisation is intended to exempt the prohibition of obtaining an advantage or remuneration from third parties, or affects a transaction whose value is over 10% of the corporate assets, it must necessarily be approved by the General Shareholders' Meeting.

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4. The obligation not to compete with the Company may only be dispensed with when no damage is expected to the Company or when any damage that may be expected is compensated by the benefits that are foreseen from the exemption. The exemption will be granted by an express and separate resolution of the General Shareholders' Meeting.
5. In remaining cases, the authorisation may also be resolved by the Board of Directors, provided that the independence of the members conferring it is guaranteed with respect to the director receiving the dispensation. Moreover, it will be necessary to ensure that the authorised transaction is harmless to the corporate equity or, where applicable, that it is carried out under market conditions and that the process is transparent.
6. The approval of the transactions of the Bank or its Group companies with directors, when these correspond to the Board of Directors, will be granted, where appropriate, after receiving a report from the Audit Committee. The only exceptions to this approval will be those transactions which meet simultaneously all three of the following characteristics:
  - a) They are carried out under contracts with standardised terms and are applied en masse to a large number of customers.
  - b) They are executed at rates or prices set in general by the party acting as supplier of the goods or services; and
  - c) They are worth less than 1% of the Company's annual revenues.

#### **Article 9. Rules of conduct**

Directors will be subject to the provisions of the Code of Conduct and the Internal Regulations of Conduct in the Securities Markets applicable to them, as well as to the applicable legal provisions and internal instructions regarding the application for loans and guarantees from the financial institutions that are part of the Group. In particular, directors will refrain from carrying out, recommending or inducing to any person an operation on securities of the Company itself or of subsidiaries, associated or related companies on which, as a result of their position, they have privileged information, while such information is not publicly disclosed.

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**Article 10. Suitability and status of directors**

1. Directors must meet the suitability requirements established at any given time by applicable legislation for the performance of their role.
2. Assessment of suitability requirements will be made by the Board of Directors, following a report from the Appointments and Corporate Governance Committee. To this end, the directors will inform the Appointments and Corporate Governance Committee of their other professional obligations, in case they may interfere with the dedication required to perform their functions, as well as any circumstances that may affect the assessment of their suitability as directors.
3. Likewise, the directors will inform the Appointments and Corporate Governance Committee of any circumstances that may affect their status for the purposes of Article 1 of these Regulations.

**Article 11. Directors' limitations and incompatibilities**

1. In the performance of their roles, directors will be subject to the rules on limitations and incompatibilities established under the applicable regulations at any time and, in particular, to the provisions of Act 10/2014 on the regulation, supervision and solvency of credit institutions.
2. In addition, directors may not:
  - a) Provide professional services to companies competing with the Bank or any of its Group companies, or agree to be an employee, manager or director of such companies, unless they have received express prior authorisation from the Board of Directors or from the General Shareholders' Meeting, as appropriate, or unless these activities had been provided or conducted before the director joined the Bank, they had posed no effective competition and they had informed the Bank of such at that time.
  - b) Have direct or indirect shareholdings in businesses or companies in which the Bank or its Group companies hold an interest, unless such shareholding was held prior to joining the Board of Directors or to the time when the Group acquired its holding in such businesses or companies, or unless such companies are listed on national or

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international securities markets, or unless authorised to do so by the Board of Directors.

- c) Hold political positions or perform any other activities that might have public significance or may affect the Company's image in any way, unless this is with prior authorisation from the Bank's Board of Directors.

#### **Article 12. Termination of office of directors**

1. Directors will cease to hold office when the term for which they were appointed has expired, unless they are re-elected.
2. Directors must inform the Board of Directors of any circumstances that affect them and may harm the company's standing and reputation, and of any circumstances that may have an impact on their suitability to perform their role.
3. Directors must offer their resignation to the Board of Directors and accept its decision regarding their continuity in office or not. Should the Board decide against their continuity, they are required to tender their resignation in the following circumstances:
  - a) When they are affected by circumstances of incompatibility or prohibition as defined under legislation in force, in the Bylaws or in these Regulations.
  - b) When significant changes occur in their personal or professional situation that affect the status by virtue of which they were appointed as directors.
  - c) In the event of serious breach of their duties in the performance of their role as directors.
  - d) When, for reasons attributable to the directors in their status as such, serious damage has been done to the Company's equity, standing or reputation; or
  - e) When they are no longer suitable to hold the status of director of the Bank.

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**Article 13. Directors' remuneration**

1. The remuneration of the members of the Board of Directors will be governed by the provisions of the applicable legislation, the Bylaws and the resolutions adopted by the relevant corporate bodies.
2. Directors' remuneration for that condition will be linked to the responsibility, dedication and incompatibilities inherent to the position they hold on the Board of Directors and its committees, and the Board of Directors may establish exceptions where circumstances so require in its judgement.
3. Executive directors will be excluded from the remuneration system set out in the preceding paragraph, having the right to receive remuneration for the performance of their executive duties, in accordance with the provisions of Article 50 bis of the Bylaws.

**Article 14. Pension system**

1. The Board of Directors of the Bank, with the conditions and exceptions that it provides for, may establish for the directors the right to a pension covering the circumstances of termination of office, retirement and death, irrespective of the system applicable to executive directors.
2. Directors, within the scope determined by the Board of Directors, will be entitled to healthcare insurance to cover sickness expenses, which may be extended to their families, as well as accident insurance.
3. They will also be entitled to reimbursement for the expenses incurred as a result of the performance of their duties as directors, under conditions to be determined by the Board of Directors of the Bank.

**Article 15. Liability coverage**

1. The Bank, by means of a civil liability policy underwritten with an insurance company, will provide coverage of any liabilities that may be incurred by the directors in the performance of their duties, and ensure that it covers in advance all expenses, including those of legal assistance, bonds and consideration that may arise from any civil, criminal or administrative procedure brought against the Bank's directors, and such coverages will remain in effect even after the director's termination of office.

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2. In any event, the Bank will hold the director harmless from any claim arising from acts carried out in the legitimate performance of his or her duties.

#### **Article 16. *Incompatibility after termination of office***

Directors who no longer hold a position on the Board of Directors of the Bank may not provide services to another competing financial entity of the Bank or its subsidiaries for a period of two years after termination of office, unless through express authorisation of the Board, which may refuse it on grounds of corporate interest.

## **CHAPTER II ORGANISATION AND OPERATION OF THE BOARD OF DIRECTORS**

#### **Article 17. *Functions of the Board of Directors***

1. The Board of Directors, as the Company's highest body of representation, administration, management and supervision, will have the functions established at any given time by the applicable legislation and the Bylaws and, in particular and *inter alia*, the following, where necessary following the report or upon proposal of the relevant Board committees:
  - a) In relation to the policies and strategies of the Company and the Group and their corporate and governance structure:
    - (i) Determination of the Company's general policies and strategies.
    - (ii) Approval of the strategic or business plan, of management objectives and annual budgets and the policy on investments and financing.
    - (iii) Determination of the corporate governance policy of the Company and its Group.
    - (iv) Oversight, control and periodic assessment of the effectiveness of the corporate governance system.
    - (v) Approval of the corporate social responsibility policy.

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- (vi) Determination of the risk control and management policy and oversight of internal information and control systems.
  - (vii) Determination of the fiscal strategy and the management and control policy for the Company's fiscal-related risks.
  - (viii) Approval of the policies on dividends and treasury stock.
  - (ix) Determination of the Group's capital and liquidity strategy.
  - (x) Approval of the policy on the communications and relations with shareholders, institutional investors and proxy advisors.
  - (xi) The policies on the selection and diversity of members of the Board of Directors and the policy on the selection and appointment of senior managers.
  - (xii) The approval of any other policies for which the Board of Directors is responsible in accordance with the applicable regulations at any given time, and any other policies which the Board deems appropriate.
  - (xiii) Definition of the Group's corporate structure.
- b) In relation to the organisation and operation of the Board of Directors and its delegated and advisory bodies:
- (i) Approval and amendment of these Regulations.
  - (ii) The appointment and renewal of the positions within the Board of Directors and the members and positions within the Board committees.
  - (iii) Supervision of the effective operation of the committees it has set up and the actions of the delegated bodies it has appointed.
  - (iv) Assessment of the quality and effectiveness of the operation of the Board of Directors, as well as assessment of the performance of the duties of the Chairman of the Board, based in each case on the report submitted by the Appointments and Corporate Governance Committee.

- (v) Assessment of the performance of the Chief Executive Officer, based on the report submitted by the Appointments and Corporate Governance Committee, which will include the assessment made by the Executive Committee.
  - (vi) Assessment of the operation of its committees, based on the reports submitted thereby.
  - (vii) Approval, where appropriate, of succession plans for the Chairman of the Board of Directors, the Chief Executive Officer and, where appropriate, the Deputy Chair.
- c) In relation to the Bank's directors, senior managers and employees:
- (i) Appointment by co-option of directors and proposal to the General Shareholders' Meeting for the appointment, ratification, re-election or removal of directors.
  - (ii) Authorisation of or exemption from obligations arising from the duty of loyalty pursuant to the provisions of the law.
  - (iii) Approval of the remuneration policy for directors, for the purposes of its submission to the General Shareholders' Meeting in the terms established under applicable regulations.
  - (iv) Determination of directors' remuneration in their condition as such and, in the case of executive directors, the remuneration corresponding to their executive duties as well as other conditions that are incumbent in their contracts.
  - (v) Appointment and removal of senior managers, on the proposal of the Group Executive Chairman for those who report thereto, and of the Chief Executive Officer, for those who report thereto, prior information to the Group Executive Chairman.

The Board of Directors will be responsible for the appointment and removal of the head of the Internal Audit function, upon proposal from the Audit Committee, and the head of Regulation and Internal Control function, upon proposal from the Risk and Compliance Committee, as well as the determination of their

objectives and assessment of their performance, upon proposal from the corresponding committee.

- (vi) Establishment of the basic contractual conditions for senior managers, including their remuneration and severance indemnity in the event of termination, based on the proposals submitted by the Remunerations Committee.
- (vii) Oversight of the actions of the Bank's Senior Management.
- (viii) Approval of the remuneration policy for senior managers and employees whose professional activities have a significant impact on the Group's risk profile.
- (ix) Approval 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.

For the purposes of the provisions of these Regulations, senior managers are understood as executive directors and persons fulfilling senior management duties with general management powers and who report directly to the management body or any of its members, as well as the heads of the Group's significant business areas.

- d) In relation to the financial statements, the annual accounts and the information to be provided by the Company:
  - (i) Drafting of the annual accounts and their submission to the General Shareholders' Meeting.
  - (ii) Approval of financial information that the Company is required to publish periodically as a listed company.
  - (iii) Supervision of the integrity of the accounting and financial information systems, including financial and operational control and compliance with applicable legislation.
  - (iv) Supervision of the process for the disclosure of information and the communications relating to the Company as a credit institution.

- (v) Drafting of all types of reports required to the management body by law, provided that the matter referred to in the report cannot be delegated.
- e) Other responsibilities:
- (i) Approval of investments or transactions of any kind that are of a strategic nature due to their high value or special characteristics, unless such approval correspond to the General Shareholders' Meeting.
  - (ii) Approval of the creation or acquisition of holdings in special purpose vehicles or entities domiciled in countries or territories considered tax havens, as well as any other transactions or operations of an equivalent nature that, due to their complexity, may undermine the transparency of the Group.
  - (iii) Approval, where applicable, of the transactions carried out by the Bank or its Group companies with directors or shareholders who, individually or in concert with others, hold a significant interest, including shareholders represented on the Board of Directors of the Company or of other Group companies , or with persons linked to them, with the exceptions provided for by law.
- f) In addition, on a general basis, the Board will carry out, directly or through its committees, the monitoring of the decisions taken, including supervision of the implementation of the policies approved, and supervision of the management of the Company and its Group, with the level of detail corresponding to its overall oversight function.
2. The above decisions may be adopted by the Executive Committee for reasons of urgency in accordance with the provisions established by the law, and shall be submitted for ratification at the first meeting of the Board of Directors held thereafter.

#### **Article 18. Chairman of the Board of Directors**

1. The Chairman of the Board of Directors will act as Group Executive Chairman, unless the Board resolves otherwise.

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2. The Chairman of the Board of Directors is given the duties attributed thereto by the law, the Bylaws and these Regulations. Specifically, the Group Executive Chairman will be responsible for the management and proper operation of the Board of Directors, for management oversight duties, for the institutional representation of the Bank, and for leading and driving the Group's strategy and its transformation process.
3. As the person responsible for the efficient operation of the Board of Directors, the Chairman will ensure that, prior to Board meetings, the directors receive sufficient information on the items of business, and will encourage directors to debate and actively participate in Board meetings, safeguarding their freedom to adopt positions and express their own opinions. The Chairman will organise and coordinate the periodic assessment of the Board's performance with the chairs of the relevant committees.
4. In any case, the following will report directly to the Group Executive Chairman:
  - a) The Strategy area.
  - b) The areas related to the key transformation levers: Engineering & Organisation, Talent & Culture, and Data.
  - c) The Accounting area.
  - d) The Supervisors and Regulation areas.
  - e) The Legal, Communications, Institutional Relations and General Secretariat areas.

#### **Article 19. Deputy Chair of the Board of Directors**

1. The Board of Directors may appoint, from amongst its members, following a report by the Appointments and Corporate Governance Committee, one or more Deputy Chairs who, in the terms established by the law and the Bylaws, and following the order established in their appointment, will temporarily replace the Chairman of the Board of Directors in the event of his or her vacancy, absence, illness or impossibility to perform his or her duties.

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2. In the absence of a Deputy Chair, and in the event of vacancy, absence, illness or impossibility of the Chair of the Board of Directors to perform his or her duties, the director expressly designated by the Board of Directors for those purposes will replace him or her and, in the absence thereof, the longest-serving director or, in the case of equal length of service, the eldest, will replace the Chairman of the Board in said circumstances.

#### **Article 20. Chief Executive Officer (Consejero Delegado)**

1. The Board of Directors, following a report from the Appointments and Corporate Governance Committee and with a two-thirds majority, will elect from amongst its members a Chief Executive Officer to assume responsibility for the day-to-day management of the business, being granted for that purpose the broadest powers conferred by the Board of Directors. The Chief Executive Officer will report directly to the Board, without prejudice to periodically informing the Group Executive Chairman on the progress of the Group's businesses and of the rest of the areas under his or her responsibility and ensuring proper coordination with him or her.
2. All of the Group's businesses will report directly to the Chief Executive Officer and, consequently, all country managers and heads of Corporate & Investment Banking (C&IB) and Client Solutions will report to him or her. Likewise, the head of the Finance area will also report to the Chief Executive Officer, as well as the entire first line of defence of the Risk area, both globally and through the Group's business areas.

#### **Article 21. Lead Director**

1. Should the Chairman be an executive director, the Board of Directors, following a proposal from the Appointments and Corporate Governance Committee and with the abstention of the executive directors, will nominate a Lead Director from among its independent directors.
2. The Lead Director will hold this position for three years following his or her nomination by the Board of Directors, although the Board may approve re-election for an additional period of three years.
3. The Lead Director will have special powers to:

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- a) Request that a meeting of the Board of Directors be convened, or that new items be included on the agenda of a Board meeting already convened or to be convened. For this purpose, the Lead Director will be aware of the annual meeting calendar and of the agenda proposals for each session prior to its calling. He or she will seek to ensure that sufficient time is allocated for review and debate of the items to be discussed at each meeting.
  - b) Coordinate and meet with non-executive directors.
  - c) Direct the periodic assessment of the Chairman of the Board of Directors.
  - d) Engage, as appropriate, with investors, shareholders, supervisors and other stakeholders to know their views and form an opinion on their views or concerns, in particular with regard to the corporate governance of the Company, and report these to the Chairman and, if necessary, to the corporate bodies.
  - e) Chair meetings of the Board of Directors in the absence of the Chairman and the Deputy Chairs, if any.
  - f) Inform the Board of Directors periodically, at least every six months, of the activities undertaken in order to fulfil his or her duties.
4. In the performance of his or her duties, the Lead Director will ensure proper coordination with the Group Executive Chairman.

#### **Article 22. Secretary of the Board of Directors**

1. The Board of Directors, following a report from the Appointments and Corporate Governance Committee, will appoint a Secretary from amongst its members, unless it agrees to entrust such duties to a person that is not one of its members. This process will also apply for agreeing to his or her termination of office.
2. The Secretary, in addition to the duties assigned thereto by the law and the Bylaws, will:

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- a) Maintain the documentation of the Board of Directors, placing on record the proceedings of the meetings on the minutes book and attesting to their contents and to the resolutions adopted.
  - b) Ensure that the actions of the Board of Directors comply with applicable law and are in line with the Bylaws and other internal regulations, and that the recommendations on good governance are taken into account.
  - c) Assist the Chairman in ensuring that directors receive the information required for the exercise of their duties in a timely manner and in the appropriate format.
3. The Board of Directors may also, following a report from the Appointments and Corporate Governance Committee, appoint a Deputy Secretary to replace the Secretary in the event of vacancy, absence, illness or impossibility thereof.

#### **Article 23. Meetings of the Board of Directors**

1. The Board of Directors will in principle meet on a monthly basis, with an annual calendar of its ordinary meetings being drawn up well in advance.
2. In addition, the Board of Directors will meet whenever its Chair or the Executive Committee deems it appropriate or at the request of directors representing one quarter of the members of the Board of Directors who are appointed at any given time or, where appropriate, of the Lead Director.

#### **Article 24. Calling of the Board of Directors**

1. The Board of Directors will be convened by the Chairman or, failing that, by whoever the Bylaws determine.
2. Meetings set for the dates indicated in the calendar to be established for the year in general will be considered convened, without prejudice to the fact of the Secretary, upon the indication of the Chairman, sending a communication to the directors with the agenda by letter, email or other telematic means, using the same means to cancel any such meeting.

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3. The Board of Directors may, however, be convened to hold meetings on dates other than those provided for in the annual calendar.
4. Meetings will be convened sufficiently in advance. It will be sought to ensure that members of the Board receive 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.
5. Extraordinary meetings of the Board of Directors may be convened by telephone, and the above requirements will not apply when, upon judgment of the Chairman, circumstances so warrant.
6. The agenda will include matters to be determined by the Chairman of the Board, as deemed appropriate for the corporate interest. The Chairman of the Board will review the proposed agenda with the Lead Director prior to sending the formal calling of all directors.
7. The Board of Directors will be deemed validly constituted, without the need for calling, when its members, all being present, decide unanimously to constitute themselves in a session.

#### **Article 25. Quorum for constitution and adoption of resolutions**

1. The Board of Directors will be validly constituted when the majority of its members, present or represented, attend the meeting.
2. Resolutions will be adopted by an absolute majority of votes, present or represented, unless otherwise provided in the law or in the Bylaws.

#### **Article 26. Representation**

1. Directors should personally attend the meetings that are held.
2. Notwithstanding the foregoing, should it not be possible for a director to attend any of the meetings of the Board of Directors, he or she may grant proxy to another director to represent and vote on his or her behalf. This will be done by a letter or email sent to the Company with the information required for the proxy director to be able to follow the absent director's instructions. Non-executive directors may only grant proxy to another non-executive director.

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### **Article 27. Adoption of written resolutions outside of meetings**

The Board of Directors may adopt written resolutions without a meeting when no director is opposed to it and in accordance with the provisions of the law.

### **Article 28. Meeting process**

1. The meetings of the Board of Directors will be held at the place and on the date indicated in the convening notice following the established agenda, with the Chairman being responsible, unless otherwise indicated in these Regulations, for submitting resolution proposals to the Board and for directing its deliberations and discussions.
2. In the absence of the Chairman, meetings will be chaired by whoever is determined by the Bylaws and these Regulations.
3. The Secretary of the Board of Directors or, in his or her absence, the Deputy Secretary of the Board of Directors, if any, will act as Secretary. In the absence of both, this role will be performed by the person accepted by the majority of the meeting attendees.
4. Directors will be provided with any information or clarifications they deem necessary or appropriate in relation to the matters to be addressed at the meeting, either before or during the progress thereof.
5. The Chairman will encourage directors to participate in meetings and discussions of the Board of Directors, submitting matters to a vote when he considers them sufficiently debated. The Chairman will ensure that sufficient time is dedicated to debate on the matters submitted for the Board's consideration.
6. Executives of the Group or other persons whose presence is deemed desirable in accordance with matters submitted for the Board's consideration may be called to the meetings if the Chairman so orders, or in accordance with the provisions of these Regulations.
7. The Chairman may authorise the attendance of directors at meetings of the Board of Directors through audiovisual means, telephone or similar systems, provided that such means permit the recognition of attendees and their intercommunication, as well as intervention and voting, all in real time, thereby ensuring unity of action.

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**Article 29. Minutes of the meetings**

1. Once the minutes of the meetings of the Board of Directors are approved, they shall be signed by the meeting's secretary with the approval of whoever acted as chair of the meeting.
2. Should the minutes be approved at the same meeting, the secretary of the meeting will configure the final wording of the minutes on the basis of the considerations and resolutions dealt with therein, and the text of the minutes will be made available to the members of the Board of Directors at its next ordinary meeting.

**CHAPTER III  
COMMITTEES OF THE BOARD OF DIRECTORS****Article 30. Executive Committee**

1. In accordance with the Bylaws, the Board of Directors may, with the favourable vote of two-thirds of its members, appoint an Executive Committee, endeavouring to ensure that its composition comprises a majority of non-executive directors over executive directors.
2. The Executive Committee will be chaired by the Chairman of the Board of Directors, or when this is not possible, by whoever is designated in the Bylaws. The Secretary of the Board of Directors will act as secretary of 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.
3. The Executive Committee will deal with those matters of the Board of Directors that the Board agrees to delegate to it, in accordance with the law, the Bylaws, these Regulations or its own Regulations approved by the Board of Directors.
4. Notwithstanding the provisions of its own Regulations, on grounds of urgency and under the terms established by the law, the Executive Committee may make decisions that fall within the remit of the Board of Directors in accordance with Article 17 of these Regulations, and shall report them to the Board at its first meeting held thereafter for their ratification.

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5. Additionally, the Executive Committee will report to the Board of Directors on the decisions made within the scope of its delegation and on the key aspects of its activity, at its ordinary meetings. This may be articulated through a written report, which may be supplemented by a verbal statement from the committee chair at the corresponding meeting of the Board of Directors. The Board of Directors may make any suggestions or recommendations that it deems appropriate.

### **Article 31. Other committees of the Board of Directors**

1. The Board of Directors may, for the better performance of its functions, establish such committees as it deems necessary to assist it on matters within its remit, which will periodically report the outcome of their activity to the Board of Directors.
2. The Board of Directors will determine the number, denomination and functions of its various committees according to their needs and the legal framework in force at any given time. In order to properly attend to the matters within its remit, the Board of Directors will appoint members of each committee or revoke said appointments, taking into account the knowledge, skills and experience of the directors and the tasks of each committee.
3. Likewise, it will appoint or remove the committee chairs in accordance with the provisions of the articles below and the regulations of each committee. 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 each committee.
4. A non-executive 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.
5. The minutes of the meetings of the different committees, once approved, will be made available to all members of the Bank's Board of Directors, in order for it to be appraised of their activities and the matters dealt with by them.
6. The Board of Directors will establish the following committees:
  - a) An Audit Committee

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- b) An Appointments and Corporate Governance Committee
  - c) A Remunerations Committee
  - d) A Risk and Compliance Committee; and
  - e) A Technology and Cybersecurity Committee.
7. The committees of the Board of Directors will have the composition and powers laid down in the law, the Bylaws, these Regulations and the regulations of each committee, and shall have the necessary means for the proper exercise of their functions.

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

8. Proposals for strategic decisions and corporate transactions submitted for consideration by the Board of Directors or the Executive Committee, as appropriate, should include, where necessary, the reports of the relevant committees in accordance with their remits.
9. A coordination system between the various committee chairs and the Chairman of the Board of Directors will be established so that the latter is aware of the activity of each of the respective committees.
10. In addition, in order to enable the proper exercise of their functions, timely coordination between the various committees will be established.
11. Each committee chair will inform the Board of Directors of the activities carried out and of the resolutions adopted, by means of a written or verbal report, with the appropriate frequency and, at least, on a quarterly basis.

### **Article 32. Audit Committee**

1. The Audit Committee will be composed of a minimum of four directors to be appointed by the Board of Directors, which will also appoint its Chair, who will be replaced every four years and may be re-elected one year after ceasing to hold the position.

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2. The Audit Committee will be composed exclusively of independent directors. The Board of Directors will endeavour to ensure that the members of the Committee have the knowledge and experience appropriate to the duties they are called upon to perform. In any event, at least one member will be appointed taking into account his or her knowledge and experience in accounting, auditing or both.
3. The main task of the Audit Committee will be to assist the Board of Directors in overseeing the preparation of the financial statements and public information, and the relationship with the external auditor and the Internal Audit function.
4. In particular, without prejudice to any other functions assigned to it by the law, the Bylaws, this Regulation or the Board of Directors, the Audit Committee will have the functions assigned to it by its own Regulations approved by the Board of Directors.
5. The Board of Directors will approve the Regulations of the Audit Committee with a view to determining the operational principles of the Committee and laying down the basic rules of its organisation and functioning, in all respects not provided for in these Regulations.

### **Article 33. *Appointments and Corporate Governance Committee***

1. The Appointments and Corporate Governance Committee will be composed of a minimum of three directors appointed by the Board of Directors, which will also appoint its Chair.
2. All the members of this Committee must be non-executive directors and the majority, including the Chair, must be independent directors. The Board of Directors will endeavour to ensure that the members of the Committee have the knowledge and experience appropriate to the duties they are called upon to perform.
3. The main task of the Appointments and Corporate Governance Committee will be to assist the Board of Directors in matters relating to the selection and appointment of members of the Board of Directors; the assessment of performance; the drafting of succession plans; the Bank's corporate governance system; and the supervision of the conduct of directors and any conflicts of interest that may affect them.

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4. In particular, without prejudice to any other functions assigned to it by the law, the Bylaws, this Regulation or the Board of Directors, the Appointments and Corporate Governance Committee will have the functions assigned to it by its own Regulations approved by the Board of Directors.
5. The Board of Directors will approve the Regulations of the Appointments and Corporate Governance Committee with a view to determining the operational principles of the Committee and laying down the basic rules of its organisation and functioning, in all respects not provided for in these Regulations.

#### **Article 34. Remunerations Committee**

1. The Remunerations Committee will be composed of a minimum of three directors appointed by the Board of Directors, which will also appoint its Chair.
2. All the members of this Committee must be non-executive directors and the majority, including the Chair, must be independent directors. The Board of Directors will endeavour to ensure that the members of the Committee have the knowledge and experience appropriate to the duties they are called upon to perform.
3. The main task of the Remunerations Committee will be to assist the Board of Directors in remuneration matters within its remit and, in particular, those relating to the remuneration of directors, senior managers and those employees whose professional activities have a significant impact on the Group's risk profile.
4. In particular, without prejudice to any other functions assigned to it by the law, the Bylaws, this Regulation or the Board of Directors, the Remunerations Committee will have the functions assigned to it by its own Regulations approved by the Board of Directors.
5. The Board of Directors will approve the Regulations of the Remunerations Committee with a view to determining the operational principles of the Committee and laying down the basic rules of its organisation and functioning, in all respects not provided for in these Regulations.

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**Article 35. Risk and Compliance Committee**

1. The Risk and Compliance Committee will consist of a minimum of three directors appointed by the Board of Directors, which will also appoint its Chair.
2. All the members of this Committee must be non-executive directors and the majority, including the Chair, must be independent directors. The Board of Directors will endeavour to ensure that the members of the Committee possess the appropriate knowledge, ability and experience to understand and control the risk strategy.
3. The main task of the Risk and Compliance Committee will be to assist the Board of Directors in the determination and monitoring of the Group's risk control and management policy, including risk internal control and non-financial risks, with the exception of those related to internal financial control, which are within the Audit Committee's remit; those related to technological risk, which are within the Technology and Cybersecurity Committee's remit; and those related to business and reputational risk, which are within the Executive Committee's remit. It will also assist the Board of Directors in the oversight of the Compliance function and the implementation of a risk and compliance culture in the Group.
4. In particular, without prejudice to any other functions assigned to it by the law, the Bylaws, this Regulation or the Board of Directors, the Risk and Compliance Committee will have the functions assigned to it by its own Regulations approved by the Board of Directors.
5. The Board of Directors will approve the Regulations of the Risk and Compliance Committee with a view to determining the operational principles of the Committee and laying down the basic rules of its organisation and functioning, in all respects not provided for in these Regulations.

**Article 36. Technology and Cybersecurity Committee**

1. The Technology and Cybersecurity Committee will consist of a minimum of three directors appointed by the Board of Directors, which will also appoint its Chair.

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2. The Board of Directors will endeavour to ensure that the members of the Committee have the knowledge and experience appropriate to the duties they are called upon to perform.
3. The main task of the Technology and Cybersecurity Committee will be to assist the Board of Directors in the oversight of technological risk and cybersecurity management and in monitoring the Group's technology strategy.
4. In particular, without prejudice to any other functions assigned to it by the law, the Bylaws, this Regulation or the Board of Directors, the Technology and Cybersecurity Committee will have the functions assigned to it by its own Regulations approved by the Board of Directors.
5. The Board of Directors will approve the Regulations of the Technology and Cybersecurity Committee with a view to determining the operational principles of the Committee and laying down the basic rules of its organisation and functioning.

## **CHAPTER IV OTHER PROVISIONS**

### **Article 37. *Non-executive directors' meetings***

1. Non-executive directors may hold coordination and follow-up meetings, which will be called and led by the Lead Director and will take place in accordance with the format freely determined by the attendees. These meetings will preferably be held after each ordinary meeting of the Board of Directors.
2. All non-executive directors who so desire may attend these meetings, and no proposals or decisions will be made at these meetings.
3. The holding and general content of each meeting of non-executive directors may, where deemed necessary, be reflected in a summary document prepared by the Lead Director or the person designated thereby for such purpose, which will be transferred to the Chairman of the Board of Directors.

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### **Article 38. Shareholder and market relations**

1. The Board of Directors, within the principle of transparency that must preside over the Company's activity in financial markets, will establish the appropriate means to ensure that the Company communicates all such information that may be relevant to shareholders and investors and that this information is correct and truthful.
2. To this end, the Company will disseminate through its website both relevant information that may have a significant influence on the BBVA share market price as well as other information whose dissemination by this means is required by the applicable regulations or is considered desirable by the Company for the best fulfilment of the aforementioned objectives.

### **Article 39. Corporate Social Responsibility**

The Board of Directors will ensure that the Bank's activity is carried out in accordance with a set of values, principles, criteria and attitudes aimed at achieving sustained value for shareholders, employees, customers and for the society as a whole, and will promote the implementation and development of ethical principles based on integrity and transparency.

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