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This English version is a translation of the original in Spanish for information purposes only. In case of discrepancy the original in Spanish shall prevail.
I. BBVA Directors’ Remuneration Policy

1. Introduction

Banco Bilbao Vizcaya Argentaria, S.A. ("BBVA", the "Company", the "Institution" or the "Bank") is the parent company of an international financial group, composed of legally autonomous companies, primarily engaged in banking activity (the "BBVA Group" or the "Group").

Article 529 novodecies of the Consolidated Text of the Spanish Corporate Enterprises Act, approved by Royal Legislative Decree 1/2010, of 2 July (the "Corporate Enterprises Act"), establishes that the directors’ remuneration policy shall be approved by the General Shareholders’ Meeting.

Meanwhile, Article 29 of Act 10/2014 of 26 June, on the regulation, supervision and capital adequacy of credit institutions ("Act 10/2014") ascribes to the board of directors the duty of defining a corporate governance system that ensures sound and prudent management of the institution, and which includes, inter alia, remuneration policies and practices that are gender-neutral, compatible with and that promote sound and effective risk management and aimed at encouraging responsible conduct and fair treatment of clients, while also avoiding conflicts of interest.

Likewise, the Guidelines issued by the European Banking Authority on sound remuneration policies of 2 June 2021 ("EBA Guidelines"), as adopted by the Bank of Spain, implement the requirements applicable to the remuneration of employees of credit institutions and, in particular, the requirements for those categories of staff whose activities have a material impact on the risk profile (the "Identified Staff"), including all members of the Board of Directors.

In view of the aforementioned regulations, BBVA’s Board of Directors has defined its directors’ remuneration policy in accordance with the Bylaws and seeking alignment at all times with best practices and recommendations on the subject at both local and international level.

The BBVA directors’ remuneration policy was last approved in 2021 for application in 2021, 2022 and 2023. Upon reaching the final year of the envisaged term of the policy, in accordance with Article 529 novodecies of the Corporate Enterprises Act, as amended by Act 5/2021 of 12 April, amending the consolidated text of the Corporate Enterprises Act, a new policy shall be submitted for approval to the General Meeting before the end of that financial year. If approved, this new policy shall apply in 2023, therefore replacing the existing policy.

In view of the above, the Remuneration Committee has carried out an in-depth review of the current directors’ remuneration policy and of the remuneration system as a whole. In doing so, it has also taken account of the suggestions received within the framework of the constant and constructive dialogue that BBVA maintains with its shareholders, investors and other stakeholders, as well as the results of the votes in recent years on the proposals laid before the General Meeting on matters relating to remuneration, all of which have been very useful in continuing to grow and adapt in line with expectations and the latest market trends.

The above, together with the very nature of BBVA’s Corporate Governance System, which is permanently evolving and improving, has enabled the Remuneration Committee to identify the necessary amendments to be made to the remuneration system so as to ensure that the directors’ remuneration policy is fully aligned not only with the applicable law and regulations, but also with prevailing best practices and standards on the subject at any given time.
In particular, in 2022, the Remuneration Committee carried out a strategic reflection on the variable remuneration model, both for executive directors and the rest of the Identified Staff, with the main aim of fostering alignment between remuneration and long-term value creation and sustainable performance and with sound and effective risk management, thus also allowing the Group to attract, motivate and retain the best talent.

Following this reflection by the Remuneration Committee, for which it relied on the independent expert advice of the external firms WTW (for market analysis and comparisons) and J&A Garrigues, S.L.P. (for legal matters), as well as on the support of the Bank’s own internal services, the decision was reached to implement a new variable remuneration model for executive directors, to apply also to the rest of the Identified Staff, including BBVA’s Senior Management. This new model introduces the following key changes to BBVA’s remuneration policies:

- The annual variable remuneration now comprises two components: a short-term incentive and a long-term incentive, without this entailing an increase of the target annual variable remuneration for executive directors under the previous policy.
  
  - For the accrual and award of both such components, whether in whole or in part, the profit and capital ratio thresholds to be set annually by the Board of Directors on the proposal of the Remuneration Committee must be met.
  
  - The short-term incentive will be calculated based on the performance of a series of indicators, both financial and non-financial, subject to an annual measurement period. These indicators will be aligned with the most relevant management metrics and the Group’s strategic priorities1.
  
  - The final amount of the long-term incentive will be calculated on the basis of the outcome of a series of financial and non-financial indicators, with targets set to be met at the end of three years, to reflect the Group’s performance over a multi-year framework. These indicators will prioritise the creation of value and profitability for shareholders and for the Group in the long run, as well as the progressive achievement of the Bank’s sustainability goals and commitments.
    
    - The indicators for the long-term incentive for 2023 include a portfolio decarbonisation indicator, which will be used to measure the degree of achievement of the decarbonisation targets relating to certain sectors for which the Bank publishes specific targets. Therefore, this indicator relates directly to BBVA Group’s strategic priority of helping clients transition to a sustainable future, and to the climate action commitments undertaken by the Bank.
    
    - The indicators for the long-term incentive for 2023 also include a social indicator which will measure the trend in the percentage of women in management positions in the BBVA Group. This metric is fully aligned with the strategic priority of having the best, most engaged and diverse team, guided by the Bank’s Purpose and its values and behaviours, and with a talent development model that provides growth opportunities for all.

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1 See Appendix 1 for more information on the indicators for the 2023 STI and LTI.
- The choice of indicators aligned with the aspects indicated above and the very structure of the annual variable remuneration model, will help to accomplish BBVA Group’s strategy, create value and achieve the Company’s long-term interests by directly linking the variable remuneration of executive directors to the Group’s results and to sound and prudent risk management.

- In the interests of easing the following up by shareholders of the evolution of the indicators used to calculate the annual variable remuneration, the individual indicators for each executive director (related to their roles and responsibilities) have been removed. The results of these indicators were assessed overall, based on the Bank’s progress towards the strategic aspects to be pursued by each executive director. In this way, full traceability of the performance of the indicators, their results and their impact in the calculation of variable remuneration will be ensured.

- Likewise, in order to seek greater alignment with value creation and pursuant the applicable legislation, executive directors may now receive part of their annual variable remuneration in the form of BBVA share options or other instruments linked to BBVA shares.

- New ex post risk adjustments are included, which may reduce, even to zero, the deferred annual variable remuneration awarded pursuant to this policy and payable in each year, if certain liquidity and capital thresholds are not met.

- New provisions have been added to the malus and clawback arrangements for executive directors, which the Board of Directors will develop in due course, on the proposal of the Remuneration Committee, in order to comply with recent US regulations applicable to the Bank in relation to this matter.

- Lastly, certain other technical improvements have been introduced following the review of the policy to further enhance transparency and comprehensibility of the policy, as for example, reinforcing the alignment of the terminology included in the policy with the concepts and definitions used by prevailing prudential regulations.

The policy, which has been drawn up with due regard to best practices and recommendations in the field of corporate governance, continues to strike an appropriate balance between fixed and variable components of remuneration (which are unchanged in respect of previous policies) and conditions that ensure prudent risk management, the strength of the business model and profitable growth.

All of the above, without losing sight of the need to motivate and retain the best team, whose daily work ultimately grows the business and drives the creation of value within the BBVA Group. On this point, the Board of Directors and the Remuneration Committee are acutely aware of the need to establish a directors’ remuneration policy that is competitive and adequate for the purposes of attracting and retaining the best talent. While taking into account the remuneration terms of other employees, the policy should also include specific aspects to reflect the impact of the decisions made by the directors, the high degree of responsibility entrusted to them and the complexity of the duties they fulfil.

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2 New rule adopted by the U.S. Securities and Exchange Commission to implement Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, and which applies to the Bank as a foreign private issuer listed on the New York Stock Exchange. As at the date of approval of this policy by the Board of Directors, the New York Stock Exchange has yet to implement this rule by approving a listing standard that will apply to issuers listed there. However, this listing standard is expected to be approved and published prior to the date on which the General Meeting is due to vote on the policy.
In this respect, the BBVA Directors’ Remuneration Policy is suitably aligned with the general principles underpinning the BBVA Group’s General Remuneration Policy, which includes the rules applicable to the rest of the Identified Staff, including Senior Management. Likewise, the remuneration scheme of executive directors is consistent, from a structural standpoint, with that of the rest of the workforce, including, as main compensation elements, an annual fixed salary and a variable component, which is substantially similar to the corporate annual variable remuneration model of the BBVA Group. Moreover, executive directors, as with the other members of the Identified Staff, will now have a specific long-term variable component that will form part of their annual variable remuneration and will make their remuneration more closely aligned with the performance of the Bank and with the prudent and effective management of risks in the long-term.

In any case, in order for the annual variable remuneration of the Identified Staff, including executive directors, to accrue, the same profit and capital ratio thresholds must be met as for the accrual of annual variable remuneration for the rest of the Group’s employees. In addition, the annual indicators used to measure the Group’s performance for the calculation of the short-term incentive are shared with the rest of the employees.

As a result of the above, and within the framework of the powers vested in the Remuneration Committee to periodically review the policy, the Committee has submitted its proposed modifications, as described above, to the Board of Directors, so as to ensure, among other matters, that the policies comply with applicable law and regulations and with the objectives explained in this section.

Accordingly, the Board of Directors has resolved, at the proposal of the Remuneration Committee, to submit to the General Meeting a new remuneration policy for BBVA directors (the “BBVA Directors’ Remuneration Policy”, the “Remuneration Policy” or the “Policy”).

The full text of this Policy, the results of the voting at the General Meeting and the specific report of the Remuneration Committee will be available on the Company’s website (www.bbva.com).

2. Purpose and scope of application

This Policy governs the remuneration payable to the members of the Board of Directors of BBVA.

The Policy describes the various components of directors’ remuneration, in all its forms, and distinguishes between the remuneration system applicable to directors in their capacity as such (non-executive directors), and that applicable to executive directors, meaning those who discharge managerial duties at the Company. All the foregoing within the framework of Articles 33º bis and 50º bis of the Bank’s Bylaws, respectively.

The Policy also sets out the criteria and rules governing the accrual, award, vesting and payment of variable remuneration for executive directors, as members of the Identified Staff. It likewise describes how these criteria contribute to the achievement of the strategy and to the long-term interests and sustainability of the Company, as well as the methods to be applied to determine the extent to which they have been met.

In addition, the Policy describes the main terms of executive directors’ contracts, including the main features of the pension systems and terms of severance.
This Policy shall apply to the remuneration of all members of the Company’s Board of Directors (the “Board of Directors” or the “Board”) and, if approved by the General Meeting, shall govern remuneration for 2023, 2024, 2025 and 2026, unless a new policy is approved by the General Meeting replacing this Policy for one or more of those years.

3. General principles

The BBVA Directors’ Remuneration Policy is based on the same principles as BBVA Group’s General Remuneration Policy. Both policies are geared towards the recurring creation of value for the Group, the alignment of the interests of its employees and shareholders, prudent risk management and the pursuit of the strategy defined by the Group.

These policies constitute elements devised by the Board of Directors, as part of the Bank’s Corporate Governance System, to promote proper management and oversight of the Institution and its Group, and are based on the following principles:

- long-term value creation;
- achieving results through prudent and responsible risk-taking;
- attracting and retaining the best talent;
- rewarding level of responsibility and professional career;
- ensuring internal equity, external competitiveness and equal pay for men and women;
- encouraging responsible conduct and fair treatment of clients, as well as the avoidance of conflicts of interest; and
- ensuring the transparency of the remuneration model.

BBVA has defined its remuneration policies on the basis of these general principles, taking into account not only the need to comply with the legal requirements applicable to credit institutions and to the different sectors in which it operates, but also alignment with best market practices, having included arrangements devised to reduce exposure to excessive risks and align remuneration with the Group’s business strategy, objectives, values and long-term interests.

In the development of the above, the BBVA Group has a specific policy applicable to the Identified Staff, which is aligned with the regulations and recommendations applicable to the remuneration schemes of these categories of staff. This policy is integrated into the BBVA Group’s General Remuneration Policy and is disclosed to all BBVA Group employees.

The principles set out above are enshrined in the BBVA Directors’ Remuneration Policy as follows:

- The Policy contributes to the business strategy of BBVA and its Group, and to the achievement of its objectives, values, interests and long-term value creation and sustainability.

This is achieved through the very structure and design of the remuneration system, which, for non-executive directors, includes fixed remuneration only, while for executive directors it strikes a suitable balance between fixed and variable components. For executive directors, the variable remuneration features two components: one short-term and the other long-term, subject to
specific rules to align the time horizon of risk and performance measurement with the business cycle of the Institution in a multi-year framework. These rules include the payment of part of the variable remuneration of executive directors in BBVA shares or instruments linked to BBVA shares, the deferral of more than 50% of the variable element over a period of 5 years, and ability to reduce the variable remuneration or recoup all or part of it when its payment is not appropriate or sustainable.

Likewise, the effective contribution to the strategy is achieved by selecting the indicators and metrics that better serve to align the variable remuneration of executive directors with levels of performance and the achievement of the strategic priorities defined by the Board of Directors for the Group, both in the short- and long-term. In this sense, the remuneration model is directly linked to the Group's strategic objectives, ensuring the alignment of annual variable remuneration with BBVA's Purpose and financial and non-financial objectives.

- Moreover, the Policy is compatible with and promotes prudent and effective risk management and does not provide incentives for risk-taking that exceeds the level tolerated by the Institution, in a manner that is consistent with BBVA Group's risk strategy and culture. This is achieved by establishing deferral rules for variable remuneration and ex post risk adjustments, both implicit (through payment in shares and instruments) and explicit, in the sense that the deferred variable remuneration will not vest at all, or the amount that does vest will be reduced, if the capital and liquidity thresholds set by the Board of Directors are not met.

- Likewise, the Policy:
  - is clear, comprehensible and transparent, with a simple wording that allows understanding of the various components that make up the existing remuneration systems and the conditions for their accrual, award, vesting and payment. To that end, it clearly distinguishes between the criteria for determining fixed remuneration and variable remuneration and is transparent in setting objectives and parameters for its calculation;
  - provides for a competitive remuneration system with the aim of attracting and retaining the best talent and providing adequate compensation for the duties and level of dedication and responsibility required of directors;
  - is gender-neutral, as it envisions equal compensation for the same duties, or duties of equal value, and does not establish any difference or discrimination on the basis of gender;
  - includes measures to avoid conflicts of interest; promoting the independence of judgement of persons involved in decision-making and in the oversight and control of management and the establishment of remuneration systems, which do not include variable remuneration in the case of non-executive directors; and incorporating predetermined calculation rules to avoid any element of discretion in their application; and
  - seeks to ensure that remuneration is not based solely or primarily on quantitative criteria, but also takes into account appropriate qualitative criteria, which reflect compliance with applicable regulations.
4. Provisions of the Policy

4.1. Decision-making process regarding remuneration

The remuneration of BBVA's directors complies with the system established in the Bylaws, the Remuneration Policy approved in accordance with prevailing law and regulations and, in the case of executive directors, with the contracts approved by the Board of Directors.

Within the framework of the Bank's Bylaws, the Regulations of the Board of BBVA provide that this body shall be responsible for adopting decisions regarding remuneration of directors in their capacity as such, as well as, in the case of executive directors, remuneration for their executive duties and the other terms and conditions that their contracts should include.

Among the elements that make up BBVA's Corporate Governance System, the Board of Directors has set up various committees to provide assistance to the Board on matters that fall within its remit. Among these, the Remuneration Committee assists the Board in matters of remuneration, as ascribed to it in the Regulations of the Board and in its own regulations.

In accordance with its Regulations, the Committee is a permanent internal body of the Board of Directors, with no executive functions and with information, supervisory, assessment and decision proposal powers within the scope of its remit.

Thus, the BBVA's Corporate Governance System has been configured so that proposals concerning remuneration that are submitted for the consideration of the Bank's Board of Directors, in general, originate from the Remuneration Committee, which analyses, discusses and formulates the proposals prior to their submission to the Board.

The Remuneration Committee will comprise a minimum of three members designated by the Board of Directors. All members must be non-executive directors and the majority must be independent directors, including the Chair.

The Committee meets as often as is necessary for the performance of its functions, as convened by its Chair. Its functions are set out in Article 5 of its Regulations, which are available on the Company's website (www.bbva.com). One of the Committee's duties is to propose the directors' remuneration policy and accompanying report to the Board of Directors for submission to the General Meeting, all in accordance with prevailing law and regulations.

Likewise, the Committee's functions include ensuring compliance with the remuneration policies established by the Company and reviewing them periodically, proposing, where appropriate, any modifications that it deems necessary to ensure, inter alia, that they are adequate for the purposes of attracting and retaining the best talent, that they contribute to the creation of long-term value and adequate risk management and control, and that they address the principle of equal pay. In particular, the Committee shall ensure that the remuneration policies set out in the Company are subject to internal, central and independent review at least once a year.

As part of the decision-making process in remuneration matters, the Remuneration Committee is assisted by the Risk and Compliance Committee, which, in accordance with its own regulations (available on the Company's website at www.bbva.com), is also involved in defining the remuneration policy by ensuring that
it is compatible with adequate and effective risk management and does not offer incentives for risk-taking that exceed the level tolerated by the Institution.

In any case, decisions regarding directors’ remuneration will be submitted to the General Meeting for approval if so required by law, as is the case with this Policy.

4.2. Bylaws framework for the remuneration of directors

BBVA’s Bylaws distinguish between the remuneration system applicable to non-executive directors and that applicable to executive directors.

In accordance with Article 33° bis of the Bylaws, the remuneration system for non-executive directors is based on the criteria of responsibility, dedication and incompatibilities inherent to the role they undertake, and consists of fixed remuneration comprising the following items:

- An annual fixed allowance, which shall be distributed by the Board of Directors as it sees fit, in view of the circumstances of each director, the duties and responsibilities ascribed to them by the Board and their membership of one or more committees, meaning that different amounts of remuneration may be payable to each director. The Board shall also determine the frequency and method of payment of this remuneration. The amount of the maximum annual allowance is included in this Policy, and will remain in force until the General Meeting resolves its amendment, although the Board of Directors may reduce this amount in any financial years it sees fit.

- The insurance and pension systems\(^3\) in effect at any given time.

- In addition, the remuneration of non-executive directors may also comprise the delivery of shares, or share options or amounts pegged to the share price.

Executive directors are excluded from the remuneration system described above and have their own system, defined in accordance with best market practices, the concepts of which are set out in Article 50° bis of the Bylaws\(^4\).

The items that comprise the remuneration system for executive directors, which correspond to those generally applicable to members of the Bank’s Senior Management, are the following:

- A fixed remuneration, which shall take into account the level of responsibility and the functions carried out and shall constitute a significant proportion of the total compensation. The fixed remuneration shall comprise the annual fixed remuneration and may include other fixed components, such as allowances, incentives or remunerations in kind, in line with those that may be awarded to BBVA’s Senior Management.

- An additional variable remuneration, the amount of which shall be determined on the basis of the level of achievement of pre-established financial and non-financial targets, linked to the Group’s results, to long-term value creation and to the performance of the duties discharged. This annual variable remuneration shall be subject to the rules on the accrual, award, vesting and payment of

\(^3\) Without prejudice to the Bylaws, the Bank has not undertaken any pension commitments with non-executive directors.

\(^4\) In addition to the items set out in this Policy, Article 50° bis of the Bylaws provides for the right to severance payments in the event of termination for reasons other than dereliction of duty. However, neither the current remuneration system for executive directors nor their contracts provide for this right.
the variable remuneration applicable to the Identified Staff, subject to the specificities applicable to executive directors as described in this Policy, in a manner that is compatible with effective risk management.

- Incentive schemes that are established on a general basis for the Bank’s Senior Management, which may include the delivery of shares, or share options or remuneration indexed to the share price, subject to the legal requirements in force at any given time.
- A welfare portion, which may include appropriate insurance and pension systems.

Below is a detailed explanation of the various items and components that comprise, as of the date of this Policy, the remuneration system of the members of the Board of Directors.

### 4.3. Remuneration system for non-executive directors

In accordance with the Bylaws framework described above and in order to avoid potential conflicts of interest and excessive risk-taking, the remuneration system for non-executive directors consists of an **exclusively fixed remuneration** and **does not provide for the payment of variable remuneration**.

The remuneration for non-executive directors consists of the following items:

a) **Annual fixed allowance**

In accordance with Article 33º bis of the Bylaws, the General Meeting shall set the total annual allowance payable by the Bank to all directors acting in such capacity. The Board of Directors is responsible for setting the individual remuneration of each director in line with the Bylaws framework and this Policy, in accordance with the criteria set out below. The Board of Directors may, however, reduce the amount of the total annual allowance in the financial years in which it deems it fit.

For these purposes, the General Meeting\(^5\) resolved to set the amount of the total annual allowance that the Bank may pay to all its directors acting in such capacity, at EUR 6 million. This amount will remain in effect until the General Meeting resolves its amendment. The remuneration of the Bank’s executive directors is expressly excluded from this maximum amount and is governed by the provisions of Article 50º bis of the Bylaws.

Non-executive directors will therefore receive an annual fixed allowance in cash for the role of member of the Board and, as the case may be, of one or more committees, as well as for performing any other duties or responsibilities that may be assigned to them under the framework of the Bank’s Corporate Governance System.

In line with the above, the Board of Directors, at the proposal of the Remuneration Committee, has established different remuneration for the roles of chair and member of the various committees, as well as for the roles of Deputy Chair of the Board of Directors and of Lead Independent Director.

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\(^5\) Resolution of the General Meeting held on 16 March 2012.
The amount of the annual allowance for each of these roles or duties is determined by the Board of Directors, following the report from the Remuneration Committee, according to the nature of the duties assigned to, and the dedication and responsibility required of, each director.

As of the date of this Policy, the annual gross amount of remuneration set by the Board of Directors, at the proposal of the Remuneration Committee, for each of the roles and duties of the non-executive directors, is as follows:

<table>
<thead>
<tr>
<th>Role</th>
<th>Amount (EUR thousand)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Member of the Board of Directors</td>
<td>129</td>
</tr>
<tr>
<td>Member of the Executive Committee</td>
<td>167</td>
</tr>
<tr>
<td>Chair of the Audit Committee</td>
<td>165</td>
</tr>
<tr>
<td>Member of the Audit Committee</td>
<td>66</td>
</tr>
<tr>
<td>Chair of the Risk and Compliance Committee</td>
<td>214</td>
</tr>
<tr>
<td>Member of the Risk and Compliance Committee</td>
<td>107</td>
</tr>
<tr>
<td>Chair of the Remuneration Committee</td>
<td>107</td>
</tr>
<tr>
<td>Member of the Remuneration Committee</td>
<td>43</td>
</tr>
<tr>
<td>Chair of the Appointments and Corporate Governance Committee</td>
<td>115</td>
</tr>
<tr>
<td>Member of the Appointments and Corporate Governance Committee</td>
<td>46</td>
</tr>
<tr>
<td>Chair of the Technology and Cybersecurity Committee</td>
<td>107</td>
</tr>
<tr>
<td>Member of the Technology and Cybersecurity Committee</td>
<td>43</td>
</tr>
<tr>
<td>Deputy Chair of the Board of Directors</td>
<td>50</td>
</tr>
<tr>
<td>Lead Director</td>
<td>80</td>
</tr>
</tbody>
</table>

These amounts may be modified over the term of this Policy, within the framework of the Bylaws and this Policy, by resolution of the Board of Directors, following the report from the Remuneration Committee.

In any case, the amounts of remuneration of non-executive directors corresponding to each financial year will be disclosed in the Annual Report on the Remuneration of BBVA Directors.

b) Remuneration in kind

Non-executive directors may also be beneficiaries of healthcare and accident insurance policies taken out by the Bank, which shall pay the relevant premiums. These premiums are included in the directors' remuneration as fixed remuneration in kind. This remuneration in kind will be included in the amount of the total annual allowance that the Bank may pay to all its directors acting in such capacity, as mentioned in the preceding section.
The breakdown of the amounts paid to non-executive directors for these concepts during each financial year will be disclosed in the Annual Report on the Remuneration of BBVA Directors.

c) Fixed remuneration system with deferred delivery of shares

In addition, the Bank has a fixed remuneration system with deferred delivery of BBVA shares for its non-executive directors, in accordance with Article 33º bis of the Bylaws. This system has been approved by the General Meeting\(^6\). The specific conditions for the implementation of this system, which are applicable during the term of this Policy and include the maximum number of shares needed for its implementation, are set out in Part II.

This system consists of the annual allocation to non-executive directors of a number of the Bank’s theoretical shares, for effective delivery after the date on which they cease to be directors, provided that this is not due to serious dereliction of duties.

The number of theoretical shares to be allocated to each non-executive director in each financial year will be equivalent to 20% of the annual fixed allowance in cash received by each of them in the previous financial year. The reference for the calculation of the number of theoretical shares to be allocated each year will be the average closing prices of the BBVA share during the 60 trading sessions prior to the date of the Annual General Shareholders’ Meeting that approves the financial statements for each financial year.

The breakdown of the theoretical shares assigned to each non-executive director under this system will also be disclosed in the Annual Report on the Remuneration of BBVA Directors.

### 4.4. Remuneration system for executive directors

The remunerations, rights and other economic rewards for each executive director, which should strive to be adequate to remunerate the responsibilities associated with each role and competitive with the remuneration applied to equivalent functions at the Bank’s main peers, will be reflected in their respective contracts, which will be approved by the Board of Directors, at the proposal of the Remuneration Committee, in accordance with the provisions of this Policy and Article 50º bis of the Bylaws.

The specific items that comprise the remuneration system for executive directors as of the date of this Policy are detailed below.

#### 4.4.1. Items of the system

**A. Fixed remuneration**

The fixed remuneration of executive directors includes the following items:

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\(^6\) This system was first approved by resolution of the General Meeting held on 18 March 2006 and subsequently extended by resolutions of the General Meetings held on 11 March 2011, 11 March 2016 and 20 April 2021.
a) **Annual fixed remuneration**

The annual fixed remuneration of each executive director corresponds to the fixed remuneration associated with the performance of their executive functions. This remuneration reflects the level of responsibility of these functions and constitutes a fixed item of remuneration that shall never be linked to variable parameters or to results ("**Annual Fixed Remuneration**").

- The Annual Fixed Remuneration of each executive director will be approved by the Board of Directors, following the report from the Remuneration Committee.

- For the purpose of determining the Annual Fixed Remuneration and any possible updates, the Remuneration Committee shall take into account the assigned functions and the level of responsibility of each executive director. Market analyses carried out by leading independent consultancy firms in the field shall also be considered, in order to establish remuneration that is commensurate to the functions performed, competitive in the market and aligned with that of peer institutions. Other factors will also be considered, such as average increases of the remuneration of members of Senior Management.

As a result, the amounts of the Annual Fixed Remuneration payable to each executive director, which remain unchanged in respect of those approved under the previous policy, and are as follows:

<table>
<thead>
<tr>
<th>Executive director</th>
<th>Annual Fixed Remuneration (EUR thousand)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chair – Carlos Torres Vila</td>
<td>2,924</td>
</tr>
<tr>
<td>Chief Executive Officer – Onur Genç</td>
<td>2,179</td>
</tr>
</tbody>
</table>

b) **Remuneration in kind**

In addition to the Annual Fixed Remuneration, the executive directors are beneficiaries of healthcare insurance policies taken out by the Bank, which pays the corresponding premiums. This item is attributed to the directors as remuneration in kind.

The Bank also compensates executive directors with other remuneration in kind applicable to its Senior Management, the amounts of which are disclosed every year in the Annual Report on the Remuneration of BBVA Directors.

c) **Contributions to pension systems and other incentives**

Executive directors shall be entitled to pension systems and any other fixed benefits or allowances that, in general, may be part of the remuneration of Senior Management, on the terms set out in section 4.4.2 of this Policy.

The breakdown of the amounts paid to executive directors for these concepts during each financial year will be disclosed in the Annual Report on the Remuneration of BBVA Directors.
B. Variable remuneration

a) Annual Variable Remuneration

The annual variable remuneration of executive directors shall be aligned with the Group's performance and the achievement of its strategy, taking into account the risk incurred, and shall be composed of a short-term component and a long-term component.

In line with the corporate variable remuneration model applicable to the rest of the Group's employees, the short-term incentive is awarded annually and reflects performance, as measured through the achievement of targets set to assess the results obtained in each year for a series of indicators aligned with the most relevant management metrics and with the strategic priorities defined by the Group (the “Short-Term Incentive” or “STI”).

Meanwhile, in line with the variable remuneration model to be applied to Senior Management and other members of the Identified Staff, the long-term incentive reflects performance over a multi-year horizon. Its final amount is subject to the achievement of various long-term objectives, which are set to be met after three years from the initial award, and which enable the assessment of the results and the degree of achievement of the Group's strategy in the long-term (the “Long-Term Incentive” or “LTI”).

The STI and the LTI will be calculated on the basis of their respective target bonuses, to be determined for each executive director by the Board of Directors following the proposal of the Remuneration Committee (the “Target Short-Term Incentive” or “Target STI” and the “Target Long-Term Incentive” or “Target LTI”, respectively).

If 100% of the pre-defined targets are achieved, the amount of the STI and the LTI will effectively match the Target STI and Target LTI, respectively.

The target annual variable remuneration is comprised by the sum of the Target Short-Term Incentive and the Target Long-Term Incentive, which respectively represent 64% and 36% of the target annual variable remuneration of executive directors, respectively (the “Target Annual Variable Remuneration” or the “Target AVR”).

Accordingly, the amount of the Target Annual Variable Remuneration of each executive director, which remains unchanged from the previous policy, is as follows:

<table>
<thead>
<tr>
<th>Executive director</th>
<th>Target Annual Variable Remuneration (EUR thousand)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chair – Carlos Torres Vila</td>
<td>3,572</td>
</tr>
<tr>
<td>Chief Executive Officer – Onur Genç</td>
<td>2,672</td>
</tr>
</tbody>
</table>

In the total remuneration of executive directors, fixed components and variable components are adequately balanced, representing fixed remuneration a sufficiently high portion of the total remuneration.
The theoretical relative proportion between the main fixed and variable components of executive directors’ remuneration is also unchanged with respect to that approved under the previous policy, and is as follows:

<table>
<thead>
<tr>
<th>Executive director</th>
<th>Annual Fixed Remuneration</th>
<th>Target Annual Variable Remuneration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chair – Carlos Torres Vila</td>
<td>45%</td>
<td>55%</td>
</tr>
<tr>
<td>Chief Executive Officer – Onur Genç</td>
<td>45%</td>
<td>55%</td>
</tr>
</tbody>
</table>

The sum of the amounts awarded under the STI and the LTI will constitute the Annual Variable Remuneration or Annual Bonus for the year of each executive director (the “Annual Variable Remuneration” or “AVR”).

The Annual Variable Remuneration shall be governed by the rules on accrual, award, vesting and payment established for the Annual Variable Remuneration of the Identified Staff, subject to the specificities and detail set forth in this Policy for executive directors.

1) Conditions for the accrual and award of Annual Variable Remuneration

The Annual Variable Remuneration must be aligned with the applicable regulatory framework, as well as with the principles governing this Policy. Under no circumstances will it involve limiting the Group’s capacity to maintain a solid capital base in accordance with regulatory requirements, and it will take into account current and future risks as well as the cost of the capital and liquidity needed, embedding a performance which is sustainable and adapted to risk.

To ensure alignment and linkage with the results and long-term sustainability of the Bank, the Annual Variable Remuneration of executive directors (comprising the STI and the LTI) will not accrue, or will be reduced upon accrual, if certain profit and capital ratio levels are not achieved.

To this end, the Board of Directors, at the proposal of the Remuneration Committee, shall annually approve the profit and capital ratio thresholds that the Group must achieve in order for the Annual Variable Remuneration to accrue. These conditions shall constitute ex ante adjustments to the Annual Variable Remuneration for the purposes set out in applicable regulations.

In addition, this remuneration may be reduced when evaluating the performance of the executive directors, in the event of a negative performance for the Group’s results or other parameters, such as the degree of achievement of the budgeted objectives.

i. Rules on the award of the Short-Term Incentive:

The Short-Term Incentive of each executive director will be calculated by reference to the Target STI established for each of them, and based on:

- metrics or indicators (both financial and non-financial) subject to an annual measurement period, which take into account the strategic priorities established by the Group, as well as current and future risks (the “Annual Indicators”); and
the corresponding scales of achievement, according to the weighting assigned to each Annual Indicator, and based on the targets set for each of them.

All the foregoing as established annually by the Board of Directors, following the report from the Remuneration Committee.

In order to determine to what extent the performance criteria have been met in the financial year to which the Short-Term Incentive relates, once the year has ended, the result of each Annual Indicator will be compared with its target and the amount of the Short-Term Incentive will be calculated accordingly, based on the level of achievement and by applying the corresponding scales and weighting assigned to each indicator.

The amount of this incentive, as for the rest of the Identified Staff, may range between 0% and 150% of the Target STI.

The financial Annual Indicators shall be aligned with the Group’s most significant management metrics and adapted to the respective duties of each executive director. They may relate to the following aspects, among others:

- the ability to generate profits;
- efficiency (cost-to-income);
- return on capital; and
- the current and future risks implicit in the results.

Meanwhile, the non-financial Annual Indicators shall be aligned with the Group’s strategic priorities, and may consider the following factors, among others:

- the degree of client satisfaction;
- growth in clients; and
- sustainable development and climate change.

The breakdown of the Annual Indicators approved by the Board of Directors for the calculation of the Short-Term Incentive of executive directors for 2023 is set forth in Appendix 1 to this Policy.

The approved Annual Indicators, as well as the amount of the Short-Term Incentive and its link with performance in each financial year, will be disclosed in the corresponding Annual Report on the Remuneration of BBVA Directors.

ii. Rules on the award and final calculation of the Long-Term Incentive:

The Long-Term Incentive for executive directors will only be awarded if the Group reaches the profit and capital ratio thresholds approved annually by the Board of Directors for the accrual of the Annual Variable Remuneration. Following the end of the financial year, and after confirming the level achieved with respect to these profit and capital thresholds, the initial award of the Long-Term Incentive will be made for its maximum theoretical amount.

In order to determine its final amount, the Target LTI established for each executive director will be taken as a reference, and the calculation will be based on:
● a set of financial and non-financial metrics or indicators set to be met at the end of three years, which take into account the strategy defined by the Group and value creation in the long-term (the “Long-Term Indicators”); and

● the corresponding scales of achievement, according to the weighting assigned to each Long-Term Indicator, and based on the targets set for each of them.

All the foregoing as established annually by the Board of Directors, at the proposal of the Remuneration Committee.

The final amount of the Long-Term Incentive for executive directors, as for the rest of the Identified Staff, may range between 0% and 150% of the Target LTI.

Thus, to promote the achievement of the long-term strategic objectives, the financial Long-Term Indicators will prioritise sustained profitability over time and the creation of value for shareholders and the Institution.

Meanwhile, the non-financial indicators will be generally linked to the Bank’s sustainability goals and commitments, particularly in the social and climate transition fields.

The breakdown of the 2024–2026 Long-Term Indicators approved by the Board of Directors for the calculation of the Long-Term Incentive of executive directors for 2023 is set forth in Appendix 1 to this Policy.

The approved Long-Term Indicators for each financial year, their targets set as well as their results, which will determine the final amount of the Long-Term Incentive once the measurement period has elapsed, will be disclosed in the corresponding Annual Report on the Remuneration of BBVA Directors.

The Annual Variable Remuneration model established, together with the selection of the indicators for its calculation and their link with the areas above mentioned contribute to the achievement of the Group’s strategy, to value creation and to the Company’s long-term interests, by directly linking the variable remuneration of the executive directors with the BBVA Group's results and strategic priorities.

2) Rules for the vesting and payment of Annual Variable Remuneration

(i) Deferral and payment schedule:

Once the Annual Variable Remuneration has been awarded, in the following financial year to the one that it relates to, in accordance with the provisions set forth in section 1 above, a percentage not exceeding 40% shall vest and be paid, provided that the relevant conditions are met. Payment will typically be made in the first quarter of that financial year (the “Upfront Portion” of the Annual Variable Remuneration).

In order to ensure that the actual payment of the Annual Variable Remuneration takes place over a period that takes into account the Bank’s business cycle and related risks, the remaining amount, meaning at least 60% of the Annual Variable Remuneration, will be deferred over a period of 5 years and will be paid, provided the relevant conditions are met, once each of those five years has elapsed (the “Deferred Portion” of the Annual Variable Remuneration, the “Deferred Annual Variable Remuneration” or the “Deferred AVR”). In no event will this Deferred Portion be paid faster than in a proportionate way.
Within this deferral period, the part of the AVR corresponding to the Long-Term Incentive will start to be paid only after the award has been made and once the measurement period for the targets of the Long-Term Indicators (to the results of which the calculation of the final amount of the Long-Term Incentive is subject, as described in section 1 above) has elapsed.

(ii) Payment in shares or instruments linked to shares:

The Upfront Portion of the Annual Variable Remuneration will be paid 50% in cash and 50% in BBVA shares, while the Deferred Portion will be paid 40% in cash and 60% in BBVA shares and/or in instruments linked to BBVA shares.

Accordingly, the Board of Directors, at the proposal of the Remuneration Committee, may decide that a part of the Deferred Variable Remuneration deliverable in shares will be delivered in options on BBVA shares, or in another type of instruments linked to shares.

In order to calculate the number of shares of the Annual Variable Remuneration (both of the Upfront Portion and the Deferred Portion), the reference price will be the average closing price of the BBVA share between 15 December of the year to which the Annual Variable Remuneration relates and 15 January of the following year (both dates inclusive) (the “Share Price”).

If options on BBVA shares are awarded, the number of such options will depend on the amount to be settled in such instruments, the Share Price and the value of the option at the award date.

For the purposes of implementing this form of payment, the maximum number of shares that may be delivered to executive directors in each financial year is provided in Part III of this Policy, among other matters.

(iii) Retention period for the shares or instruments:

Shares or instruments received as Annual Variable Remuneration shall be withheld for one year running from date of delivery.

The foregoing shall not apply to those shares that are sold in order to meet the payment of taxes accruing on delivery of the shares and/or instruments.

If an executive director exercises the instruments linked to shares before one year has elapsed from their delivery, the shares received on settlement shall be subject to the relevant retention period that is due to comply with the retention period set forth above.

(iv) Ex-post adjustments to the Deferred Portion of the Annual Variable Remuneration:

To ensure that the Annual Variable Remuneration is commensurate with the Group’s risks, the Deferred Portion may undergo certain ex post risk adjustments, meaning that it will not vest, or may be reduced, if certain capital and liquidity thresholds are not met.

To this end, each year the Board of Directors shall, at the proposal of the Remuneration Committee, and following an analysis by the Risk and Compliance Committee, establish the capital and liquidity thresholds which, depending on the level reached, may lead to a reduction, possibly to zero, of the Deferred Annual
Variable Remuneration (both in cash and in shares or instruments) awarded pursuant to this Policy and that vests and becomes payable in each financial year, thus ensuring that the Annual Variable Remuneration will be paid only if it is sustainable in view of the Bank’s payment capacity, based on its capital and liquidity position at any given time.

The Board of Directors, at the proposal of the Remuneration Committee, and following an analysis by the Risk and Compliance Committee, shall determine the relevant scales of achievement for these thresholds and decide whether the aforementioned ex post risk adjustments should be made and, if so, the amount of the Deferred Portion of the Annual Variable Remuneration that should be reduced.

In addition, the Annual Variable Remuneration of each executive director will be subject to malus and clawback clauses, on the same terms as for the rest of the Identified Staff, and thus:

1. Up to 100% of the Annual Variable Remuneration of each executive director corresponding to each financial year, both in cash and in shares or instruments, will be subject to arrangements for the reduction of variable remuneration (malus) and arrangements for the recovery of variable remuneration already paid (clawback), both of which are linked to a downturn in financial performance of the Bank as a whole, or of a specific unit or area, or of the exposures created by an executive director, when such downturn in financial performance arises from any of the following circumstances:

   a) Misconduct, fraud or serious breach of the Code of Conduct and other applicable internal regulations by the executive director;
   
   b) Regulatory sanctions or judicial convictions due to events that may be attributable to the executive director;
   
   c) Significant failures in risk management committed by the Bank or by a business or risk control unit, to which the wilful misconduct or gross negligence of the executive director was a contributing factor;
   
   d) Restatement of the Bank’s annual financial statements, except where such restatement is due to a change in applicable accounting legislation.

For these purposes, the Bank shall compare the performance assessment carried out for the executive director with the ex post performance of one or more of the criteria that helped to achieve the targets.

The malus and the clawback arrangements will apply to both the cash portion and the portion in shares or instruments of the Annual Variable Remuneration for the financial year in which the event triggering the clause occurred. They will remain in effect during the applicable deferral and retention period of the shares or instruments corresponding to said Annual Variable Remuneration.

2. Nevertheless, in the event that the above circumstances give rise to the removal of the executive director due to his serious and culpable dereliction of duties, malus arrangements may apply to the entire Deferred Annual Variable Remuneration from previous financial years pending payment on the date of the decision to remove the director, in light of the extent of the damage caused.

3. Moreover, malus and clawback arrangements shall also apply in the event that the circumstances set out in paragraph 1 lead to material reputational damage for the Bank, regardless of the financial...
impact caused. These arrangements will apply to the Annual Variable Remuneration, including amounts deferred from previous financial years, which is payable, or has been paid in the financial year in which the damage is revealed.

In any case, Annual Variable Remuneration will only vest or be paid if it is sustainable according to the situation of the BBVA Group as a whole, and if justified based on the results of the Bank, the business unit and the executive director concerned.

The Board of Directors, following the report from the Remuneration Committee and an analysis by the pertinent committees within the scope of their respective remits, shall determine whether the relevant circumstances triggering the malus and clawback arrangements of the Annual Variable Remuneration for executive directors have occurred in accordance with the above terms. If so, and depending on the impact of the event in question, the Board shall likewise determine the amount of the Annual Variable Remuneration to be reduced or recovered and the manner in which this is to take place.

In addition to the above, the reduction and clawback mechanisms will apply to the variable remuneration, that has been received by executive directors, when the Bank is required to prepare and accounting restatement to correct an error in previously issued financial statements that resulted in the award and/or payment of variable remuneration that was erroneously calculated, provided that the recoupment of such remuneration is required under the policy ultimately adopted by the Bank pursuant to the listing standard approved by the New York Stock Exchange (“New York Stock Exchange” and “NYSE Listing Standard”, respectively) under Section 10D of the Securities Exchange Act of 1934 (the “Dodd-Frank Recoupment Policy”).

In this case, the reduction and clawback mechanisms will apply to any variable remuneration erroneously calculated received by executive directors (as defined in the Dodd-Frank Recoupment Policy) during the three completed fiscal years immediately preceding the date on which the Bank is required to prepare such accounting restatement, or as otherwise provided for in the Dodd-Frank Recoupment Policy.

The Board of Directors, at the proposal of the Remuneration Committee, may take such further action as may prove necessary to ensure the applicability of the arrangements and their compliance with the regulations applicable to the Bank at any given time. Notably, the Board of Directors may establish and implement the Dodd-Frank Recoupment Policy and adopt such measures as it deems appropriate to ensure compliance with the NYSE Listing Standard and any other regulations or requirements applicable to the Bank at any given time.7

3) Other conditions applicable to the Annual Variable Remuneration:

- The cash amounts of the Deferred Portion of the Annual Variable Remuneration that ultimately vest will be updated by applying the consumer price index (CPI) measured as the year-on-year change in prices, or any other criteria established for such purposes by the Board of Directors.

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7New rule adopted by the U.S. Securities and Exchange Commission to implement Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, and which applies to the Bank as a foreign private issuer listed on the New York Stock Exchange. As at the date of approval of this Policy by the Board of Directors, the New York Stock Exchange has yet to implement this rule by passing a new requirement (listing standard) that will apply to issuers listed there. However, this requirement is expected to be approved and published prior to the date on which the General Shareholders’ Meeting is due to vote on the Policy.
- Executive directors may not use personal hedging strategies or insurance in connection with the Annual Variable Remuneration and responsibility that may undermine the effects of aligning the remuneration with prudent risk management. In particular, such strategies may not be used to cover the liability or effects that may arise from the effectiveness of the clawback arrangement set out in this Policy, or from the provisions of any other variable remuneration recoupment policy to be approved.

- In the event that an executive director ceases to hold office prior to the award of the Annual Variable Remuneration, in general terms and providing that the relevant conditions are met, the director will be entitled to receive the proportional part of that remuneration (comprising both the Short-Term Incentive and the Long-Term Incentive), to be calculated pro rata, in accordance with the time spent in office in the financial year to which the Annual Variable Remuneration relates, which will be subject, in any case, to the same accrual, award, vesting and payment rules that would apply had the director remained in office, as set forth in this Policy.

The above shall not apply in cases of termination for serious dereliction of duties, for which the right to the Annual Variable Remuneration shall not accrue, all under the terms established in each case by the Board of Directors.

Deferred amounts of Annual Variable Remuneration, in the form of both cash and shares or instruments, from years prior to the one in which the executive director is removed from office, will remain subject to the applicable vesting and payment rules (including deferral periods and potential post adjustments), in accordance with the remuneration policies in effect in the financial year to which they relate, such that the termination shall not constitute a condition for the early vesting of such remuneration.

The following figure illustrates the rules set out in this Policy for the accrual, award, vesting and payment of the Annual Variable Remuneration\(^8\) of BBVA’s executive directors, using 2023 as the reference year:

\[\text{Diagram showing annual variable remuneration rules for BBVA's executive directors.}\]

\(^8\) Payment percentages assuming equal achievement in both incentives.
b) Other variable remuneration

If, in accordance with this Policy or a resolution of the General Meeting, the directors of the Bank are entitled to receive any variable remuneration other than the Annual Variable Remuneration, such variable remuneration shall be subject to the rules regarding accrual, award, vesting and payment applicable in accordance with the type and nature of the remuneration component itself and, in any case, shall comply with the applicable regulations in force at any given time.

C. Limitation of variable remuneration

The variable element of the remuneration of executive directors for a financial year (understood as the sum of all variable remuneration) shall be limited to a maximum amount of 100% of the fixed component (understood as the sum of all fixed remuneration) of the total remuneration, unless the General Meeting resolves to increase this percentage up to a maximum of 200%.

The Annual Variable Remuneration awarded for each executive director shall form part of the variable element of their total remuneration for the purposes of the annual limit established in the applicable regulations.

D. Further restrictions on the transferability of shares

Following the award of BBVA shares or instruments linked to BBVA shares arising from the settlement of the variable remuneration of executive directors, the directors may not transfer ownership of such shares or instruments until a period of at least three years has elapsed. Except for the case in which the director maintains, at the time of the transfer, a net economic exposure to the variation in the price of the shares for a market value equivalent to an amount of at least twice their Annual Fixed Remuneration through the ownership of shares, options or other financial instruments.

The foregoing shall not apply to any shares that the director needs to dispose of in order to cover the costs associated with their acquisition or, subject to approval by the Remuneration Committee, in the event of extraordinary situations that require it.

4.4.2. Main terms and conditions of the executive directors’ contracts

In accordance with the regulations applicable to the Bank, contracts entered into between the Bank and its executive directors must set forth all of the concepts under which the executive directors may receive remuneration for the performance of executive functions. These contracts are approved by the Board of Directors, at the proposal of the Remuneration Committee, and their terms and conditions must comply with the Policy, once approved by the General Meeting.

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9 As indicated below in section 4.4.2, 15% of the pension contribution of executive directors shall be considered as variable remuneration in the form of “discretionary pension benefits”, in accordance Bank of Spain Circular 2/2016.

10 All the foregoing as provided for in Recommendation 62 of the Code of Good Governance for listed companies of the Spanish National Securities Market Commission (CNMV).
The main features of the executive directors’ contracts are as follows:

- They have an indefinite term.
- They do not establish any prior notice period, tenure or loyalty clauses.
- They may contain a welfare portion, according to the individual conditions of each executive director, including appropriate pension systems and insurance.
- They do not include severance payment commitments.
- They include a two-year post-contractual non-compete clause.

a) Pension commitments in favour of the Chair

The Bank has undertaken pension commitments in favour of the Chair, Carlos Torres Vila, to cover the contingencies of retirement, disability and death, on the terms detailed below.

The commitment made by the Bank to cover the eventual retirement of the Chair has the following features, in line with the commitments assumed with the rest of the Senior Management:

- It is part of a system established in a defined contribution regime, for which the annual contributions to be made are established in advance;
- It does not provide for the possibility of receiving the retirement pension in advance;

The pension system arranged to cover the Chair’s retirement is as follows:

- The Chair is entitled to receive a retirement pension when he reaches the retirement age established by law. The amount he is entitled to receive shall be the sum of the contributions made by the Bank, plus the corresponding yields up to that date, which may be paid either in the form of income or capital, provided that he does not leave his position as a result of serious dereliction of his duties. If the contractual relationship is terminated before he reaches retirement age for another reason than the aforementioned, he will retain his right to this pension, which will be calculated on the basis of the Bank’s total contributions made until that date, plus the corresponding cumulative yield, without the Bank having to make any additional contributions.

- The annual contribution to this pension system covering the Chair’s retirement is EUR 439 thousand (equivalent to 15% of the Chair’s Annual Fixed Remuneration)\(^{11}\).

- The amount of this annual contribution to the pension system may be updated to the same extent as his Annual Fixed Remuneration is updated.

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\(^{11}\) The annual contribution made to the pension system for the Chair’s retirement underwent a significant reduction in the BBVA Directors’ Remuneration Policy approved at the General Meeting held on 20 April 2021. However, this change does not affect the amounts already contributed by the Bank to meet the commitments previously assumed with the Chair up to the date of entry into force of the policy.
For the purposes set out in Bank of Spain Circular 2/2016 and in line with the provisions of previous policies, 15% of the annual contributions to this system will qualify as “discretionary pension benefits”, and will therefore be based on variable components, subject to the conditions set out in the Circular for these instruments.

In order to comply with the foregoing, the final amount of the “discretionary pension benefits” shall be determined by reference to the Short-Term Incentive accrued by the Chair in each financial year, and the following rules will apply:

- they shall form part of the total amount of variable remuneration for the purposes of the maximum limit between fixed and variable remuneration;
- they shall be paid in full in BBVA shares;
- they shall be subject to a five-year retention period from the date on which the Chair ceases to render his services to the Bank for any reason; and
- the Bank may apply, during such retention period, the same malus and clawback arrangements set out in this Policy for the Annual Variable Remuneration.

The commitments undertaken by the Bank in favour of the Chair to cover the risk of death and disability are as follows:

● In the event of death while in office, his widow will be entitled to an annual widow’s pension and each of his children will be entitled to an annual orphan’s pension until they reach the age of 25, for an amount equivalent to 50% and 20% (40% in the event of total orphaning), respectively, of the Chair’s Annual Fixed Remuneration, to be paid from the total fund accumulated for the retirement pension at that time, with the Bank assuming the corresponding annual insurance premiums to top up the pension coverage. The cumulative total of the widow’s and orphan’s benefits may not exceed 150% of the Annual Fixed Remuneration.

● He is also entitled to receive an annual pension, of an amount equivalent to 60% of his Annual Fixed Remuneration, in the event of total or absolute permanent disability while in office. Payment of this pension shall be made, firstly, from the total fund accumulated for the retirement pension at that time, with the Bank assuming the corresponding annual insurance premiums to top up the pension coverage.

● In the event of death while in a situation of disability, his widow will be entitled to an annual widow’s pension and each of his children will be entitled to an annual orphan’s pension until they reach the age of 25, for an amount equivalent to 85% and 35% (40% in the event of total orphaning), respectively, of the disability pension that the deceased was receiving at that time. Such reversion will be in any case limited to 150% of the disability pension itself.

b) Pension commitments in favour of the Chief Executive Officer

The Bank has not undertaken any retirement pension commitments in favour of its Chief Executive Officer, Onur Genç, although he is entitled to receive an annual amount in cash in place of a retirement pension (cash in lieu of pension), in an amount equal to 30% of the Annual Fixed Remuneration.

This English version is a translation of the original in Spanish for information purposes only. In case of discrepancy the original in Spanish shall prevail.
Likewise, the Bank has made the following commitments in favour of the Chief Executive Officer to cover the death and disability contingencies:

- In the event of death while in office, his widow will be entitled to an annual widow’s pension and each of his children will be entitled to an annual orphan’s pension until they reach the age of 25, for an amount equivalent to 50% and 20% (30% in the event of total orphaning), respectively, of the Annual Fixed Remuneration of the previous 12 months, with the Bank assuming the corresponding annual insurance premiums to guarantee the benefit coverage. The cumulative benefits of the widow’s and orphan’s pension may not exceed 100% of the Annual Fixed Remuneration for the previous 12 months.

- He is also entitled to an annual pension, of an amount equivalent to 62% of the Annual Fixed Remuneration for the previous 12 months, in the event of total or absolute permanent disability while in office, which will revert to his spouse and children in the event of death in the same percentages previously set out, and with said reversion limited in any case to 100% of the disability pension, with the Bank assuming the corresponding annual insurance premiums to guarantee the benefits coverage.

c) Other terms and conditions of the executive directors’ contracts

(i) Additional allowance to the Chief Executive Officer’s fixed remuneration

In view of his status as a senior international executive, the Chief Executive Officer’s contract establishes his entitlement to an annual amount in cash as a mobility allowance, in line with commitments made in favour of other expatriate members of the Bank’s Senior Management, for an amount of EUR 600 thousand per year over the entire term of this Policy.

(ii) Severance payment clauses

The contracts of executive directors do not include the right to a severance payment in the event of termination of their contractual relationship.

(iii) Post-contractual non-compete clause

The contractual framework defined for the executive directors establishes a post-contractual non-compete clause, effective for a two-year period of duration after they cease to be BBVA executive directors, provided that they do not leave due to retirement, disability or serious dereliction of their duties. As consideration for this undertaking, executive directors will receive compensation from the Bank of an amount equivalent to their Annual Fixed Remuneration for each year of its duration, which will be awarded monthly over the course of the two-year duration of the non-compete agreement.

5. Transitional provisions

This Policy will apply to the remuneration of BBVA directors for financial years 2023, 2024, 2025 and 2026, unless a new policy is approved by the General Meeting replacing this Policy for one or more of those financial years.
In any case, this Policy will apply without prejudice to any payments to be made, or other terms to be applied, during its term to executive directors under the terms of previous remuneration policies governing Annual Variable Remuneration from previous years, which will be subject to the corresponding conditions provided for such remuneration in said policies.

**Incorporation of new non-executive Board members**

The remuneration system described in section 4.3 of this Policy shall apply to any new non-executive directors who may join the Board of Directors during the financial years in which this Policy is in force.

**Incorporation of new executive Board members**

The remuneration system for executive directors described in section 4.4 of this Policy shall apply to any new executive directors who may be appointed as members of the Board of Directors over the term of this Policy, though it shall be tailored to their functions, responsibilities and professional experience.

In this respect, the Board of Directors shall, following report from the Remuneration Committee, set remuneration that adequately reflects the characteristics mentioned above, in line with the Annual Fixed Remuneration of the current executive directors and taking into consideration the situation and competitive environment comprising the Bank’s main peers. The variable remuneration system contained in this Policy and any other pertinent contractual conditions shall also apply.

The foregoing shall likewise apply in the event of modifications to the conditions stipulated in the contracts with the current executive directors, as a result of changes in their roles, duties or responsibilities.

The main terms and conditions of contracts with potential new executive directors or changes to the conditions stipulated in contracts with current executive directors shall, in any case, be disclosed in the Annual Report on the Remuneration of BBVA Directors for the financial year in which they arise.

**6. Model for the governance and oversight of the Policy**

This Policy has been approved by the BBVA Board of Directors on 9 February 2023, at the proposal of the Remuneration Committee, which has also issued its corresponding report to be made available to shareholders, and following prior analysis by the Risk and Compliance Committee. Its approval corresponds to the General Shareholders’ Meeting of the Company.

The Board of Directors, as the Company’s supreme supervisory body, shall oversee the effective implementation of the Policy, either directly or through the Remuneration Committee, on the basis of periodic or ad hoc reports received from the competent executive areas.

The Remuneration Committee, in accordance with its own regulations, shall ensure compliance with the Policy and periodically review it, proposing any appropriate amendments. In this sense, the Remuneration Committee shall propose to the Board of Directors, for approval or, where appropriate, for submission to the General Meeting, when this is legally required, all amendments or derogations to the Policy that may be necessary to make during its term.

More precisely, the Board of Directors may, following an analysis and at the proposal of the Remuneration Committee:
Interpret the Policy and, in particular, the rules for the accrual, award, vesting and payment of the Annual Variable Remuneration or, as the case may be, other incentives, adapting them where necessary to applicable law and regulations, recommendations or best practices in the field or to the specific requirements emanating from supervisory bodies, stock markets or other relevant agents.

Resolve to apply temporary derogations to the Policy in connection with the accrual, award, vesting and/or payment of all the components provided for in this Policy, in the event that this proves necessary in order to serve the long-term interests and sustainability of the Company as a whole or to ensure its viability. In particular, circumstances possibly making necessary the application of temporary derogations include the appointment of new executive directors or the need to retain an executive director at a particularly complex time in view of the Bank’s situation.

While respecting, as a minimum, the percentage provided for in this Policy that the Target Long-Term Incentive represents over the Target Annual Variable Remuneration of executive directors, alter the proportion between the Target Short-Term Incentive and the Target Long-Term Term Incentive, which comprise the Target Annual Variable Remuneration of each executive director, disclosing this change in the Annual Report of the Remuneration of BBVA Directors to be issued in the financial year for which the change is envisaged.

Periodically analyse the Annual Indicators and the Long-Term Indicators applicable to the Short-Term Incentive and the Long-Term Incentive, respectively, and their effect on any component of the beneficiaries’ variable remuneration, so that adjustments can be made to them on the basis of any exceptional circumstances that may arise during the years in which this Policy remains in effect.

Alter the rules of accrual, award, vesting and payment of the remuneration provided for in this Policy, in case of any event, circumstance or corporate transaction that, in the opinion of the Board of Directors, may significantly affect the collection, in particular, of the Deferred Portion of the Annual Variable Remuneration or other components of deferred variable remuneration. Specifically, in the event of a takeover or change in control at BBVA as the result of a public takeover bid, the outstanding deferred portion of any variable remuneration component in shares or instruments will be settled early and beneficiaries will receive, instead of shares or instruments referenced to the shares, their equivalent value in cash, based on the price offered in the public takeover bid.

Under no circumstances shall any exceptions that may be made to this Policy be based on gender considerations or other aspects that may be considered discriminatory. They must likewise be soundly justified and comply with the provisions of prevailing law and regulations.
II. Resolution for the delivery of BBVA shares to non-executive directors

As provided for in this Policy, non-executive directors are entitled to a fixed remuneration system with deferred delivery of BBVA shares, to be delivered after termination of office, provided that this does not occur due to serious dereliction of their duties (the “System”).

To enable the implementation of this System, on the terms established in the Policy, the General Meeting is expressly requested to authorise an increase in the maximum number of shares to be delivered to non-executive directors under this System, which was previously approved at the General Shareholders’ Meeting held on 18 March 2006, as item 8 on the agenda, and extended for additional periods by the General Shareholders’ Meeting. All the foregoing pursuant to Article 33º bis of the BBVA Bylaws and the BBVA Directors’ Remuneration Policy, and in accordance with the following.

The System consists of the annual allocation to non-executive directors of the Bank, as part of their remuneration, of theoretical shares of BBVA, which are to be delivered, as the case may be, after the date on which they cease to be directors, on any grounds other than serious dereliction of duties. For these purposes, a number of theoretical shares shall be assigned annually to non-executive directors designated as beneficiaries of the System by the Bank’s Board of Directors, of a value equivalent to 20% of the annual fixed allowance in cash received by each of them in the previous financial year using the average of the closing prices of the BBVA share during the sixty (60) trading sessions prior to the dates of the respective Annual General Shareholders’ Meetings that approve the financial statements for each financial year during which the System remains in force.

**Beneficiaries:** The System is aimed at BBVA non-executive directors, at any given time, and who are designated as beneficiaries by the Board of Directors.

**Duration:** The duration of the System is extended for an additional four years from the date of entry into force of this Policy, without prejudice to any partial settlements made and the fact that the System may be further extended following a resolution to such effect passed by the General Shareholders’ Meeting.

**Number of shares:** The number of shares established for the System under resolutions of previous General Meetings (of 2,300,000 shares) is extended by a further 800,000 shares of BBVA, representing 0.01% of share capital as at the date of this Policy. This brings the total number of shares allocated to the System since its inception in 2006 to 3,100,000, representing 0.05% of the Bank’s share capital as of this date. This number of shares includes those assigned and delivered to director beneficiaries who have ceased to hold office since the launch of the System.

**Coverage:** The Company may use shares comprising its treasury shares to cover the System, or use any other suitable financial system that it determines to that end.

In any case, receipt of these shares bears no connection with the trend of the share price.
III. Resolution for the delivery of BBVA shares and/or options on BBVA shares to executive directors

Pursuant to this Policy, a substantial portion of the Annual Variable Remuneration of executive directors for financial years 2023, 2024, 2025 and 2026 will be paid in BBVA shares or in instruments linked to BBVA shares, provided that the relevant conditions are met.

**Number of shares**: for the Policy to take effect, on the terms set out therein, the General Meeting is expressly requested to authorise the award and delivery to the Bank’s executive directors of an overall maximum aggregate of 8,000,000 of BBVA shares, representing 0.13% of the Bank’s share capital as at the date of this Policy, over the four-year term of the Policy (allocating a maximum of 2,000,000 shares for each year of the Policy’s term). This number of shares also includes those shares to be delivered following exercise of the share options that may be awarded.

In order to calculate the portion of the Annual Variable Remuneration deliverable in shares (both of the Upfront Portion and the Deferred Portion), the average closing price of the BBVA share between 15 December of the year to which the Annual Variable Remuneration relates and 15 January of the following year (both dates inclusive) will be taken as reference (the “Share Price”).

**Share options**: under the Policy and in the terms set forth therein, options on BBVA shares may be delivered to executive directors. The asset underlying each option will be one BBVA share.

- The exercise price of the options will be the one defined as “Share Price”.
- The amount to be settled in options, the “Share Price” and the value of the option on the award date (the “Option Value”) will all be used to calculate the number of options to be delivered to each executive director.
- In this respect, the Option Value shall be calculated in accordance with generally applicable accounting standards (IFRS – International Financial Reporting Standards) for share-based payments on the award date of the options, and will be a fraction of the Share Price.
- The share options may be exercised from the time they are delivered until they expire, which will take place 2 years after delivery, and during the periods of the year established to this effect throughout such years.
- If exercised, the options will be settled in BBVA shares.

**Coverage**: The Company may use its own treasury shares to cover the aforementioned shares following from Annual Variable Remuneration, or any other financial system that it deems suitable.
Appendix 1.

Information on indicators for calculating the 2023 Annual Variable Remuneration of executive directors

### Annual Indicators 2023 STI

<table>
<thead>
<tr>
<th>Type</th>
<th>Annual Indicators – 2023 AVR (measurement period 2023)</th>
<th>Executive directors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial indicators</td>
<td>Results - Attributable profit</td>
<td>20%</td>
</tr>
<tr>
<td></td>
<td>Profitability - RORC</td>
<td>20%</td>
</tr>
<tr>
<td></td>
<td>Efficiency - Efficiency ratio (Cost-to-Income)</td>
<td>20%</td>
</tr>
<tr>
<td>Non-financial indicators</td>
<td>Client satisfaction - NPS (Net Promoter Score)</td>
<td>15%</td>
</tr>
<tr>
<td></td>
<td>Growth in clients - Target customers</td>
<td>15%</td>
</tr>
<tr>
<td></td>
<td>Sustainable development - Mobilisation of sustainable financing</td>
<td>10%</td>
</tr>
</tbody>
</table>

### Long-Term Indicators – 2023 LTI

<table>
<thead>
<tr>
<th>Type</th>
<th>Long-Term Indicators – 2023 AVR (2024–2026)</th>
<th>Executive directors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial indicators</td>
<td>Results - Tangible Book Value (TBV) per share</td>
<td>40%</td>
</tr>
<tr>
<td></td>
<td>Value creation - Relative Total Shareholder Return (TSR)</td>
<td>40%</td>
</tr>
<tr>
<td>Non-financial indicators</td>
<td>Sustainability - Decarbonisation of the portfolio</td>
<td>15%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Percentage of women in management positions</td>
</tr>
</tbody>
</table>

*Once the Long Term Incentive has been awarded (in 2024), subject to first meeting the profit and capital ratio levels in 2023, targets to be met on 31 December 2026 by the Long-Term Indicators which will be used to determine its final award will be set, considering the evolution of these indicators since 1 January 2023.*

This English version is a translation of the original in Spanish for information purposes only. In case of discrepancy the original in Spanish shall prevail.
Appendix 2 – Glossary

Definitions

The key terms set out in this Policy shall have the following meaning:

- **Senior Management**: for the purposes of this Policy, those 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.

- **BBVA, the Company, the Institution or the Bank**: Banco Bilbao Vizcaya Argentaria, S.A. (the parent company of BBVA Group).

- **Identified Staff**: categories of staff whose activities have a material impact on the risk profile of BBVA and/or its Group.

- **Board of Directors** or the **Board**: the Management Body of Banco Bilbao Vizcaya Argentaria, S.A.

- **Remuneration Committee**: the Remuneration Committee of the Board of Directors of Banco Bilbao Vizcaya Argentaria, S.A.

- **Risk and Compliance Committee**: the Risk and Compliance Committee of the Board of Directors of Banco Bilbao Vizcaya Argentaria, S.A.

- **Dodd-Frank Recoupment Policy**: policy for the reduction and clawback of executive directors’ variable remuneration to be adopted by the Bank pursuant to the listing standard approved by the New York Stock Exchange pursuant to Section 10D of the U.S. Securities Exchange Act of 1934.

- **BBVA Group or the Group**: an international financial group comprising BBVA, as the parent company, and other legally autonomous companies, primarily engaged in banking activity.

- **EBA Guidelines**: Guidelines on sound remuneration policies of 2 July 2021, issued by the European Banking Authority.

- **Short-Term Incentive or STI**: incentive granted annually and reflecting performance, measured through the attainment of various targets to assess the results obtained in each financial year for a series of indicators, measured annually.

- **Target Short-Term Incentive or Target STI**: amount of the Short-Term Incentive for executive directors if all (100%) of the pre-defined targets for the Annual Indicators are met.

- **Long-Term Incentive or LTI**: incentive that reflects performance over a multi-year time horizon, the final amount of which is conditional on the fulfilment of a series of long-term targets.

- **Target Long-Term Incentive or Target LTI**: amount of the Long-Term Incentive for executive directors if all (100%) of the pre-defined targets for the Long-Term Indicators are met.

- **Annual Indicators**: indicators subject to an annual measurement period which are used to calculate the Short-Term Incentive which forms part of the Annual Variable Remuneration of executive directors.
• **Long-Term Indicators**: indicators subject to a three-year measurement period which are used to calculate the final amount of the Long-Term Incentive which forms part of the Annual Variable Remuneration of executive directors.

• **General Meeting**: the General Shareholders’ Meeting of Banco Bilbao Vizcaya Argentaria, S.A.

• **Corporate Enterprises Act**: Consolidated text of the Corporate Enterprises Act, enacted by Royal Legislative Decree 1/2010, of 2 July.

• **Act 10/2014**: Act 10/2014, of 26 June, on the regulation supervision and capital adequacy of credit institutions.

• **NYSE Listing Standard**: standard approved by the New York Stock Exchange pursuant to Section 10D of the U.S. Securities Exchange Act of 1934.

• **Deferred Portion of the Annual Variable Remuneration, Deferred Annual Variable Remuneration or Deferred AVR**: at least 60% of the Annual Variable Remuneration of the executive directors to be deferred over a period of 5 years.

• **Upfront Portion of the Annual Variable Remuneration**: no more than 40% of the Annual Variable Remuneration for executive directors, which will vest and be paid, as a general rule, in the first quarter of the financial year following that to which the Annual Variable Remuneration relates.

• **Share Price**: average closing price of the BBVA share between 15 December of the year to which the Annual Variable Remuneration relates and 15 January of the following year (both dates inclusive), which will be taken as a reference for calculating the number of shares of the Annual Variable Remuneration (both the Upfront and Deferred Portion).

• **Annual Fixed Remuneration**: the annual fixed remuneration received by executive directors for performing their executive functions.

• **Annual Variable Remuneration, or AVR**: variable incentive awarded annually to executive directors, comprising a Short-Term Incentive (subject to an annual targets’ measurement period), and a Long-Term Incentive (subject to a multi-year targets’ measurement period), which reflects the directors’ performance measured through the fulfilment of targets established to evaluate the results obtained in each measurement period for a series of indicators aligned with the management metrics considered most relevant and with the strategic priorities of BBVA Group.

• **Target Annual Variable Remuneration, or Target AVR**: amount of the Annual Variable Remuneration of executive directors if all (100%) of the pre-defined targets for the Annual and Long-Term Indicators are met.