

BBVA Directors' Remuneration Policy

Banco Bilbao Vizcaya Argentaria, S.A.

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I. BBVA Directors' Remuneration Policy

1. Introduction

Banco Bilbao Vizcaya Argentaria, S.A. ("BBVA", the "Institution", the "Bank"¹ or the "Company") 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 solvency of credit institutions ("Act 10/2014") ascribes to the board of directors the task of defining a corporate governance system that ensures sound and prudent management of the institution. This includes, but is not limited to, 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, as well as the prevention of conflicts of interest.

The Guidelines issued by the European Banking Authority ("EBA") on sound remuneration policies of July 2, 2021 ("EBA Guidelines"), adopted by the Bank of Spain, develop the requirements applicable to the remuneration of the staff of credit institutions. In particular, they regulate the remuneration of the categories of staff whose professional 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, the Board of Directors of BBVA 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 currently applicable was approved by the General Meeting in 2023 for application in the 2023 to 2026 financial years, with 95.03% of votes in favor. The main new development of this policy was the implementation of a new specific long-term variable component in the annual variable remuneration of executive directors, as for the rest of the Identified Staff, with the main aim of strengthening the alignment of remuneration with value creation, long-term sustainable performance and adequate and effective risk management.

Upon reaching the final financial year of the policy approved in 2023, in accordance with Article 529 novodecies of the Corporate Enterprises Act, a new policy shall be submitted to the General Meeting for approval before the end of that financial year. If approved, this new policy shall apply in 2026, replacing the existing policy, and during the following three financial years 2027, 2028 and 2029.

¹The terms BBVA, the Institution or the Bank, may refer to the Company on a consolidated basis.

Thus, within the framework of its powers to periodically review the policy, the Remuneration Committee, composed exclusively of non-executive directors and with a majority of independent members, including its Chair, has submitted a proposal for a new directors' remuneration policy to the Board of Directors.

In turn, the Board of Directors, at the proposal of the Remuneration Committee, and following an analysis by the Risk and Compliance Committee, has resolved to submit to the General Meeting this new remuneration policy for BBVA directors (the "**BBVA Directors' Remuneration Policy**", the "**Remuneration Policy**" or the "**Policy**").

In preparing the Policy, the Corporate Bodies have relied on the independent expert advice of WTW, for market analysis and comparisons, and the law firm Garrigues, from the legal point of view, as well as on the support of the Company's internal services.

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. Amendments incorporated into the Policy

2.1. Context

The new Policy is the result of the continuous reflection, monitoring and analysis carried out by the Remuneration Committee and the Board of Directors over the last few years.

The high level of shareholder support received in 2023, also supported in the consultative votes of the Annual Report on Directors' Remuneration for the years 2023 and 2024, together with the constant and constructive dialogue that BBVA maintains with its shareholders, investors and other stakeholders, the Group's strong results and the solid culture embedded in the Bank, have made it possible to confirm the effectiveness and proper functioning of the current remuneration model.

As a result of this reflection process, it has become clear that the remuneration systems of BBVA's directors, both executive and non-executive, are aligned with applicable regulations, best practices and market standards, the expectations of our shares and investors and the Group's strategy.

In particular, the annual variable remuneration model of the executive directors contributes to the development of the Group's strategic priorities, to the creation of value and to the achievement of the Company's long-term interests. Through the selection of relevant indicators aligned with the strategy and the main management metrics, variable remuneration is directly linked to the Group's results and, in turn, to adequate and prudent risk management.

Notwithstanding the foregoing, as part of the evolution and constant improvement of BBVA's Corporate Governance System, of which remuneration policies are a fundamental part, on the occasion of the need to approve a new BBVA Directors' Remuneration Policy, an in-depth review has been carried out to identify possible improvements to be implemented.

The modifications incorporated in this new Policy seek to ensure that the remuneration of BBVA's directors continues to be competitive and suitable for attracting and retaining the best professionals, it is aligned with shareholders and investors' interests, and that it constitutes a key lever to continue driving the Group's long-term strategy and results.

This Policy has been prepared at a moment marked by the successful completion of a strategic cycle (2021-2024) and the start of the new Strategic Plan approved by the Board of Directors for the 2025-2029 financial years with ambitious associated objectives.

To date, the management of the Chair and the Chief Executive Officer in their respective areas of competence has been fundamental, both in the definition of the strategy and in its execution, having placed the BBVA Group in an excellent starting point to face this new cycle.

Looking ahead, the Remuneration Committee and the Board of Directors consider it essential to have a remuneration scheme that is competitive and that, in line with market practice, adequately compensates and serves to recognize the professional trajectory of executive directors, allowing for the retention of talent in a highly competitive and challenging environment. Likewise, they consider that the remuneration scheme shall constitute, in turn, a motivating element that promotes leadership and the successful execution of the new Strategic Plan.

In this context, the Remuneration Committee and the Board of Directors have concluded that the current remuneration scheme requires an update, considering, among other matters, that since the appointment of the Chair and the Chief Executive Officer, at the end of 2018, their total target remuneration has not increased, while, during this period, the BBVA Group has undergone a profound transformation and a very positive evolution, with record results, which have far exceeded the objectives set.

This new Policy not only seeks to align this transformation and recognize this performance, but also to align BBVA's remuneration competitiveness with the reality of the market to ensure that the Group has the leadership and levers necessary to execute its strategy. All of it, in a highly demanding environment, marked by technological disruption and the entry of new competitors in all markets, which create a severe competition for talent at a global level.

To this end, it has been resolved to implement a scheme designed to retain and motivate executive directors, further reinforcing the link between their variable remuneration and results and long-term value creation, in line with the interests of our shareholders and investors.

2.2. Rationale for the changes

As part of the reflection for the improvement and evolution of the Policy, the Remuneration Committee and the Board of Directors have carried out an in-depth analysis of the market context and the environment of the banking business, as well as of the performance and situation of the Group, the remuneration scheme of the directors and the remuneration of the entities that make up

the BBVA comparison group for remuneration purposes (“**Peer Group**”), including the remuneration increases that these entities have carried out in recent years.

Likewise, the feedback that BBVA has through its interaction with its shareholders, investors and other stakeholders has been taken into account. This interaction enables the Bank to engage in a dialogue in which reflections, views and interests are shared, helping to identify market expectations and the expected direction of developments in the Entity’s remuneration policy, which has also motivated the introduction of the changes outlined below.

BBVA Group performance and results

While the amounts of the target remuneration of executive directors have remained unchanged over the last seven years (without prejudice to the redeployment of concepts carried out in the case of the Chair in the policy approved in 2021), the BBVA Group has had an excellent performance in the last strategic cycle (2021-2024), consistently exceeding the established targets, which has been reflected in the positive evolution of results and of the key metrics of value creation, profitability and efficiency, among others, as well as on the BBVA share price performance.

New Strategic Plan 2025-2029

The Board of Directors has approved a new Strategic Plan for the BBVA Group for the 2025-2029 period, with ambitious long-term goals to boost growth and sustainable value creation.

The new remuneration scheme incorporates an increase in the variable element of remuneration and, in particular, in the long-term variable component. This reinforcement of remuneration linked to results constitutes a key lever to promote the new Strategic Plan for the next four years, coinciding with the period of application of this Policy.

Transformation of the banking business, external competitiveness and retention of talent

The market context and the operating environment of the banking business has undergone a profound transformation in recent years. We are facing an increasingly competitive environment, with a banking business subject to greater structural demands derived from the entry of new competitors, technological disruption, marked by Artificial Intelligence, and the acceleration of transformation processes, with new emerging risks (such as cybersecurity or geopolitical risks, among others); which translate into new challenges and opportunities for the banking industry and a greater need for capabilities for carrying out the duties of executive directors.

This setting has strained the global market for executive talent, increased its competitiveness, and confirmed a growing competition for international profiles that combine solid financial and management experience with technological transformation and non-financial risk management capabilities. All this has made remuneration in the banking sector considerably more competitive.

In particular, there has been a general upward trend in the remuneration of senior executives in the sector, which has generated an increasingly competitive market to attract and retain talent.

The *Peer Group* of BBVA for remuneration purposes, which has remained stable for the last few years, is composed, as of the date of this Policy, of 14 banking institutions² that are considered to best compare with BBVA in terms of size, business, activity and regions and markets in which it operates.

These entities are banking groups that either have a good domestic positioning in relevant markets for the BBVA Group, or are banking groups with geographical diversification that, in many cases, include a relevant presence in emerging countries, Latin America and/or the United States. Likewise, these entities have a balance sheet size and/or a business model similar to that of BBVA, with a relevant weight of the retail business in general, and/or are committed to technology and innovation as a strategic priority.

BBVA is a bank that competes for executive talent at a global level, which requires competitive remuneration systems, aligned with the market and comparable to those of other large financial institutions.

For the reasons set forth above, over the last seven years, since the appointment of the Chair and the Chief Executive Officer, in which their target compensation has remained unchanged, the evolution of the market in the remuneration field has led to the remuneration of BBVA's executive directors being significantly below the median of the *Peer Group*, even though, in terms of market capitalization, revenues, number of employees and volume of total assets, the size of BBVA is in line with the median of this group of peer institutions. In the opinion of the Remuneration Committee and the Board of Directors this requires reconsideration, as they consider that BBVA's remuneration positioning should also be around the market median.

All of this, has led the Remuneration Committee and the Board of Directors to introduce the updating of the remuneration of executive directors in the terms indicated below, with the aim of ensuring that it continues to be competitive in the current market context and fit for the professionals that the Bank needs to lead the new strategic cycle.

The update established in each case has been determined seeking a structure in which the weight of long-term variable remuneration and other elements, such as the proportion of variable remuneration in shares, are increased, with the objective of achieving greater alignment of the executive directors' interests with those of the shareholders, and serving as an element of motivation and retention, while also taking into account the profile, trajectory and responsibilities and functions performed by each executive director, as well as their positioning in relation to the *Peer Group*, with the aim of ensuring competitiveness.



Strengthening alignment with prudent and effective risk management

With the aim of achieving stronger alignment with prudent and effective risk management, it has been considered appropriate to introduce a new *ex ante* adjustment to the annual variable remuneration of executive directors, which will be equally applicable to the rest of the Group's workforce.

² Banco Santander, Caixabank, BNP Paribas, Société Générale, Barclays, HSBC, Lloyds Banking Group, Deutsche Bank, Commerzbank, Unicredito Italiano, Intesa San Paolo, ING Group, Scotiabank and Banorte.

Specifically, for the accrual and award of the annual variable remuneration, in addition to the profit and capital ratio thresholds required to date, a new liquidity threshold must be reached. This enhances the link between variable remuneration and the main solvency and liquidity metrics of the Group's Risk Appetite Framework.

Conditions of remuneration and employment of the workforce

Everyone who is part of the BBVA team plays a key role in executing the strategy, which requires a team that is proud to be part of BBVA and that connects with its purpose and values.

The Board of Directors and the Remuneration Committee are therefore aware that it is essential for directors to have a remuneration policy that is competitive, adequate to reward their level of responsibility and professional career, capable of attracting and retaining the best professionals, and that, taking into account the conditions of the rest of the workforce, incorporates the specifics that are necessary to reflect the impact of their decisions, their high degree of responsibility and the complexity of the functions they perform.

In this respect, the BBVA Directors' Remuneration Policy is aligned with the general principles underpinning the BBVA Group's General Remuneration Policy.

The proposed update for executive directors seeks to align remuneration with the reality of the market, to maintain external competitiveness, and with the responsibilities and complexity of the functions performed, as an element for attracting and retaining talent.

For its part, the remuneration scheme of executive directors corresponds, from a structural point of view, to the model applicable to the rest of the Group's employees, incorporating, as main remuneration elements, an annual fixed salary and a variable component, which has characteristics very similar to those provided for in the corporate model of variable remuneration of the Group.

In particular, in order for the annual variable remuneration of executive directors to accrue, the same profit, capital and, from 2026, liquidity thresholds must be met as for the accrual of annual variable remuneration for the rest of the Group's workforce.

In addition, the annual and long-term indicators used to measure the Group's performance for the calculation of the executive directors' short-term and long-term incentives are shared, in the short term, with all the Group's employees and, in the long term, with the rest of the Identified Staff.

2.3. Details of changes

In view of the foregoing, the Board of Directors, at the proposal of the Remuneration Committee, has considered it appropriate to incorporate into this new Policy an **update of the remuneration scheme for executive directors**, in the terms set out below.

In line with best practices and the suggestions of our shareholders and investors, to enhance the link between remuneration and results, as well as to boost the new Strategic Plan 2025-2029 and long-term value creation:

- The remuneration scheme is modified to increase the proportion of the long-term incentive, which now represents 50% of the annual variable remuneration of executive directors (compared to 36% under the previous policy) and the proportion of variable remuneration in shares or instruments linked to shares, which now represents 62.5% of the annual variable remuneration (compared to 56% under the previous policy), with the aim of prioritizing long-term value creation and strengthening alignment with the interests of our shareholders and investors.
- The proportion of target variable remuneration is modified, now representing 57% of the target remuneration³ (compared to 55% under the previous policy), maintaining an adequate balance with the fixed components of remuneration.

In line with the above, the amount of the target annual variable remuneration is updated, by 15% in the case of the Chair and 38% in the case of the Chief Executive Officer and, to a lesser extent, the amount of fixed remuneration⁴, by 5% in the case of the Chair and 1% in the case of the Chief Executive Officer.

Accordingly, the update is mainly placed, in both cases, on the variable component of the remuneration of the executive directors and, in particular, on long-term variable remuneration, most notably in the case of the Chief Executive Officer, as the one with ultimate responsibility for the day-to-day management of the Group's business.

Likewise, the fixed allowances, which the two executive directors had, respectively, under the previous policy, are now included in their annual fixed remuneration, to make their remuneration simpler, following the suggestions of our shareholders and investors and, in the case of the Chief Executive Officer, the percentage of annual fixed remuneration for *Cash in lieu of pension* (annual amount in cash he is entitled to receive instead of a retirement pension) is reduced to 25% (compared to 30% under the previous policy), to ease the effect of the inclusion of his former mobility allowance in the annual fixed remuneration.

These changes represent, in total terms, an update of the total target remuneration of executive directors by 10% in the case of the Chair and 17% in the case of the Chief Executive Officer, with the overall objective of strengthening long-term value creation and alignment with our shareholders and investors' interests, as well as, at the same time ensuring competitiveness.

³ The target remuneration of executive directors comprises the annual fixed remuneration and the target annual variable remuneration, as defined in this Policy.

⁴ For these purposes, fixed remuneration includes annual fixed remuneration, as defined in this Policy and, in the case of the Chair, the annual contribution to the pension system to cover retirement and, in the case of the Chief Executive Officer, the cash in lieu of pension.

In any event, the maximum amount of the annual variable remuneration continues to be limited to 150% of the target annual variable remuneration, a limit marked by the scales of achievement of targets, without any change having been made to the Policy in relation to this maximum limit.

In order to strengthen the alignment of remuneration with prudent and effective risk management and a greater link with the Risk Appetite Framework a new liquidity threshold is introduced as an ex ante adjustment to accrue the annual variable remuneration of executive directors, in addition to the existing profit and capital ratio thresholds, which will be equally applicable to the rest of the Group's workforce.

Lastly, other technical improvements have been incorporated into the Policy to further enhance transparency and comprehensibility of the policy.

Regarding the **remuneration scheme for non-executive directors**, it **remains unchanged** with respect to that provided for in the former policy.

3. Purpose and scope of application

This Policy governs the remuneration of 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 conditions in the event of termination.

This Policy shall apply to the remuneration of all members of BBVA's Board of Directors and, if approved by the General Meeting, shall apply to remuneration for 2026, 2027, 2028 and 2029 financial years, unless a new policy is approved by the General Meeting replacing this Policy for one or more of those years.

4. General principles

The BBVA Directors' Remuneration Policy is based on the same principles as the 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 designed by the Board of Directors, as part of the Bank's Corporate Governance System, to promote proper management and oversight of the Company 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.

To implement the foregoing, 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 available 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, to the promotion of its values, and to the achievement of its objectives and interests, as well as to 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 annual variable remuneration includes a short-term incentive and a long-term incentive, and is 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.

The effective contribution to the strategy is achieved by selecting the indicators and metrics that best serve, at all times, 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. By this means, the remuneration model of executive directors is directly related to the Group's strategic objectives, ensuring the alignment of variable remuneration with the Purpose and the financial and non-financial objectives of the BBVA Group.

- 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 relevant capital and liquidity thresholds set by the Board of Directors are not met.
- Likewise, the Policy:
 - is clear, comprehensible and transparent, enabling acknowledging the various elements that make up the remuneration system and the conditions for its 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.

5. Provisions of the Policy

5.1. 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 Directors** 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, the approval of the contracts that the Company should enter into with them and the remuneration that they should receive for their executive duties.

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 their remit. Among these, the main task of the **Remuneration Committee** is to assist the Board in the remuneration matters that correspond to it, preparing the decisions to be taken by the Board in this field.

In accordance with its Regulations, the Remuneration Committee is a permanent internal body of the Board of Directors, of an advisory nature, with no executive functions and with information, supervisory, assessment and 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 Board of Directors, in general, originate from the Remuneration Committee, which analyzes, discusses and formulates the proposals prior to their submission to the Board.

The Remuneration Committee shall 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. In compliance with its duties, which are set out in Article 5 of its Regulations (available on the Company website (www.bbva.com)), the Remuneration Committee is responsible for proposing

the directors' remuneration policy and accompanying report to the Board of Directors for submission to the General Meeting, all in accordance with prevailing legislation.

Likewise, the Remuneration 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 (www.bbva.com)), is also involved in defining remuneration policies by ensuring that they are compatible with adequate and effective risk management and do not offer incentives for risk-taking that exceed the level tolerated by the Group.

In any event, 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.

5.2. 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 33º 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 the various 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 systems⁵ 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 linked to the share price.

⁵ Notwithstanding the provisions of the Bylaws, the Company has not undertaken pension commitments with non-executive directors.

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 50º bis of the Bylaws⁶.

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 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 linked to the share price, subject to the legal requirements in force at any given time.
- A welfare component, 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.

5.3. 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**:

⁶ In addition to the components established in this Policy, Article 50º bis of the Bylaws provides for the right to severance payments in the event of termination for reasons other than breach of duty. However, neither the current remuneration system for executive directors nor their contracts provide for this right.

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 Company 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 Meeting⁷ resolved to set the amount of the total annual allowance that the Company may pay to all its directors acting in such capacity at 6 million euros. This amount will remain in force until the General Meeting resolves to modify it. The remuneration of executive directors is expressly excluded from this maximum amount, which 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 Lead Director.

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:

Role	Amount (EUR thousand)
Member of the Board of Directors	129
Member of the Executive Committee	167
Chair of the Audit Committee	165
Member of the Audit Committee	66
Chair of the Risk and Compliance Committee	214
Member of the Risk and Compliance Committee	107
Chair of the Remuneration Committee	107

⁷Resolution of the General Shareholders' Meeting held on 16 March, 2012.

Role	Amount	(EUR thousand)
Member of the Remuneration Committee	43	
Chair of the Appointments and Corporate Governance Committee	115	
Member of the Appointments and Corporate Governance Committee	46	
Chair of the Technology and Cybersecurity Committee	107	
Member of the Technology and Cybersecurity Committee	43	
Deputy Chair of the Board of Directors	50	
Lead Director	80	

These amounts may be modified, 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 casualty insurance policies taken out by the Company, 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 Company may pay to all its directors acting in such capacity, as mentioned in the preceding section.

The breakdown of the amounts paid for these items 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

The Company also 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 Meeting⁸. 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 **Section 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

⁸ This system was initially approved by resolution of the General Meeting held on March 18, 2006 and extended by resolutions of the General Meeting of March 11, 2011, March 11, 2016, April 20, 2021 and March 17, 2023.

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.

5.4. Remuneration system for executive directors

The remuneration, 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.

5.4.1. Items of the system

A. Fixed remuneration

The fixed remuneration of executive directors includes the following items:

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 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, following the analysis and review process described in section 2 of this Policy, the amounts of Annual Fixed Remuneration payable to each executive director are as follows:

Executive director	Annual Fixed Remuneration (EUR thousand)
Chair Carlos Torres Vila	3,110
Chief Executive Officer Onur Genç	2,779

b) Remuneration in kind

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

The Company 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 5.4.2 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 the remaining 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 at the moment of its 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 incentives, determined for each executive director by the Board of Directors, following the proposal of the Remuneration Committee (the "**Target STI**" and the "**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 STI and the Target LTI, which each represent 50% of the target annual variable remuneration of executive directors, respectively (the "**Target Annual Variable Remuneration**" or the "**Target AVR**"⁹).

In accordance with the above, the amounts of the Target STI and Target LTI, as well as the Target AVR, which constitutes the sum of both, for each executive director, will be as follows:

Executive director	Target STI 50%	Target LTI 50%	Target AVR 100%
Chair Carlos Torres Vila	2,061.5	2,061.5	4,123
Chief Executive Officer Onur Genç	1,842	1,842	3,684

In the total remuneration of executive directors, fixed components and variable components are adequately balanced, with fixed remuneration representing a sufficiently high portion of the total remuneration. The theoretical or target relative proportion between the main fixed and variable components of executive directors' remuneration is as follows:

Executive director	Annual Fixed Remuneration	Target Annual Variable Remuneration
Chair Carlos Torres Vila	43%	57%
Chief Executive Officer Onur Genç	43%	57%

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**"¹⁰).

⁹ Also referred to for internal purposes as "Target Corporate Bonus".

¹⁰ Also referred to for internal purposes as "Annual Corporate Bonus".

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 Institution, 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, capital ratio and liquidity levels are not achieved by the Group. To this end, the Board of Directors, at the proposal of the Remuneration Committee, shall approve such thresholds for the accrual of the Annual Variable Remuneration of executive directors. These conditions shall constitute *ex ante* adjustments to the Annual Variable Remuneration for the purposes set out in applicable regulations.

In addition, the Annual Variable Remuneration may be reduced when evaluating the performance of the executive directors, in the event of a negative performance of the Group's results or other parameters, such as the degree of achievement of the budgeted targets.

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 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 duties of executive directors. They may relate to the following aspects, among others:

- return on capital;
- the ability to generate profits;
- the ability to generate income in segments that constitute a key driver of differential growth; 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 customer satisfaction;
- growth in customers; and
- boosting sustainability as a growth engine.

The detail of the Annual Indicators approved by the Board of Directors for the calculation of the Short-Term Incentive of executive directors for 2026 financial year 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, capital ratio and liquidity thresholds approved 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 thresholds, the initial award of the Long-Term Incentive will be made for its maximum theoretical amount (150% of the Target LTI).

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:

- metrics or indicators (both financial and non-financial) with multi-year targets which take into account the strategy defined by the Group and long-term value creation (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 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 prioritize sustained profitability over time and the creation of value for shareholders and the Group.

Meanwhile, the non-financial Long-Term Indicators will be generally linked to the Bank's sustainability goals and targets.

The detail of the Long-Term Indicators approved by the Board of Directors for the calculation of the Long-Term Incentive of executive directors for 2026 financial year is set forth in **Appendix 1** to this Policy.

The Long-Term Indicators approved for each financial year, as well as the final amount of the LTI and its link with results, once the indicators' 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 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 only start to be paid after the measurement period of the Long-Term Indicators has ended, which will be

used to determine its final amount. This incentive will form part of the Deferred Annual Variable Remuneration of each executive director.

ii. Payments in shares or instruments linked to shares

The Short-Term Incentive will be paid 50% in cash and 50% in BBVA shares or instruments linked to BBVA shares, while the Long-Term Incentive will be paid 25% in cash and 75% in BBVA shares or instruments linked to BBVA shares.

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

In order to calculate the portion of the Annual Variable Remuneration to be paid in shares (both of the Short-Term Incentive and the Long-Term Incentive), 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 cash amount to be settled in such instruments and the value of the option.

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 **Section III** of this Policy, among other matters.

iii. Retention period for the shares or instruments

Shares or instruments linked to shares received as Annual Variable Remuneration, will be retained, at least, for one year since their delivery.

The foregoing shall not apply to any shares that may need to be disposed of, where applicable, in order to meet the tax obligations arising from their delivery.

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, 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 also determine the reduction scales associated with 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*** arrangements, 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 breaches 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 failure in risk management committed by the Bank or by a business or risk control unit, contributed to by the willful misconduct or gross negligence of the executive director.
 - 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 section 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 *malus* and *clawback* arrangements will apply to the variable remuneration that has been received by executive directors, when the Bank is required to prepare an accounting restatement to correct an error that resulted in the award and, where applicable, payment of variable remuneration that was erroneously calculated, provided that the recoupment of such remuneration is required under the policy adopted by the Bank pursuant to the listing standard approved by the New York Stock Exchange ("NYSE Listing Standard") under Section 10D of the Securities Exchange Act of 1934 (the "**Dodd-Frank Recoupment Policy**").

In this case, the *malus* and *clawback* arrangements will apply to any variable remuneration which has been erroneously calculated and received by executive directors (as defined in the Dodd Frank Recoupment Policy) during the three 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. In particular, 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 time¹¹.

¹¹ Section 303A.14 of the New York Stock Exchange Listed Company Manual implementing Section 10D of the Securities Exchange Act of 1934 adopted by the US Securities and Exchange Commission (SEC) implementing Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, and which is applicable to the Bank given its status as a listed foreign issuer on the New York Stock Exchange.

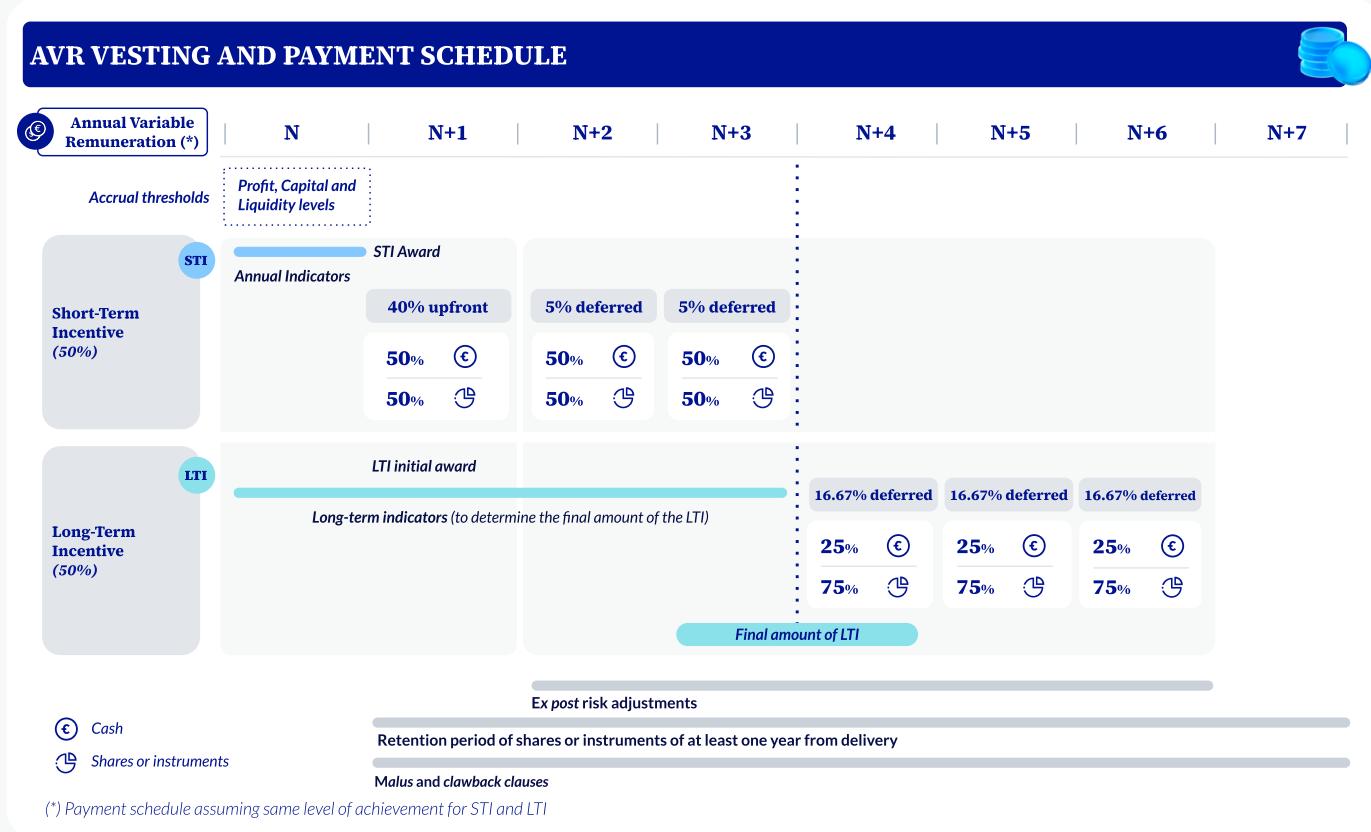
3) Other conditions applicable to the Annual Variable Remuneration

- 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.
- Executive directors may not use personal hedging strategies or insurance in connection with the Annual Variable Remuneration and accountability that may undermine the effects of aligning the remuneration with prudent risk management. In particular, such strategies may not hedge the liability or effects that may arise from the application of the *malus* and *clawback* arrangements established in this Policy or the provisions of any other approved variable remuneration recoupment policy.
- In the event that an executive director ceases to hold office prior to the award of the Annual Variable Remuneration, in general terms and provided that the relevant conditions are met, the director will be entitled to receive the proportional portion of that remuneration, to be calculated pro rata, of the time spent in office in the financial year to which the Annual Variable Remuneration relates. Said remuneration will be subject, in any case, to the same rules of accrual, award, vesting and payment that would be applicable if the executive director had remained in office, in accordance with the provisions of 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 ceases to hold office, will remain subject to the applicable vesting and payment rules (including deferral periods, retention and potential *ex post* adjustments) in accordance with the remuneration policies applicable 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 for the accrual, award, vesting and payment of the Annual Variable Remuneration¹² of BBVA executive directors set out in this Policy:



b) Other variable remuneration¹³

If, in accordance with this Policy or a resolution of the General Meeting, the directors of the Bank were entitled to receive any variable remuneration other than the Annual Variable Remuneration, such 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 given financial year (understood as the sum of all variable remuneration) shall be limited to a maximum amount of 100% of the fixed element (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%.

¹² Payment percentages estimating the same achievement in both incentives.

¹³ As indicated in section 5.4.2 below, 15% of the annual contribution to the pension commitments of the executive directors will be considered as "discretionary pension benefits", with the consideration of variable remuneration, in accordance with the provisions of Bank of Spain Circular 2/2016.

The Annual Variable Remuneration awarded to 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 derived from the settlement of the variable remuneration of executive directors, they shall not be able to transfer their ownership 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 it¹⁴.

5.4.2. Main terms and conditions of the executive directors' contracts

In accordance with the regulations applicable to the Bank, contracts entered into between the Company 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 this Policy, once approved by the General Meeting.

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 provision, 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 favor of the Chair

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

¹⁴ This is in accordance with Recommendation 62 of the CNMV's Code of Good Governance of Listed Companies. The options on BBVA shares that may be awarded as part of the Annual Variable Remuneration of the executive directors will, in any case, be non-transferable and not exercisable until their expiration date.

The commitment made to cover the **retirement of the Chair** has the following features, in line with the commitments assumed with the rest of 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.
- There is no possibility of receiving the 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 Company, 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 Company's total contributions made until that date, plus the corresponding cumulative yield, without the Company having to make any additional contributions.
- The annual contribution to this pension system covering the Chair's retirement is **EUR 467 thousand** (equivalent to 15% of the Chair's Annual Fixed Remuneration)¹⁵.
- The amount of this annual contribution to the pension system may be updated to the same extent as his Annual Fixed Remuneration is updated.

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

¹⁵ The amount of the annual contribution to the pension system for the Chair's retirement contingency was subject to a significant reduction in the BBVA directors' remuneration policy approved by the General Shareholders' Meeting on April 20, 2021. However, said modification does not affect the funds accumulated and the contributions made by the Company to meet the previous commitments assumed with the Chair until the date of entry into force of said policy.

- the Bank may apply, during such retention period, the same *malus* and *clawback* arrangements set out in this Policy for the Annual Variable Remuneration.

For its part, the **commitments undertaken in favor 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 Fixed Annual Remuneration, to be paid from the total fund accumulated for the retirement pension at that time, with the Company assuming the corresponding annual insurance premiums to top up the pension coverage.
- 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 Company 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 favor of the Chief Executive Officer

The Company has not undertaken any retirement pension commitments in favor 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 25% of the Annual Fixed Remuneration.

Likewise, the Bank has made the following commitments in favor 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 Company 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 Company assuming the corresponding annual insurance premiums to guarantee the benefits coverage.

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

i. 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.

ii. Post-contractual non-compete agreement

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 Company 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.

6. Transitional provisions

This Policy will apply to the remuneration of BBVA directors for financial years 2026, 2027, 2028 and 2029, 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 5.3 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 5.4 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 a 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 account the competitive environment comprising the Bank's main peers. Likewise, the variable remuneration system set out in this Policy and any other applicable contractual conditions shall 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 take place.

7. Model for the governance and oversight of the Policy

This Policy has been approved by the BBVA Board of Directors on February 9, 2026, 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. 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 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 LTI of executive directors represents (50%), alter the proportion between the Target STI and the Target LTI, which comprise the Target Annual Variable Remuneration of each executive director, disclosing this change in the Annual Report on the Remuneration of BBVA Directors to be issued in the financial year for which the change is envisaged.
- Periodically analyze 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 payment, 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**”).

The System consists of the annual allocation to non-executive directors of the Company, 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 allocated annually to non-executive directors designated as beneficiaries of the System by the 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 by resolution of the General Shareholders' Meeting.

Number of shares: the total number of shares allocated to the System under resolutions of General Meetings since its inception in 2006 is 3,100,000 shares, representing 0.05% of share capital as at the date of this Policy. This number of shares includes those assigned and delivered to director beneficiaries who have ceased to hold office since the System started. As of the date of this Policy, the number of shares allocated to the System available for delivery is expected to be sufficient to run the System during the four-year term of this Policy, so no authorization is requested from the General Meeting to increase it.

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 share price performance.

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 2026, 2027, 2028 and 2029 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 authorize the award and delivery to the Company's Bank's executive directors of an overall maximum aggregate of 5,000,000 of BBVA shares, representing 0.09% 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 1,250,000 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 STI and LTI of the Annual Variable Remuneration deliverable in shares, 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**") will be taken as a reference.

Stock 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 and the value of the option will be taken into account when calculating the number of options to be delivered to each executive director.
- The share options will be exercised by the Company on their maturity date. The exercise of the options will be conditional on the exercise price of the options being lower than the closing price of the BBVA share corresponding to the exercise date.
- If exercised, the options will be settled by differences and 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 2026 Annual Variable Remuneration of executive directors

Annual Indicators – 2026 AVR

Annual Indicators – 2026 AVR (2026 Targets)	Weighting
Return on Regulatory Capital (RORC)	35%
Attributable profit	15%
Enterprises Fee Income	10%
Net Promoter Score (NPS)	15%
Target customers	15%
Channeling of sustainable business	10%

Long-Term Indicators – 2026 AVR

Long-Term Indicators – 2026 AVR (2029 Targets)	Weighting
Tangible Book Value (TBV) per share	40%
Relative Total Shareholder Return (TSR)	40%
Decarbonization of the portfolio	15%
Percentage of women in management positions	5%

The Annual Indicators and the Long-Term Indicators that will be used to calculate the AVR for each year, as well as their corresponding weights, targets and scales of achievement, will be established by resolution of the Board of Directors, following the report from the Remuneration Committee.

Appendix 2.

Glossary

Definitions

The terms defined in this Policy shall have the following meaning:

- **Senior Management:** for the purposes of this Policy, the persons fulfilling senior management duties with general management powers and who report directly to the Board of Directors or any of its members, as well as the heads of the Group's significant business areas at any given time having been appointed by the Board of Directors of BBVA, in accordance with the provisions of its Regulations.
- **BBVA, the Company, the Institution or the Bank:** Banco Bilbao Vizcaya Argentaria, S.A. (parent company of the BBVA Group).
- **Identified Staff:** categories of staff whose activities have a material impact on the risk profile of BBVA and/or its Group.
- **The 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 variable remuneration adopted by the Company pursuant to Section 303A.14 of the New York Stock Exchange Listed Company Manual implementing Section 10D of the US 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, mainly dedicated to banking activities.
- **EBA Guidelines:** Guidelines on sound remuneration policies of 2 July 2021, issued by the European Banking Authority.
- **Short-Term Incentive or STI:** incentive awarded 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 multi-annual 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 solvency of credit institutions.
- **NYSE Listing Standard:** Section 303A.14 of the New York Stock Exchange Listed Company Manual for implementing Section 10D of the US 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:** at most, 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 corresponds.
- **Peer Group:** entities that make up the BBVA comparison group for remuneration purposes.
- **BBVA Directors' Remuneration Policy, the Remuneration Policy or the Policy:** this document.
- **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.
- **Annual Fixed Remuneration:** the annual fixed remuneration received by executive directors for performing their executive functions.

- **Annual Variable Remuneration, AVR or Annual Corporate Bonus:** variable remuneration 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, Target AVR or Target Corporate Bonus:** 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.