

# Report of the Board of Directors

## Re-election proposal of Lourdes Máiz Carro as independent director

February 2023

## 1. Introduction

In accordance with Articles 3 and 17.1.c) (i) of the Regulations of the Board of Directors of Banco Bilbao Vizcaya Argentaria, S.A. (“**BBVA**” or the “**Bank**”), and in compliance with Article 529 decies of the Spanish Corporate Enterprises Act, the Board of Directors is responsible for proposing the re-election of directors at the General Shareholders’ Meeting, on the proposal of the Appointments and Corporate Governance Committee in the case of independent directors.

BBVA's Regulations of the Board of Directors, in accordance with the Spanish Corporate Enterprises Act, also states that proposals of the Appointments and Corporate Governance Committee must be accompanied by a supporting report from the Board of Directors assessing the skills, experience and merits of the proposed candidate, which will be attached to the minutes of the General Shareholders' Meeting or the Board of Directors' meeting.

In order to comply with the foregoing, the Bank's Board of Directors has prepared this report, which accompanies the proposal to re-elect Lourdes Máiz Carro as a member of the Bank's Board of Directors, with the status of independent director, submitted to BBVA's Annual General Shareholders' Meeting (the “**Report**”).

## 2. Re-election proposal

In order to produce this Report, the Board of Directors has considered the proposal of BBVA's Appointments and Corporate Governance Committee, which was drafted in accordance with Article 529 decies 4 of the Spanish Corporate Enterprises Act and Article 3 of the Bank's Regulations of the Board, following an analysis of the structure, size and composition of the Board, so as to ensure that they are suitable for the performance of their functions and that the Board, as a whole, possesses the appropriate knowledge, skills and experience to be able to understand the business, activities and main risks of BBVA and its Group.

This analysis is carried out within the framework of the progressive and orderly refreshment of the corporate bodies performed by the Board, whereby individuals with different profiles and experience are introduced, thus increasing diversity and ensuring adequate rotation of the Board members.

In conducting this analysis, the following matters were taken into consideration:

- the characteristics of the Bank and its Group, as reflected in BBVA Group's Purpose and strategy, its corporate culture and values, as well as the environment in which the Bank conducts its business;
- BBVA's corporate governance system, based on (i) an appropriate composition of the Board of Directors and its committees; (ii) a clear distribution of functions among the corporate bodies, and between these and Senior Management; and (iii) robust decision-making processes and supervision and control of the activity carried out at the executive level, relying on a reporting model that provides the corporate bodies with complete, integral, adequate and consistent information for the performance of their functions;
- measures conducive to the sound functioning of the corporate bodies and checks and balances within the Board, by means of: (i) a clear allocation of functions at the executive level and at the corporate bodies level; (ii) the independence of control functions, which report directly to the Board through its committees; and (iii) other measures to ensure that the corporate bodies are able to perform their functions and question the approaches taken

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by the executive areas, all within a climate of freedom of opinion and where participation and debate are encouraged; and

- the evolution of the structure, size and composition of the Board and its committees, following the refreshment process of the corporate bodies, based on tools such as the “skills and diversity matrix” of the Board, so as to be able to meet the current and future needs of the corporate bodies, as well as the expiry of the Bylaw-mandated terms of office of directors, as appropriate in each financial year;
- all of the above, taking into account at all times prevailing regulatory requirements and the provisions and objectives set out in the Policy on the selection, suitability and diversity of the BBVA Board of Directors, as approved by this body (the “**Selection Policy**”), while also taking account the different opinions and views obtained from direct contact and dialogue with shareholders, investors, proxy advisors, supervisory authorities and other stakeholders of the Bank.

As part of this analysis, it was verified that, following the refreshment process undertaken by the Bank’s corporate bodies in recent years, the Board of Directors comprises 15 directors, of whom:

- 13 directors qualify as “non-executive”, representing a large majority (87%) of the Board, of whom 10 have “independent” status, representing 67% of the Board members;
- the Board has six female directors, thus meeting the target of 40% representation of women set by the Board and set out in the Selection Policy;
- in the last five years, eight new directors have joined the Board, six of them qualifying as “independent”; and
- directors have an average tenure on the Board of approximately seven years.

It was also confirmed that the independent directors contribute to a suitable composition of both the Board of Directors and its committees and, in particular, those that support the Board in its supervision and control functions. These particular committees must comprise a significant proportion of independent directors, from among whom the chairs of these committees must also be appointed.

As part of its analysis, it was also taken into account that the term of five of the current directors of the Bank will expire on the occasion of the 2023 Annual General Shareholders' Meeting.

On the other hand, the analysis performed for this proposed re-election took into account the areas and matters that are of particular relevance to the functions entrusted to the corporate bodies, especially the Group’s current and future activities, business and strategy.

To this effect, the corporate bodies relied, among other information, on the “skills and diversity matrix” of the Board of Directors, which is used to identify those skills, knowledge, experience and circumstances that the Board already has, and those that should be strengthened in the future. The matrix is thus an instrument for analysing the composition of the Board as a whole and is also considered in the directors’ refreshment process.

This matrix includes information on the directors in relation to (i) the areas, sectors and subjects that are of particular relevance to the Group’s strategy and activities (such as banking and financial services; accounting and auditing; risk management; innovation and information technology; strategy and macroeconomic environment; human resources and compensation; institutional, legal

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and regulatory matters; and corporate governance and sustainability); (ii) their professional experience and track record in various areas (corporate, public administration, academia or non-profit organisations), both domestically and internationally; and (iii) any other matters that increase the Board's diversity in different areas, such as gender, age, tenure on the Board and status of directors.

In relation to the foregoing, it was verified that the Board has a diverse composition, including profiles with experience and knowledge in different areas that are of interest to the Bank and its Group, such as banking, auditing, risk management, sustainability, corporate governance, legal affairs and academic matters, multinational companies, public bodies, digital business and technology, all of this, both nationally and internationally.

This diversity of the Board's skills, knowledge and experience has been further strengthened following the refreshment process of the corporate bodies carried out in recent years, as a result of which, profiles have been appointed who have enabled the Board to strengthen its skills, knowledge and experience in areas of particular relevance to the Bank's strategy, business and activities.

In this regard, the Board currently comprises directors with diverse experience on the Board itself, combining recently appointed members with others who have experience in the corporate bodies, and who have significant knowledge of the strategy, business, activities and culture of the Group, as well as of the operational dynamics and working culture of the corporate bodies.

As such, these directors with experience on the Board facilitate the progressive refreshment process of the corporate bodies, which involves appointing new members with lesser knowledge of the Bank, without affecting the Board's proper functioning, facilitating the flexible and efficient appointment of new directors to the working dynamics of the corporate bodies, and ensuring the proper performance of their duties at all times.

Lastly, this analysis took into account the operation and performance of the corporate bodies in recent years, noting that the directors have shown great dedication to the Bank, an ability to adapt and be flexible in response to prevailing circumstances, and deep knowledge of the environment and the Group, which has ultimately allowed the corporate bodies to carry out the functions entrusted to them.

As a result of the analysis carried out and described in the previous paragraphs, it was found that the Board, as a whole, features an appropriate and diverse composition, complying with the objectives contemplated in applicable legislation, in its own Regulations and in the Selection Policy. Significantly, there is an appropriate balance between the different categories of directors, with a broad majority of non-executive directors (13 out of a total of 15) and independent directors (10 out of 15, which exceeds the target envisioned in the Selection Policy of having at least 50% independent directors), with a level of gender diversity that meets the targets set by the Board and is in line with best practices (women account for 40% of total directors). Moreover, the Board has a diversity of skills, knowledge and experience, both national and international.

Notwithstanding the above, the Board, with the support of the Appointments and Corporate Governance Committee, keeps fostering the progressive refreshment process of the corporate bodies, in order to continue strengthening its composition with individuals that complete the knowledge and experience of its members at any time and allow corporate bodies to have the most suitable composition for the best performance of their functions.

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In view of the foregoing, the Appointments and Corporate Governance Committee has resolved to propose to the Board of Directors, for its subsequent proposal to the Bank's Annual General Shareholders' Meeting, the re-election of Lourdes Máiz Carro as an independent director of the Board of Directors, for the Bylaw-mandated term of three years.

### **3. Skills, experience and merits**

To produce this Report, and as set out in applicable regulations, the Board of Directors has assessed the skills, experience, merits, and knowledge of Ms Máiz, to which end it has analysed both her curriculum vitae, which is attached as an [Annex](#) to this Report, and the director's activity in the corporate bodies in the years during which she has served as a member of the Board.

The Board highly values her training and excellent professional experience gained prior to her appointment to the Bank's Board of Directors.

Ms Máiz holds a degree in Law and in Philosophy & Education Sciences from Complutense University of Madrid, as well as a PhD in Philosophy.

She began her professional career as part of the research staff at the Faculty of Philosophy at the Complutense University of Madrid, giving classes in Metaphysics and Theory of Knowledge between 1982 and 1987.

In 1992, she became an Attorney of the State and practised law at the Spanish Ministry of Public Administration. Subsequently, between 1993 and 2001, she held various positions within in public service, including Director of the Office of the Undersecretary of Public Administration, Director of the Office of the Undersecretary of Education, Director General of Administrative Organisation, Director General of Sociedad Estatal de Participaciones Patrimoniales (SEPPA, attached to the Ministry of Economy and Finance) and Technical Secretary General at the Ministry of Agriculture, Fisheries and Food.

Between 2001 and 2016, she served as Secretary of the Board of Directors and Head of Legal Services at Iberia, Líneas Aéreas de España. Ms Máiz has sat on the boards of various companies, including Renfe, GIF (Gerencia de Infraestructuras Ferroviarias — Railway Infrastructure Administrator), the ICO (Instituto de Crédito Oficial — Official Credit Institution), INISAS Compañía de Seguros y Reaseguros, S.A., Aldeasa, Almacenaje y Distribución and Banco Hipotecario.

Since her appointment as a member of the BBVA Board of Directors, Ms Máiz has shown that she has a broad knowledge of the Bank's strategy, business, activities, risks, regulatory environment and culture, showing broad knowledge of the Bank's activity and business from the various perspectives that are analysed by the corporate bodies. She is currently a member of the Audit and Remuneration Committees of the Board of Directors.

Moreover, during her years as a member of the Bank's corporate bodies, Ms Máiz has contributed with her extensive knowledge and experience, displaying great dedication and availability in the performance of her duties, and carrying out her role with objectivity and independence of judgement, thus contributing to the proper functioning and performance of the corporate bodies.

Furthermore, Ms Máiz is aligned with the Bank's culture and values, thus facilitating their dissemination both to the Group's executives who interact with the corporate bodies, as well as to new members of the Board of Directors. Along this, she has helped to ensure that the progressive refreshment process of the Board runs smoothly, making her knowledge and experience regarding the functioning and work culture of the corporate bodies available to new directors.

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The re-election of Ms Máiz as an independent director of BBVA would contribute directly to the achievement of the objectives set out in the Selection Policy, particularly (i) that non-executive directors must represent an ample majority over executive directors and that the number of independent directors must be at least 50% of the total number of directors; and (ii) seek that female directors represent at least 40% of the Board as of 2022.

All of the foregoing is of particular importance for the proper performance of the duties entrusted to the corporate bodies in their decision-making capacity and role in supervising and controlling the Bank's strategy, business, activities and risks, in the framework of the complex current economic environment.

In addition to the foregoing, the Board of Directors, on the basis of the analysis performed by the Appointments and Corporate Governance Committee, has assessed Ms Máiz's suitability requirements applicable to the performance of member of BBVA's Board, as a result of which it concluded that Ms Máiz meets the requirements of recognised commercial and professional repute, has adequate knowledge and experience to perform her duties and has ability to exercise good governance of the entity, as well as has the conditions to be considered an independent director.

#### **4. Conclusion**

Accordingly, the Board of Directors deems Ms Máiz to possess the required suitability to sit on the Bank's Board of Directors and, in particular, adequate skills, experience and merits, as well as suitable knowledge, to perform the role.

As a result of the foregoing, taking into account the proposal submitted for this purpose by the Bank's Appointments and Corporate Governance Committee, the Board of Directors as resolved to propose to the Bank's Annual General Shareholders' Meeting, the re-election of Lourdes Máiz Carro as an independent director of the Board of Directors, for the Bylaw-mandated term of three years.

To this end, the Board of Directors issues this Report, in light of the requirements established by Article 529 decies of the Spanish Corporate Enterprises Act.

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## Annex: *curriculum vitae*

### Lourdes Máiz Carro Independent director

Born in 1959

Spanish nationality

Holds degrees in Law and Philosophy and Education Sciences from the Complutense University of Madrid, and a PhD in Philosophy

Extraordinary Bachelor of Philosophy Award and Extraordinary PhD Award

#### **Professional experience:**

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| 1982-1987 | Researcher at the Faculty of Philosophy at the Complutense University of Madrid, where she taught classes in Metaphysics and Theory of Knowledge.  |
| 1992-1993 | Became an Attorney for the State and practised law at the Spanish Ministry of Public Administration.   |
| 1993-2001 | Held various positions in Public Administration in Spain: Director of the Cabinet of the Assistant Secretary of Public Administration; Director of the Cabinet of the Assistant Secretary of Education; General Director of Administrative Organisation, Personnel and IT (Ministry of Public Administration); General Director of the Sociedad Estatal de Participaciones Patrimoniales (SEPPA) within the Ministry of Economy and Finance; and Technical Secretary General of the Ministry of Agriculture, Fisheries and Food. |
| 2001-2016 | Secretary of the Board of Directors and Director of Legal Services at Iberia, Líneas Aéreas de España.   |

She has been a director at several companies, including RENFE, GIF (Gerencia de Infraestructuras Ferroviarias — Railway Infrastructure Administrator, now ADIF), the ICO (Instituto de Crédito Oficial — Official Credit Institution), INISAS Compañía de Seguros y Reaseguros, S.A., Aldeasa, Almacenaje y Distribución and Banco Hipotecario.

Appointed as a BBVA director on 14 March 2014.