



**Banco Comercial Português, S.A.**

**Remuneration Policy of Members  
of the Management and  
Supervisory Bodies  
2024**

**Millennium**  
bcp

REMUNERATION POLICY OF MEMBERS OF THE MANAGEMENT AND SUPERVISORY BODIES 2024

Índice

Article 1 (Object) .....4

Article 2 (Definitions).....5

**CHAPTER I MEMBERS OF THE MANAGEMENT AND SUPERVISORY BODIES**

Article 3 (Exercise of functions and termination conditions)..... 7

Article 4 (Annual Fixed Remuneration, variable remuneration and benefits)..... 7

**CHAPTER II MEMBERS OF THE BOARD OF THE GENERAL MEETING**

Article 5 (Annual fixed remuneration)..... 7

**CHAPTER III NON-EXECUTIVE MEMBERS OF THE BOARD OF DIRECTORS**

Article 6 (Annual fixed remuneration) ..... 7

**CHAPTER IV EXECUTIVE MEMBERS OF THE BOARD OF DIRECTORS**

Article 7 (Annual fixed remuneration) ..... 7

Article 8 (Variable remuneration) ..... 8

Article 9 (Annual variable remuneration) .....10

Article 10 (Long-term variable remuneration) .....13

Article 11 (Termination of functions before the end of the term of office) .....14

Article 12 (*Malus* and clawback clauses) .....15

**CHAPTER V OTHER PROVISIONS**

Article 13 (Benefits).....15

Article 14 (Retirement pension supplement for disability and old age).....16

Article 15 (Pension discretionary benefits) .....16

Article 16 (Pre-retirement) .....16

Article 17 (Remuneration earned due to the performance of other functions related with BCP) .....17

Article 18 (Insurances) .....17

Article 19 (Entry into force) .....17

## Basic Principles

This Remuneration Policy applies to the members of the management and supervisory bodies (MOAF) of Banco Comercial Português, S.A. (BCP or Bank), was prepared in compliance with GR0042 Group Code on remuneration policies and is based on a set of principles that aim to ensure:

- a) A governance model able to promote the alignment of the interests of all stakeholders, namely in what concerns to compliance with the strategy defined for the Bank, the sustainability of short-medium- and long-term earnings and a prudent management of risk;
- b) A competitive fixed remuneration that attracts and retains competent professionals and a variable remuneration intended to stimulate individual and Group performance and to reward results achieved in line with the Bank's current and future risk profile and tolerance;
- c) The attribution of benefits, namely in what concerns the retirement benefits, aligned with market practices;
- d) The compliance with the applicable regulations and guidelines in terms of procedures and remuneration policy;
- e) Conduct and commercial practices in line with the interests and needs of the Group's Customers.
- f) Alignment of the criteria used to assess the Bank's performance and the calculation of the variable remuneration amounts of the different Bank's Remunerations Policies.

For that purpose, the Committee for Nominations and Remunerations (CNR) is responsible for the definition and annual revision of the principles defining the Remuneration Policy of the MOAF and for submitting that policy, jointly with the Remuneration and Welfare Board (CRP), for approval by the General Meeting of Shareholders of the Bank.

It is the responsibility of the Committee for Risk Assessment (CAvR) to examine if the incentives established in the Bank's Remuneration Policy of the MOAF take into consideration the risk, capital, liquidity and expectations concerning income at any given time.

Whenever the CNR does not have, at least, one member of the CAvR in its composition, the latter must indicate a representative to participate in the CNR meetings that include in its agenda the final version of the Remuneration Policy or whenever the CNR deems it relevant to the issues under discussion.

For the making of the proposal on the Remuneration Policy and supervision of its implementation the CNR must obtain an opinion from the CRP and get contributions and support from BCP's different management areas of which the following should be highlighted:

- a) The Risk Office, which should be involved to ensure that limits are not exceeded in terms of risk, total equity, and liquidity of the institution, contributing for the definition of the measures for implementing the variable remuneration based on risk, namely ex ante and ex post measures and verify if the variable remuneration structure is in line with the Group's risk profile and culture;
- b) The Human Resources Division, which should contribute to the preparation and evaluation of the Policy for the Remuneration of Employees, namely regarding the structure and levels of remuneration and estimation of the amounts of AVR to attribute, considering strategic and budgetary goals, employee profile, retention strategies and market conditions.
- c) The Compliance Office, which must analyse to what extent the principles and practices of the Remuneration Policy may affect BCP's Group capacity to comply with the legislation, regulations, rulings, internal requirements, and the respect for the company's culture, as well

as the absence of conflicts of interest, reporting to the CRP and to the CNR any anomalous situation which may jeopardize or compromise that compliance;

- d) The Internal Audit Division, which must develop annual independent mechanisms for the validation /revision of the design of the Remuneration Policy and also for its implementation, calculation and respective effects.

In the independent analysis for the implementation of the Remuneration Policy, the CNR, with the support from the Internal Audit, will verify the implementation and compliance with the remuneration policies and procedures adopted and will communicate its conclusions to the CRP.

While making the proposal for the Remuneration Policy, the CNR follows clear and transparent procedures, which are documented, the documents regarding the making of the proposal and decisions being kept by means of minutes of meetings, reports and other relevant documents.

The CNR may hire independent and qualified experts and external consultants for support, to assist one or more of its members in the performance of its functions and that contribute and support the performance of its duties.

It is considered essential that the fixed remuneration represents a sufficiently high portion of the total remuneration to ensure the adequate balance between the fixed and variable components of the total remuneration.

The variable remuneration is in line with the strategy defined for the Bank and with the Bank's objectives, values and long-term interests. This way, the Bank guarantees a sustainable performance, adjusted to its risk profile.

In accordance with these principles, the attribution of a variable remuneration is linked to the performance and the sustainable growth of the Bank's income and adequacy of its capital ratios, as well as to the market conditions and the possible risks, current and future, able of affecting the business. This way, the Bank can guarantee a model that is financially sustainable and does not jeopardize the institution, its depositors, employees, shareholders and remaining stakeholders.

The remuneration earned by the Director responsible for Risk and Compliance reflects the need to guarantee a greater independence versus the Bank's performance. Therefore, the Bank must privilege qualitative indicators as well as quantitative ones related with the compliance with the behavioural and prudential rules in the calculation of the variable remuneration.

The definition of deferral deadlines for the variable remuneration payment and the payment of a significant part of its value in Bank shares or Other Instruments is aimed at ensuring that individual performance is in line with the Bank's long-term and sustainability objectives, adapted to its risk profile.

There are also mechanisms for reducing (malus) or reversal (clawback) all or part of the variable remuneration, to comply with legal and regulatory requirements, as well as to observe the recommendations and guidelines issued by the competent entities.

## **Article 1**

### **(Object)**

This Policy establishes the rules for the attribution of the annual fixed remuneration, the annual variable remuneration, long term variable remuneration and other benefits able of being attributed to the members of the corporate bodies of the Company, including the Retirement Supplementary Regime.

## Article 2 (Definitions)

1. The following expressions and acronyms, when capitalized, shall have the following meaning:

- i) **BCP, Bank or Company** – Banco Comercial Português, S.A.
- ii) **CAUD** – Audit Committee
- iii) **CRA** – Committee for Risk Assessment
- iv) **CEO** – Chairperson of the Executive Committee
- v) **CNR** – Committee for Nominations and Remunerations
- vi) **Retirement Supplement** – the Retirement Supplement regime due to old age or disability to be paid by the company, foreseen in article 17 of the Company's articles of association
- vii) **CRO** – Chief Risk Officer
- viii) **CRP** – Remuneration and Welfare Board
- ix) **AVR Attribution Date** – Corresponds to the date of the CRP meeting in which the AVR is fixed
- x) **AVR Payment Date** – Corresponds to a date up to the date of payment of the fixed remuneration, in the month following the approval of the financial statements by the Annual General Meeting
- xi) **LTVR Attribution Date** – Corresponds to the date of the CRP meeting in which the LTVR is fixed
- xii) **LTVR Payment Date** – Corresponds to a date up to the date of payment of the fixed remuneration, in the month following the approval of accounts by the Annual General Meeting
- xiii) **AFR Autonomous Document** – Document containing the specific amounts of the remuneration of the different members of the corporate bodies, approved by the CRP
- xiv) **VR Autonomous Document** – Document containing the calculation formulas, indicators or indexes to be used for the purpose of determining the AVR and LTVR, this second part of the Autonomous Document being approved by the CNR and the CRP
- xv) **Group or Group BCP** – Includes the Company and all the companies in a control or group relationship with the Company and Millenniumbcp Prestação de Serviços ACE
- xvi) **MOAF** – Members of the Management and Supervisory Bodies
- xvii) **Other Instruments** – Other additional Tier 1 or Tier 2 equity instruments or other instruments that can be fully converted into core Tier 1 equity instruments or whose value can be reduced to the extent that they adequately reflect the Bank's credit quality and are appropriate for the payment of variable remuneration

- xviii) **AVR Evaluation Period** – Period of time from January 1 until 31 December 2024
- xix) **LTVR Evaluation Period** – Period of time from January 1, 2022, to December 31, 2025
- xx) **AVR Attribution Price** – Corresponds to the average of the closing prices of the BCP shares or other instruments, as applicable, recorded in the previous 20 stock- exchange sessions preceding the AVR Attribution Date, or the closing price of the third business day prior to the AVR Payment Date, if lower than the average previously defined
- xxi) **LTRV Attribution Price** – Corresponds to the average of the closing prices of the BCP shares or other instruments, as applicable, recorded in the 20 stock- exchange sessions preceding the LTVR Attribution Date, or the closing price of the third business day prior to the LTVR Attribution Date, if lower than the average previously defined
- xxii) **PSI – Portuguese stock index** – PSI Index, composed of the companies chosen, at each moment, by the competent bodies of Euronext Lisbon – Sociedade Gestora de Mercados Regulamentados, S.A.
- xxiii) **AFR** – Annual fixed remuneration
- xxiv) **AVR** – Annual variable remuneration
- xxv) **Target AVR** – Annual variable remuneration corresponding to 100% compliance with the quantitative and qualitative objectives mentioned in the VR Autonomous Document
- xxvi) **LTVR** – Long-term variable remuneration
- xxvii) **Target LTVR** – Long-term variable remuneration corresponding to 100% compliance with the objectives mentioned in the VR Autonomous Document
- xxviii) **Stoxx Europe 600 Banks Index (SX7P)** – Index of shares composed by large European Banks
- xxix) **TSR** – Total shareholder return, estimated by means of the following equation the data of which are obtained through an independent and recognized market information platform (ex: Bloomberg or Reuters): [(Average of the closing prices of the shares for the two months prior to the end of the evaluation period – Average of the closing prices of the shares for the two months prior to the beginning of the evaluation period) + Dividends per share paid to the shareholders in that period] / Average of the closing prices of the shares for the two months prior to the beginning of the evaluation period, adjusting stock prices to reflect the effects of share capital increases, incorporation of reserves or similar.

## Chapter I - Members of the Management and Supervisory Bodies

### Article 3

#### (Exercise of functions and termination conditions)

1. The MOAF exercise their functions during the period of the mandate for which they have been elected by the General Meeting of Shareholders or, in the case of co-optation, to the remaining period of the current mandate.
2. If any of the MOAF intends to cease functions, resigning from his/her position, this will only take effect by the end of the month following the communication of his/her intention, and the Board of Directors may, with the favourable opinion of the CAUD, dismiss this pre-notice, without any indemnity payment.
3. If a MOAF is dismissed under the terms of the applicable law without just cause, the amount of compensation due must correspond at least to the remuneration due until the end of the mandate, and the MOAF concerned may waive all or part of this compensation. If the termination of functions is based on just cause, there will be no indemnity payment.

### Article 4

#### (Annual Fixed Remuneration, variable remuneration and benefits)

1. The determination of the remuneration and benefits of the MOAF and the Members of the Board of the General Meeting is the responsibility of the CRP.
2. The members of the Executive Committee and the non-executive Directors exercising functions under an exclusive regime, are also entitled to the benefits foreseen in article 13.

## Chapter II - Members of the Board of the General Meeting

### Article 5

#### (Annual fixed remuneration)

The members of the Board of the General Meeting of the Company are entitled to an annual fixed remuneration established by the CRP, which is included in the AFR Autonomous Document, paid in four quarterly payments and to the health insurance for corporate bodies subscribed by the Bank at each moment.

## Chapter III - Non-executive Members of the Board of Directors

### Article 6

#### (Annual fixed remuneration)

1. The non-executive members of the Board of Directors of the Company are entitled to an annual fixed remuneration, which is included in the RFA Autonomous Document, paid in 12 monthly payments and to the health insurance subscribed by the Bank at each moment for its Employees and Executive Directors.
2. The CRP may, at its own request, decide not to award remuneration to non-executive member(s) of the Board of Directors of the Company who are related to shareholders with qualifying holdings.



### Article 7

#### (Annual fixed remuneration)

1. The members of the Executive Committee are entitled to an annual fixed remuneration paid in 14 monthly instalments and included in the AFR Autonomous Document.
2. The Retirement Supplement due to old age and disability mentioned in article 13 does not have a discretionary nature; therefore, it is a fixed remuneration.

### Article 8

#### (Variable remuneration)

1. The members of the Executive Committee may also earn a variable remuneration, resulting of a component attributed by reference to the annual financial year (AVR) and by a long-term component (LTVR) attributed by reference to the term of office.
2. The attribution and setting of variable remuneration are based on the assessment of Corporate and Individual performance KPIs of the members of the Executive Committee and is the responsibility of the CRP on a proposal from the CNR, having obtained the opinion of the CAVR on the matters within its competence for the purposes of the above Basic Principles.
3. The definition of the Corporate and Individual KPIs on the basis of which the performance of the members of the Executive Board is assessed is made by the CNR, after consulting the CAVR and is carried out based on the Bank's strategic goals, key risk indicators being also considered as an integral part of the definition process, so as to ensure an alignment of the risk profile of the members of the Executive Committee with the risk level tolerated by the Bank.
4. The variable remuneration of the CRO privileges qualitative and quantitative indicators related with the compliance with the prudential and behavioural rules, as well as the evolution of the Bank's risk profile.
5. The calculation process of the variable remuneration, with the purpose of its subsequent approval, must be concluded by the end of March, and for this process, the amount of the Annual Variable Remuneration to be attributed to the Bank's Employees must also be considered.

#### Payment in shares or Other Instruments

6. The portion of the variable remuneration that is not paid in cash (see articles 9 and 10) will preferably be paid in BCP shares, unless duly justified the payment in other instruments in accordance with the the Bank's long-term interests and by decision of the CRP, after discussion and favourable opinion of the CNR.
7. The number of shares of the Company or Other Instruments to be attributed to each member of the Executive Committee results from the quotient between the Variable Remuneration value and the AVR Attribution Price or the LTVR Attribution Price, as applicable. In any case, the dividends relating to the shares attributed, or income from Other Instruments attributed, as applicable, to a member of the Executive Committee, but not paid because they belong to the deferred component, are not due and will not be paid by the Company to the Director.
8. Unless expressly requested by the beneficiary Director, the number of shares or Other Instruments to be delivered to comply with the provisions of the previous paragraph will correspond to the amount payable in shares or Other Instruments gross of income tax (IRS).
9. The Company's shares or Other Instruments awarded as Variable Remuneration, pursuant to no. 8 above, are subject to a retention policy for a period of one year from the respective AVR Payment Date or LTVR Payment Date, as applicable.



10. If the member of the Executive Committee is not elected for a new term of office, the unavailability regime foreseen in the previous number shall continue to be in effect.
11. Notwithstanding the provisions of no. 9, the member of the Executive Committee may sell or encumber the shares or Other Instruments, in an amount necessary to cover all taxes and contributions payable arising from the allocation of shares or Other Instruments. As an alternative, the Director will be able to choose the sell-to-cover regime, through which the number of shares or Other Instruments that will be delivered to him/her will already be deducted from the number of shares or Other Instruments which must be sold in order to pay taxes and contributions corresponding to the total value of the shares or Other Instruments attributed.

### Limitations and constraints

12. The variable remuneration may not be attributed by decision from the CRP in exceptional cases, or be conditionally postponed, namely if, after hearing the CNR and the CAVR, one of the following situations arises: (i) there is no solid capital base; (ii) its attribution could unduly limit the Company's ability to strengthen its own capital or (iii) the attribution of the same does not observe the applicable legislation, regulations and guidelines. The CRP, having heard the CNR and CAVR, may decide not to take into account for the purposes of the above ratios extraordinary operations which, due to their size and/or impact, affect capital.
13. The sum of the annual and pluri-annual variable remuneration parts of the Executive Committee members, due in each year, may not exceed, as a whole, the amount set in the Bank's articles of association.
14. No guaranteed variable remuneration shall be granted, except when hiring a new executive committee member and, in that case, only in the first year of activity and it will only be granted by the CRP after consulting the CAUD and the CAVR for Risk Assessment, and having verified that the institution has a solid and strong capital base.
15. The variable component of the remuneration is associated with performance, so its total value may vary between zero, if the achievement degree of the objectives is below the minimum defined, and a maximum that may, each year and in compliance with the conditions set out in this document and in the law, reach twice the AFR, except for the CRO whose variable component of the remuneration may not, in each year, exceed the fixed component.
16. Under no circumstances may each beneficiary be awarded a variable remuneration which, after conversion of the number of shares or Other Instruments (valued at the award price), totals a value higher than 200% of the corresponding AFR, either in years when there is only AVR, or in years when AVR and LTVR coexist (with the exception mentioned in no. 15 above of this Article). To calculate the 200% limit, the share of the LTVR attributable to each financial year is considered, which for this purpose considers the amount that can be allocated in each of the years to which it refers, starting with the first year and progressively filling in the entire amount, if necessary, until the last year to which it refers.
17. Whenever the variable remuneration, calculated under the terms of the previous paragraph, exceeds a component of the AFR, the amount exceeding the AFR is subject to approval by the General Meeting, under the terms of the law.
18. As foreseen in no. 19 of article 115-E of the Legal Framework for Credit Institutions and Financial Companies, no risk hedging mechanisms may be used to mitigate the effects of risk alignment inherent in the remuneration arrangements, nor may variable remuneration be paid through special purpose vehicles or other methods with equivalent effect.

## Article 9 (Annual variable remuneration)

- The AVR attribution depends on the verification of a weighted average equal to or greater than the percentage referred in the VR Autonomous Document of the execution level of the Corporate KPIs set, and their respective weights, relating to the Bank's overall performance, which are indicated below and detailed in the VR Autonomous Document:

Category		KPI
Capital	15%	Common Equity Tier 1 (CET1) capital ratio (fully implemented) – Group
		<i>MREL-TREA (%) - Portugal Resolution – Group</i>
Profitability	40%	Return On Equity – Group
		Core Operating Profit Recurring – Group
Risk	20%	Total Impairments and provisions, excluding CHF Impairments – Group
		<i>Net Stable Funding Ratio (NSFR) (%) – Group</i>
		<i>Non-performing Exposure Amount – Group</i>
Transformation	25%	Level the execution of the Sustainability Master Plan – Group
		Digital Transformation (% of mobile active customers in total active customers) – Group
		Customer Satisfaction – BCP PT
		Growth in the number of Customers – Group

- The overall value of the AVR to be attributed is subject to a maximum amount, calculated under the terms defined in the VR Autonomous Document and on no. 4 of this article, and its overall value may not exceed 1.00% of the net profit for the year to which the AVR refers. Should the sum of the individual annual variable remunerations be greater than the maximum calculated value, an adjustment factor will be applied to the calculated individual values so that their sum does not exceed the maximum calculated value.
- The individual AVR considers the following values (without prejudice to the provisions of Article 8 (4) and (5) and (16) and (17):
  - AVR Target – 54% of the respective AFR (corresponding to 60% of the sum of the Target AVR and Target LTVR)
  - Maximum value of the AVR calculated in accordance with the provisions of the VR Autonomous Document – 75% of the respective AFR
- The CRP, articulating with the CNR and after consulting the CAVR and the CAUD, may, in particular to address any current or future risks, cost of own funds and liquidity required by the BCP Group, or to reflect exceptional factors affecting the Bank's performance, and may

incorporate the relative performance vis-à-vis its peers, in Portugal, or to contribute to the cohesion of the Body:

- i) Adjust the individual values of the AVR resulting from the application of the percentages provided for in the previous number, in compliance with the legally established limits and in terms that do not affect the maximum calculated AVR, and/or
  - ii) Apply an adjustment factor to the calculated maximum amount of the AVR provided for in paragraph 2 of this article, with a minimum of -25% and a maximum of +25%
5. Any adjustment made pursuant to the preceding paragraph shall be the subject of a written statement of grounds recorded in the minutes.
6. The computation of the AVR amount is based on the results of the performance evaluation throughout the AVR Evaluation Period in question and results from the sum of two autonomous and independent components:
  - i) 80% of the amount is based on the evaluation of the achievement level of the individual quantitative objectives, except for the CRO whose percentage is 70%
  - ii) 20% of the amount is based on the performance evaluation of each Director regarding the qualitative objectives, except for the CRO whose percentage is 30%
7. The Corporate KPIs (used for the definition of the calculated maximum value) are established, each year, by the CNR, after listening to the CRP and the CAVR, based on the Business Plan or Budget for the respective period, previously approved by the Board of Directors, and will be part of the Autonomous Document, together with the respective values and weights.
8. The KPIs should be in line with the goals of the Strategic Plan and consider the risk appetite defined by the Bank and the capital and liquidity plans, Corporate KPIs being set for the global performance of the Bank and Individual KPIs for each director, adjusted to the corresponding areas of responsibility, under the provisions of the Corporate KPIs chapter of the VR Autonomous Document.
9. The calculation of the AVR amounts shall be made by the Human Resources Division and shall be audited by the Audit Division and, pursuant to a resolution adopted by the CRP or the CNR, those estimations may be validated by an external independent entity.
10. The attribution of the AVR depends on the performance recorded for each individual quantitative KPI, being calculated as follows [notwithstanding the provisions of Article 8 (16) and (17)]:

<b>Performance of the KPI Fixed</b>	<b>Amount to be attributed calculated according to the Target AVR range of the Fixed KPI according to the table in the VR Autonomous Document</b>
Less than 80%	No AVR shall be attributed for that quantitative objective;
Between 80% and 90%	Amount between 70% to 80%
Between 90% and 110%	Amount between 80% to 120%
Between 110% and 150%	Amount between 120% to 150%
150% or more	the amount corresponding to 150% of the AVR

11. The AVR attributed to each Executive Committee member due to the individual quantitative KPIs results from the following equation: percentage of the Target AVR based on the performance in accordance with the provision of no. 3 i).
12. The qualitative assessment of the members of the Executive Committee is the CNR's responsibility, after hearing the non-executive Chairperson and Vice-Chairpersons of the Board of Directors and the Chairperson of the Executive Committee, who will only decide on the other members of the Executive Committee.
13. The weighted annual assessment of the qualitative objectives will be measurable and determined according to a grid drawn up under the terms of the VR Autonomous Document.
14. The global performance of the qualitative objectives of each director results from the weighted average of the objectives set forth in the VR Autonomous Document (rounded to the unit), with the weight mentioned in no. 6, ii) of this article and according to the following parameters:

<b>Global performance of qualitative objectives</b>	<b>Amount to be attributed calculated according to the Target AVR range of that objective according to the table in the VR Autonomous Document</b>
Lower than level 2 - "Somewhat Lower than Expected"	No excess regarding the AVR will be calculated, as such
Between level 2 - "Somewhat Lower than Expected" and level 3 "Meets the Expected"	Amount between 60% to 100%
Between level 3 - "Meets the Expected" and level 4 "Above the Expected"	Amount between 100% to 130%

15. The AVR will be paid 50% in cash and 50% in shares or Other Instruments, on the AVR Payment Date, both in the deferred and non-deferred components.
16. The AVR will be deferred by 50% over a period of 5 years, one fifth of which will be paid in each

year, on the AVR Payment Date, with the payment to be made 50% in cash and 50% in shares of the Company or Other Instruments, both in the deferred and non-deferred components. If the AVR equals or exceeds two thirds of the AFR of each member, 60% of that amount must be paid in a deferred manner. If the AVR, considered alone or together with the LTVR paid in the same year, is equal to or less than € 50,000.00 and this sum does not represent more than one third of the Director's total annual remuneration, the AVR payment will be 100% in cash and there will be no deferral.

17. In the event of the end-of-office of the member of the Executive Committee, for any reason, other than dismissal with just cause, after the end of the evaluation period but before the AVR payment, the AVR corresponding to that evaluation period will be paid in full, in compliance with the deferment periods and composition (cash, shares or Other Instruments).
18. The AVR payment corresponding to the evaluation period in which the member of the Executive Committee ceases functions will not be due, except if such cessation occurs by mutual agreement, retirement, death, disability or in any other case of termination of term-of-office for a reason not imputable or unrelated to the member of the Executive Committee, namely change of control of the Company, among others, following a takeover bid, in which cases there will be a proposal for the attribution of the AVR pro-rata temporis - after resolution by the CRP, after hearing the CNR - and the maximum amount of the compensation shall consider the AVR average of the last 3 years, or a lower number of years if the Director has been in office for a period of less than 3 years.
19. In case a new executive director initiates his/her functions in the middle of the term, he/she will be entitled to a "pro rata temporis of the AVR.

## **Article 10**

### **(Long-term variable remuneration)**

1. The long-term variable remuneration (LTVR) is paid, on the LTVR Payment Date, exclusively by the attribution of shares of the Company or Other Instruments, taking into consideration the following benchmark values ("Target") and maximum limits [without prejudice to the provisions of article 8 (13)(14)]:
  - i) LTVR Target – 36% of the respective AFR of the LTVR evaluation period (corresponding to 40% of the sum of the Target AVR and Target LTVR)
  - ii) Maximum value of the LTVR in accordance with the provisions of the Autonomous Document - 50% of the respective AFR of the LTVR evaluation period
2. The CRP, in articulation with the CNR and after consulting the CAVR and the CAUD, may, namely, address any current or future risks, cost of own funds and liquidity required by the BCP Group, as well as to translate the Bank's exceptional performances:
  - i) Adjust the individual values of the LTVR resulting from the application of the percentages provided for in the previous number, in compliance with the legally established limits and in terms that do not affect the maximum calculated AVR, and/or
  - ii) Apply an adjustment factor to the calculated maximum amount of the LTVR provided for in paragraph 1 of this article, with a minimum of -25% and a maximum of +25%
3. Any adjustment made pursuant to the preceding paragraph shall be the subject of a written statement of grounds recorded in the minutes.

4. The calculation of the number of shares or Other Instruments corresponding to the LTVR to attribute is based on the results of the performance evaluation made during the LTVR Evaluation Period and is determined in accordance with the VR Autonomous Document.
5. The attribution of LTVR regarding the performance foreseen in the previous number depends on the achievement level of the objectives as of 31 December 2025 set forth in the VR Autonomous Document.
6. The performance evaluation components are of a quantitative nature and are established by the CNR, after listening to the CRP and contained in the VR Autonomous Document.
7. In case there is an operation changing the perimeter of BCP with relevant impact and the Board of Directors approves the alteration of the objectives of the Strategic Plan, the evaluation components must be revised accordingly by the CNR, after hearing the CRP.
8. The LTVR shall be deferred by 50% over a period of 5 years and one fifth shall be paid in each year, on the LTVR Payment Date. If the LTVR is, regarding each member, equal to or greater than two-thirds of the AFRs due for the LTVR Evaluation Period, the deferred amount shall be 60%. If the sum of the LTVR with the AVR paid in the same year equals or is lower than €50,000.00 and that sum does not represent more than one third of the total annual remuneration of the Director, the LTVR payment will not be deferred.
9. The LTVR payment requires the full exercise of the term of office or the remaining term of office for which the Executive Committee member was appointed, except in situations of mutual agreement dismissal, retirement, death, disability or any other cause for an early cessation of the term of office due to a cause not imputable or alien to the Executive Committee member, namely a change in the control of the Company, among others, following a takeover bid, in which cases there will be a proposal to allocate the LTVR *pro rata temporis*, after deliberation by the CRP, after hearing the CNR, at the end of the LTVR Evaluation Period.
10. If the member of the Executive Committee leaves office, for any reason other than dismissal with just cause, after the end of the evaluation period, but before the LTVR payment, there will be payment in full, corresponding to that evaluation period, with respect to the limits and periods of deferral and composition (shares or Other Instruments) provided for in the Policy.
11. Notwithstanding the provisions of this Article, the determination of the LTVR final amount shall consider the AVR amount, and the limitations provided for in Article 8 (16) and (17).

## **Article 11**

### **(Termination of functions before the end of the term of office)**

1. A Director who terminates functions before the end of the term of office without being based on resignation or dismissal with just cause, shall be entitled to compensation to be calculated by the CNR in accordance with article 3 above and the exact amount is to be approved by the CRP after hearing the CAVR.
2. The compensation to be attributed in compliance with the provisions of the preceding paragraph shall not qualify as fixed remuneration, and its payment shall be subject to the signing of a non-competition commitment, for a period corresponding to the term of office in progress at the date of the dismissal.
3. The amounts to be attributed in compliance with the provisions of number 1 above may not exceed the global fixed remuneration that would be due until the end of the mandate plus, in the case of executive committee members, an amount corresponding to the average of the AVRs allocated to them in the years in which they were in office during the mandate in

which they ceased.

## Article 12

### (Malus and clawback clauses)

1. The entire variable remuneration, regardless of the acquisition, or not, of vested rights, is subject to reduction or reversion mechanisms whenever it is proven that the Executive Committee member, with intent or gross negligence, participated in or was responsible for a performance that resulted into significant losses for the Group or ceased to comply with the suitability and good repute criteria until the date of the last payment of the variable remuneration in the case of the reduction mechanism and up to 3 years after payment of the deferred remuneration in the case of the reversion mechanism.
2. The ability to reduce (malus), totally or partially, the payment of deferred remuneration, the payment of which is not yet vested, and the return of variable remuneration paid, the payment of which constitutes vested rights (clawback), is limited to significant events, duly identified, in which the persons covered have had, with intent or gross negligence, an active participation.
3. The reduction or reversion of the variable remuneration should always be related with the performance or the risk and should respond to the effective results of risks or alterations in the continuing risks faced by the Group, the Bank or by the areas of the responsibility of the Executive Committee member in question and should not be based on the amount of dividends paid or on the evolution of the share price or Other Instruments.
4. The application of the clawback mechanism shall be supplementary to the reduction mechanism; that is, in case of a significant event, the application of the reduction mechanism (malus) shall take priority and only when this is exhausted, is insufficient, or arises from the verification that the Director has significantly contributed to the negative financial performance of the Group or to the application of regulatory sanctions, or in the event of fraud or other serious misconduct or negligence that has caused significant losses, the recourse to the clawback mechanism should be considered.
5. In any event and concerning the application of malus or clawback mechanisms, the EBA (European Banking Authority) guidelines that are in effect at the time, must always be observed and complied with.
6. The occurrence of the situations described in this article is supervised by the CNR and the application of those mechanisms shall be decided after hearing the CRP, the CAVR, the CAUD and the Chairperson of the Board of Directors.

## Chapter V - Other Provisions

### Article 13

#### (Benefits)

The Executive Committee members and the non-executive Directors exercising functions under an exclusive regime, are entitled to the following benefits:

- i) Health insurance, credit card and mobile phone, in line with what is attributed to the remaining Bank employees
- ii) Retirement Supplement



## **Article 14**

### **(Retirement pension supplement for disability and old age)**

1. The Directors mentioned in the previous article shall benefit from the social security regime applicable in each case.
2. The Directors mentioned in the previous article also have the right to a Retirement Supplement, constituted through capitalisation insurance contracts in which each Director will be the beneficiary
3. Pursuant to an agreement established with each Director, the capitalization insurance contract may be replaced by contributions to pension funds with a defined contribution.
4. The annual amount of the Bank's contributions, within the scope of the two previous numbers, shall be established by the CRP, after hearing the CNR.
5. The Bank's annual contribution for the plan set forth in the previous paragraph is equal to at least the value, before applying any income tax deductions for individuals, corresponding to 20% of the annual gross fixed remuneration defined at any given time by the CRP.
6. The Bank shall not bear any additional expenses with the retirement and disability pensions after the termination of each Director's functions.
7. The right to the supplement shall only become effective if the beneficiary retires due to old age or disability, under the terms of the social security regime applicable to him/her.
8. At the time of the effective retirement, the beneficiary may choose to redeem the capital if and to the extent that the contract underlying the alternative chosen by him/her, so allows.
9. If on the retirement date the beneficiary still performs the position that led to the retirement supplement, the plan shall only be activated when the beneficiary ceases the function that entitled him/her to this benefit.
10. In case of death before retirement, the right to receive the accrued capital shall remain effective pursuant to the applicable provisions established by the contract or by law.

## **Article 15**

### **(Pension discretionary benefits)**

The attribution of pension discretionary benefits, based on the Bank's performance or on the individual performance or on any other factors with a discretionary nature is not planned. However, the General Meeting of Shareholders may approve the attribution of an extraordinary contribution.

## **Article 16**

### **(Pre-retirement)**

The Bank's staff who have exercised administration functions at BCP and who, on the date and within the scope of the termination of these functions, are older than as provided for in the Work Collective Agreement to be able to benefit from the pre-retirement status, may benefit from this status by earning, between the date of pre-retirement and the effective date of retirement, 80% of the average of the 5 higher remunerations of General-Managers of the Bank at the time, having as minimum their last remuneration as employee of the Bank, provided that they have exercised the function of executive director for a period equal to or greater than 10 years and that they sign with the Bank a pact of non-competition in the financial sector.

## Article 17

### (Remuneration earned due to the performance of other functions related with BCP)

1. Considering that the remuneration of the executive members of the Board of Directors, as well as the one of the non-executive directors exercising functions under an exclusive regime is intended to directly compensate the activities they carry out directly at the Bank or with related companies (namely companies in a control or group relation with BCP) or in corporate bodies to which they have been appointed by indication or in representation of the Bank, the net value of the remunerations received annually for such duties by each executive member of the Board of Directors and each non-executive member exercising functions under an exclusive regime will be deducted from their respective AFR.
2. It is the obligation and responsibility of each member of the Board of Directors to inform the Bank of any additional compensation they may have received, for the purposes of complying with the procedure established above.

## Article 18

### (Insurances)

1. The Members of the Management and Supervisory Bodies must subscribe an insurance bond in compliance with the article 396 of the Companies Code.
2. In addition, the Bank subscribes to a Directors & Officers insurance policy following market practices.

## Article 19

### (Entry into force)

1. This Policy shall be applicable from January 1, 2024.
2. Regarding the instruments used to pay the variable remuneration, the provisions of number 278 of the EBA/GL/2021/04 (EN) relating to Directive 36 of the European Union must be observed, on the date of its attribution, regardless of the year to which it relates.

**Date of approval:** 22th May 2024

**Approving Body:** General Meeting of Shareholders of BCP

**Changes to Previous Version:** In addition to wording clarifications and other formal adjustments, the Basic Principles and Articles 2, 3, 4, 8, 9 and 10 have been altered and reorganized. The references in Article 9, n.o 11 and 14, and Article 10, n.o 2, have additionally been amended.